

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

We have audited the accompanying consolidated financial statements of Bank Asia Limited and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of Bank Asia Limited (the "Bank") which comprise the consolidated and separate balance sheets as at 31 December 2015, consolidated and separate profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the local central bank (Bangladesh Bank) Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in Note 2 to the financial statements appeared to be materially adequate;
 - nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;



- financial statements of all subsidiaries of the Bank have been audited by us as well as other auditors and have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred was for the purpose of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanations required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,825 person hours during the audit; and
- Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

হোদা বাসী চৌধুরী & কো
Hoda Vasi Chowdhury & Co
Chartered Accountants
BTMC Bhaban (7th Level)
7-9 Karwan Bazar, Dhaka-1215
Dhaka, 9 March 2016

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2015

Amount in Taka

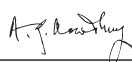
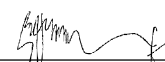
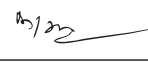
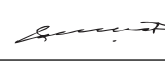

	Notes	31 Dec 2015	31 Dec 2014
PROPERTY AND ASSETS			
Cash	4(a)	12,470,996,852	10,951,752,735
In hand (including foreign currencies)	4.1(a)	1,691,680,962	1,334,530,665
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	10,779,315,890	9,617,222,070
Balance with other banks and financial institutions	5(a)	8,779,031,163	832,167,816
In Bangladesh		8,000,106,067	693,456,017
Outside Bangladesh		778,925,096	138,711,799
Money at call and on short notice	6(a)	3,230,000,000	300,000,000
Investments	7(a)	47,162,324,547	38,892,515,061
Government		43,717,224,029	34,844,385,059
Others		3,445,100,518	4,048,130,002
Loans and advances/investments	8(a)	139,004,595,335	119,890,004,570
Loans, cash credits, overdrafts, etc/investments		129,595,040,389	111,866,471,980
Bills purchased and discounted		9,409,554,946	8,023,532,590
Fixed assets including premises, furniture and fixtures	9(a)	5,092,815,069	5,237,641,931
Other assets	10(a)	9,925,844,072	7,989,760,255
Non - banking assets		-	-
Total assets		225,665,607,038	184,093,842,368
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	12,335,454,278	8,459,915,794
Subordinated non-convertible bonds	11(aa)	3,315,440,646	449,036,430
Deposits and other accounts	12(a)	170,145,826,321	140,681,116,682
Current/Al-wadeeah current accounts and other accounts		29,928,959,572	21,323,479,108
Bills payable		3,936,675,238	1,808,032,594
Savings bank/Mudaraba savings bank deposits		21,174,184,061	16,547,202,983
Fixed deposits/Mudaraba fixed deposits		115,106,007,450	101,002,401,997
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	21,172,640,859	17,901,674,358
Total liabilities		206,969,362,104	167,491,743,264
Capital/shareholders' equity			
Total shareholders' equity		18,696,244,934	16,602,099,104
Paid-up capital	14.2	8,392,951,530	7,629,955,940
Statutory reserve	15	5,876,250,921	5,051,466,882
Revaluation reserve	16(a)	2,549,629,842	2,682,592,433
General reserve		8,166,144	8,166,474
Retained earnings	17(a)	1,867,693,933	1,229,245,329
Foreign currency translation reserve		1,541,779	661,265
Non-controlling (minority) interest	17(b)	10,785	10,781
Total liabilities and shareholders' equity		225,665,607,038	184,093,842,368



Consolidated Balance Sheet

	Notes	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>			
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	94,579,682,894	71,527,154,594
Acceptances and endorsements		33,178,690,709	23,788,621,938
Letters of guarantee		29,263,667,968	21,663,339,317
Irrevocable letters of credit		23,093,149,701	19,948,666,485
Bills for collection		9,044,174,516	6,126,526,854
Other contingent liabilities		-	-
Other commitments		2,237,373,935	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,237,373,935	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		96,817,056,829	71,527,154,594

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

 Chairman	 Director	 Director	 Director	 President and Managing Director
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Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 09 March 2016

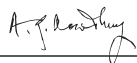
Bank Asia Limited and its subsidiaries

Consolidated Profit and Loss Statement

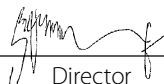
for the year ended 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>			
OPERATING INCOME			
Interest income	20(a)	13,944,811,681	13,963,856,420
Interest paid on deposits and borrowings, etc	21(a)	11,196,675,728	10,758,874,679
Net interest income		2,748,135,953	3,204,981,741
Investment income	22(a)	4,900,921,059	4,035,196,622
Commission, exchange and brokerage	23(a)	2,289,683,222	2,009,023,109
Other operating income	24(a)	581,780,321	571,357,099
		7,772,384,602	6,615,576,830
Total operating income (A)		10,520,520,555	9,820,558,571
OPERATING EXPENSES			
Salaries and allowances	25(a)	2,221,879,869	1,878,784,873
Rent, taxes, insurance, electricity, etc	26(a)	541,479,545	453,338,381
Legal expenses	27(a)	11,618,157	13,598,714
Postage, stamp, telecommunication, etc	28(a)	79,969,383	71,439,706
Stationery, printing, advertisements, etc	29(a)	101,396,676	77,514,359
Managing Director's salary and fees	30	16,732,000	14,159,744
Directors' fees	31(a)	4,840,350	2,971,250
Auditors' fees	32(a)	3,268,002	2,223,357
Depreciation and repairs of Bank's assets	33(a)	448,446,317	448,602,098
Other expenses	34(a)	1,065,743,171	1,085,927,807
Total operating expenses (B)		4,495,373,470	4,048,560,289
Profit before provision (C=A-B)		6,025,147,085	5,771,998,282
Provision for loans and advances/investments			
General provision		1,539,227,187	117,587,306
Specific provision		107,616,253	1,464,654,113
		1,646,843,440	1,582,241,419
Provision for off-balance sheet items		252,899,022	43,628,897
Provision for diminution in value of investments		-	63,352,383
Other provisions		10,000,000	55,000,000
Total provision (D)		1,909,742,462	1,744,222,699
Total profit before tax (C-D)		4,115,404,623	4,027,775,583
Provision for taxation			
Current tax	13.5.1(a)	1,550,073,235	1,964,118,166
Deferred tax	13.5.2(a)	15,261,354	51,100,000
		1,565,334,589	2,015,218,166
Net profit after tax		2,550,070,034	2,012,557,417
Appropriations			
Statutory reserve	15	824,784,039	843,391,005
General reserve		-	-
		824,784,039	843,391,005
Retained surplus		1,725,285,995	1,169,166,412
Attributable to:			
Equity holders of Bank Asia Limited		1,725,285,991	1,169,167,235
Non-controlling (minority) interest		4	(823)
		1,725,285,995	1,169,166,412
Earnings Per Share (EPS)	37(a)	3.04	2.40

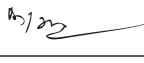
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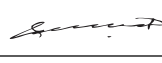
Chairman



Director



Director



Director



President and Managing Director

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 09 March 2016

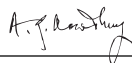
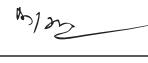
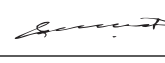



Bank Asia Limited and its subsidiaries Consolidated Cash Flow Statement

for the year ended 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		17,750,745,180	17,747,055,040
Interest payments		(11,428,144,861)	(9,796,358,377)
Fees and commission receipts		2,289,683,222	2,009,023,109
Cash payment to employees		(2,164,133,683)	(1,788,327,931)
Cash payment to suppliers		(166,750,485)	(146,926,629)
Income tax paid		(1,742,549,849)	(1,513,877,130)
Receipts from other operating activities	35 (a)	1,740,756,598	1,143,516,556
Payments for other operating activities	36 (a)	(1,723,145,625)	(1,642,595,736)
Operating profit before changes in operating assets & liabilities		4,556,460,497	6,011,508,902
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(19,098,891,994)	(11,511,408,570)
Other assets		(59,675,483)	32,591,102
Deposits from customers		29,464,709,639	5,719,145,651
Trading liabilities		3,875,538,484	5,949,836,738
Other liabilities		(66,879,611)	45,170,838
Net increase in operating liabilities		14,114,801,034	235,335,759
Net cash flows from operating activities		18,671,261,531	6,246,844,661
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(9,122,514,394)	(4,331,742,642)
Sale/(Purchase) of trading securities		603,029,484	(449,220,367)
Purchase of fixed assets		(239,807,039)	(309,086,528)
Net cash used in investing activities		(8,759,291,949)	(5,090,049,537)
Cash flows from financing activities (C)			
Payment for finance lease		(808,038)	(1,362,816)
Issue of floating rate non-convertible subordinated bonds		3,000,000,000	-
Adjustment of subordinated non-convertible zero coupon bond		(133,595,784)	(150,961,981)
Dividend paid		(381,497,797)	-
Net cash flows from/(used in) financing activities		2,484,098,381	(152,324,797)
Net increase in cash and cash equivalents (A+B+C)		12,396,067,964	1,004,470,327
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		12,086,802,751	11,082,332,424
Cash and cash equivalents at the end of the year		24,482,870,715	12,086,802,751
Cash and cash equivalents:			
Cash		1,691,680,962	1,334,530,665
Balance with Bangladesh Bank and its agent bank(s)		10,779,315,890	9,617,222,070
Balance with other banks and financial institutions		8,779,031,163	832,167,816
Money at call and on short notice		3,230,000,000	300,000,000
Prize bonds		2,842,700	2,882,200
		24,482,870,715	12,086,802,751

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

 Chairman	 Director	 Director	 Director	 President and Managing Director
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Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 09 March 2016

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

for the year ended 31 December 2015

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2014	6,936,323,590	4,208,075,877	2,705,391,603	8,166,474	-	699,449,908	14,557,407,452	11,604	14,557,419,056
Transferred during the year	-	843,391,005	-	-	-	(843,391,005)	-	-	-
Adjustment on revaluation of fixed assets and other investments	-	-	28,027,782	-	-	-	28,027,782	-	28,027,782
Transferred to retained earnings	-	-	(50,826,952)	-	-	50,826,952	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	3,433,584	3,433,584	-	3,433,584
Foreign currency translation for the year	-	-	-	-	661,265	(693,632,350)	661,265	-	661,265
Issue of bonus shares	693,632,350	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	2,012,558,240	2,012,558,240	(823)	2,012,557,417
Balance as at 31 December 2014	7,629,955,940	5,051,466,882	2,682,592,433	8,166,474	661,265	1,229,245,329	16,602,088,323	10,781	16,602,099,104
Transferred during the year	-	824,784,039	-	-	-	(824,784,039)	-	-	-
Adjustment for revaluation of fixed assets and others investments	-	-	(77,515,008)	-	-	-	(77,515,008)	-	(77,515,008)
Transferred to retained earnings	-	-	(55,447,583)	(330)	-	55,447,913	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	2,208,087	2,208,087	-	2,208,087
Foreign currency translation for the year	-	-	-	-	880,514	(762,995,590)	880,514	-	880,514
Issue of bonus shares	762,995,590	-	-	-	-	-	-	-	-
Issue of cash dividend	-	-	-	-	-	(381,497,797)	(381,497,797)	-	(381,497,797)
Net profit for the year	-	-	-	-	-	2,550,070,030	2,550,070,030	4	2,550,070,034
Balance as at 31 December 2015	8,392,951,530	5,876,250,921	2,549,629,842	8,166,144	1,541,779	1,867,693,933	18,696,234,149	10,785	18,696,244,934

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


Chairman


Director


Director


President and Managing Director



Bank Asia Limited Balance Sheet

as at 31 December 2015

Amount in Taka

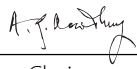
	Notes	31 Dec 2015	31 Dec 2014
PROPERTY AND ASSETS			
Cash	4	12,469,737,907	10,950,749,076
In hand (including foreign currencies)	4.1	1,690,422,017	1,333,527,006
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	10,779,315,890	9,617,222,070
Balance with other banks and financial institutions	5	8,275,831,706	743,113,165
In Bangladesh	5.1	7,561,200,515	682,549,164
Outside Bangladesh	5.2	714,631,191	60,564,001
Money at call and on short notice	6	3,230,000,000	300,000,000
Investments	7	46,942,774,876	38,683,407,600
Government		43,717,224,029	34,844,385,059
Others		3,225,550,847	3,839,022,541
Loans and advances/investments	8	136,396,335,681	116,808,854,559
Loans, cash credits, overdrafts, etc/investments		126,986,780,735	108,785,321,969
Bills purchased and discounted		9,409,554,946	8,023,532,590
Fixed assets including premises, furniture and fixtures	9	5,075,506,799	5,213,607,289
Other assets	10	11,957,122,419	10,031,208,657
Non - banking assets		-	-
Total assets		224,347,309,388	182,730,940,346
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	12,296,115,548	7,846,139,969
Subordinated non-convertible bonds	11 aa	3,315,440,646	449,036,430
Deposits and other accounts	12	169,827,340,391	140,869,286,126
Current/Al-wadeeah current accounts and other accounts		29,610,473,642	21,511,648,552
Bills payable		3,936,675,238	1,808,032,594
Savings bank/Mudaraba savings bank deposits		21,174,184,061	16,547,202,983
Fixed deposits/Mudaraba fixed deposits		115,106,007,450	101,002,401,997
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	19,929,080,918	16,702,053,325
Total liabilities		205,367,977,503	165,866,515,850
Capital/shareholders' equity			
Total shareholders' equity		18,979,331,885	16,864,424,496
Paid-up capital	14.2	8,392,951,530	7,629,955,940
Statutory reserve	15	5,876,250,921	5,051,466,882
Revaluation reserve	16	2,549,629,842	2,682,592,433
General reserve		8,166,144	8,166,474
Retained earnings	17	2,152,333,448	1,492,242,767
Total liabilities and shareholders' equity		224,347,309,388	182,730,940,346

Balance Sheet

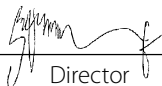
Amount in Taka

	Notes	31 Dec 2015	31 Dec 2014
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	94,579,682,894	71,527,154,594
Acceptances and endorsements		33,178,690,709	23,788,621,938
Letters of guarantee		29,263,667,968	21,663,339,317
Irrevocable letters of credit		23,093,149,701	19,948,666,485
Bills for collection		9,044,174,516	6,126,526,854
Other contingent liabilities		-	-
Other commitments		2,237,373,935	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,237,373,935	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		96,817,056,829	71,527,154,594

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



Chairman



Director



Director



Director



President and Managing Director

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 09 March 2016





Bank Asia Limited

Profit and Loss Statement

for the year ended 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>			
OPERATING INCOME			
Interest income	20	13,877,758,406	13,914,306,656
Interest paid on deposits and borrowings, etc	21	11,170,318,446	10,699,769,024
Net interest income		2,707,439,960	3,214,537,632
Investment income	22	4,890,834,267	4,029,119,872
Commission, exchange and brokerage	23	2,156,115,753	1,877,813,941
Other operating income	24	572,527,938	564,728,562
		7,619,477,958	6,471,662,375
Total operating income (A)		10,326,917,918	9,686,200,007
OPERATING EXPENSES			
Salaries and allowances	25	2,155,844,975	1,821,359,360
Rent, taxes, insurance, electricity, etc	26	514,123,923	429,936,885
Legal expenses	27	9,632,359	10,474,191
Postage, stamp, telecommunication, etc	28	76,977,146	68,249,997
Stationery, printing, advertisements, etc	29	99,636,353	75,546,760
Managing Director's salary and fees	30	16,732,000	14,159,744
Directors' fees	31	4,692,000	2,770,000
Auditors' fees	32	915,000	690,000
Depreciation and repairs of Bank's assets	33	441,174,277	440,643,021
Other expenses	34	1,001,527,229	1,043,538,876
Total operating expenses (B)		4,321,255,262	3,907,368,834
Profit before provision (C=A-B)		6,005,662,656	5,778,831,173
Provision for loans and advances/investments			
General provision		1,539,227,187	117,587,306
Specific provision		79,616,253	1,289,159,944
		1,618,843,440	1,406,747,250
Provision for off-balance sheet items		252,899,022	43,628,897
Provision for diminution in value of investments		-	56,500,000
Other provisions		10,000,000	55,000,000
Total provision (D)		1,881,742,462	1,561,876,147
Total profit before tax (C-D)		4,123,920,194	4,216,955,026
Provision for taxation			
Current tax	13.5.1	1,534,738,646	1,947,162,329
Deferred tax	13.5.2	15,261,354	51,100,000
		1,550,000,000	1,998,262,329
Net profit after tax		2,573,920,194	2,218,692,697
Appropriations			
Statutory reserve	15	824,784,039	843,391,005
General reserve		-	-
		824,784,039	843,391,005
Retained surplus		1,749,136,155	1,375,301,692
Earnings Per Share (EPS)	37	3.07	2.64

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

 Chairman
  Director
  Director
  Director
  President and Managing Director

Hoda Vasi Chowdhury & Co
 Hoda Vasi Chowdhury & Co
 Chartered Accountants
 Dhaka, 09 March 2016

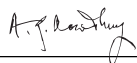
Bank Asia Limited

Cash Flow Statement

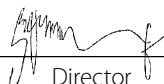
for the year ended 31 December 2015

	Notes	31 Dec 2015	Amount in Taka 31 Dec 2014
Cash flows from operating activities (A)			
Interest receipts		17,442,135,980	17,358,855,701
Interest payments		(11,170,318,446)	(9,404,679,897)
Fees and commission receipts		2,156,115,753	1,877,813,941
Cash payment to employees		(2,098,098,789)	(1,730,902,418)
Cash payment to suppliers		(164,990,162)	(144,959,030)
Income tax paid		(1,725,395,113)	(1,496,986,867)
Receipts from other operating activities	35	1,731,504,215	1,136,888,019
Payments for other operating activities	36	(1,624,094,674)	(1,568,756,470)
Operating profit before changes in operating assets & liabilities		4,546,858,764	6,027,272,979
increase/decrease in operating assets and liabilities			
Loans and advances to customers		(19,587,481,122)	(11,779,102,720)
Other assets		(42,095,074)	71,424,343
Deposits from customers		28,958,054,265	6,100,830,262
Trading liabilities		4,449,975,579	5,750,420,742
Other liabilities		(79,537,630)	(22,104,561)
Net increase in operating liabilities		13,698,916,018	121,468,066
Net cash flows from operating activities		18,245,774,782	6,148,741,045
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(9,122,514,394)	(4,331,742,642)
Sale/(Purchase) of trading securities		613,471,694	(418,308,935)
Purchase of fixed assets		(239,162,591)	(297,957,669)
Investments in subsidiaries		-	(25,900,000)
Net cash used in investing activities		(8,748,205,291)	(5,073,909,246)
Cash flows from financing activities (C)			
Payment for finance lease		(808,038)	(1,362,816)
Issue of floating rate non-convertible subordinated bonds		3,000,000,000	-
Adjustment of subordinated non-convertible zero coupon bond		(133,595,784)	(150,961,981)
Dividend paid		(381,497,797)	-
Net cash flows from/(used in) financing activities		2,484,098,381	(152,324,797)
Net increase in cash and cash equivalents (A+B+C)		11,981,667,872	922,507,002
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		11,996,744,441	11,074,237,439
Cash and cash equivalents at the end of the year		23,978,412,313	11,996,744,441
Cash and cash equivalents:			
Cash		1,690,422,017	1,333,527,006
Balance with Bangladesh Bank and its agent bank(s)		10,779,315,890	9,617,222,070
Balance with other banks and financial institutions		8,275,831,706	743,113,165
Money at call and on short notice		3,230,000,000	300,000,000
Prize bonds		2,842,700	2,882,200
		23,978,412,313	11,996,744,441

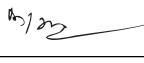
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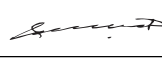
Chairman



Director



Director



Director



President and Managing Director

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 09 March 2016

Bank Asia Limited


Statement of Changes in Equity

for the year ended 31 December 2015

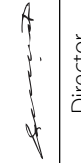
Amount in Taka

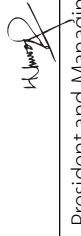
Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2014	6,936,323,590	4,208,075,877	2,705,391,603	8,166,474	759,746,473	14,617,704,017
Statutory reserve	-	843,391,005	-	-	(843,391,005)	-
Revaluation reserve	-	-	28,027,782	-	-	28,027,782
Transferred to retained earnings	-	-	(50,826,952)	-	50,826,952	-
Issue of bonus shares	693,632,350	-	-	-	(693,632,350)	-
Net profit for the year	-	-	-	-	2,218,692,697	2,218,692,697
Balance at 31 December 2014	7,629,955,940	5,051,466,882	2,682,592,433	8,166,474	1,492,242,767	16,864,424,496
Statutory reserve	-	824,784,039	-	-	(824,784,039)	-
Revaluation reserve	-	-	(77,515,008)	-	-	(77,515,008)
Transferred to retained earnings	-	-	(55,447,583)	(330)	55,447,913	-
Issue of bonus shares	762,995,590	-	-	-	(762,995,590)	-
Issue of cash dividend	-	-	-	-	(381,497,797)	(381,497,797)
Net profit for the year	-	-	-	-	2,573,920,194	2,573,920,194
Balance at 31 December 2015	8,392,951,530	5,876,250,921	2,549,629,842	8,166,144	2,152,333,448	18,979,331,885

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


Chairman


Director


Director


President and Managing Director



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

as at 31 December 2015

Amount in Taka

Particulars	Maturity				Total	
	Up to 1 month	1-3 months	3-12 months	1-5 years		Above 5 years
Assets						
Cash in hand and with banks	2,065,203,624	-	-	-	10,404,534,283	12,469,737,907
Balance with other banks and financial institutions	4,783,831,706	1,806,000,000	1,686,000,000	-	-	8,275,831,706
Money at call and on short notice	3,230,000,000	-	-	-	-	3,230,000,000
Investments	20,717,768,294	3,768,000,000	2,015,931,706	12,193,533,983	8,247,540,893	46,942,774,876
Loans and advances	28,470,000,000	36,890,000,000	44,766,300,000	17,506,465,357	8,763,570,324	136,396,335,681
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,075,506,799	5,075,506,799
Other assets	3,840,000,000	1,850,000,000	5,200,000,000	132,758,647	934,363,773	11,957,122,419
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	63,106,803,624	44,314,000,000	53,668,231,706	29,832,757,987	33,425,516,072	224,347,309,388
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	150,000,000	6,150,000,000	3,451,385,986	4,660,170,208	1,200,000,000	15,611,556,194
Deposits	35,938,700,000	53,535,400,000	42,503,800,000	16,953,015,639	20,896,424,752	169,827,340,391
Provision and other liabilities	560,000,000	2,130,000,000	6,130,000,000	6,997,323,508	4,111,757,410	19,929,080,918
Total Liabilities (B)	36,648,700,000	61,815,400,000	52,085,185,986	28,610,509,355	26,208,182,162	205,367,977,503
Net Liquidity Excess/(Shortage) (A-B)	26,458,103,624	(17,501,400,000)	1,583,045,720	1,222,248,632	7,217,333,910	18,979,331,885



Bank Asia Limited

Notes to financial statements

as at and for the year ended 31 December 2015

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 104 branches, 6 SME centres and 108 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

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

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

1.2 Principal activities

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

1.3 Islamic banking unit

The Bank obtained permission from Bangladesh Bank (country's central bank) to operate Islamic Banking Unit vide Bangladesh Bank's letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December 2008. The Bank commenced operation of this Unit from 24 December 2008. The Islamic Banking Unit is governed under the rules and regulations of Bangladesh Bank.

1.4 Off-shore banking unit

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

1.5 Bank Asia Securities Limited

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

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

1.6 BA Exchange Company (UK) Limited

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

1.7 BA Express USA inc

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

Notes to financial statements

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38) of the Bank Company Act 1991 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 2015
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) rules and regulations.

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

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

i) Presentation of financial statements

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

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2013) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and Securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

iii) Revaluation gain/loss on Government securities

BFRS: As per requirement of BAS 39 where T-bills and T-bonds will fall under the category of "held for trading", any change in the fair value of held for trading assets is recognized through profit and loss account. T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. However at the year-end if there is any revaluation gain for any particular held for trading T-bills/T-bonds, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bills/T-bonds. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve.



Notes to financial statements

iv) Provision on loans and advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by BAS 39.

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Repo transactions

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

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

viii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse to the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

ix) Cash and cash equivalent

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

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

x) Non-banking asset

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

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

xi) Cash flow statement

BFRS: Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

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

Notes to financial statements

xii) Balance with Bangladesh Bank: (CRR)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) Presentation of intangible asset

BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.
Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement of disclosure of off-balance sheet items.
Bangladesh Bank: As per BRPD circular no. 14 off balance sheet items must be disclosed separately in face of balance sheet. Accordingly the Bank has recognized the following off balance sheet items:

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

xv) Disclosure of appropriation of profit

BFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.
Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvi) Loans and advance net of provision

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

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.

Key estimates include the following:

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

2.4 Foreign currency transactions

Functional and presentation currency

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

Foreign currency translation

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



Notes to financial statements

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2015 have been converted into Taka currency at the notional rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2015 have been converted into Taka currency at the closing rate as on December 31, 2015 and profit and loss accounts have been converted into monthly average rate.

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

Commitment

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

Translation gain and losses

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

Foreign operations

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

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

2.5 Basis of consolidation

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

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

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Separate Financial Statements and Bangladesh Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31, 2015.

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

2.5.1 Subsidiaries of the Bank

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

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

2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Statement of Cash Flows" 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.

Notes to financial statements

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

Investment in securities

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

Held to maturity

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

Held for trading

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

Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Government treasury bills and bonds (HFT)	At present value (using marked to market concept)
Government treasury bills and bonds (HTM)	At present value (using amortisation concept)
Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost
Quoted shares (ordinary)	At cost (provision made for any shortfall arising due to reduce market price from cost price)

3.1.3 Investment in listed securities

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

3.1.4 Investment in unquoted securities

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

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

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

3.1.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the BAS 27 "Separate Financial Statements" and BFRS 10 "Consolidated Financial Statements".



Notes to financial statements

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. 16 dated November 18, 2014, BRPD circulars no. 5 dated 29 May 2013, 14 dated 23 September 2012, 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 5 dated 05 June 2006, 8 dated 07 August 2007, 10 dated 18 September 2007, 5 dated 29 April 2008 and 32 dated 27 October 2010.

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

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	House building and professional	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		2.5%	2.5%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

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

- e) Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.
- f) Large Loan Restructure
The Bank has restructured certain loan facilities of M/s. Samanaz Super Oil Limited, S. A. Oil Refinery Limited, Abdul Monem Suger Refinery Limited, Keya Spinning Mills Limited, Can- Am Garments (Pvt.) Limited and Shinepukur Ceramics Limited under BRPD Circular No 04 dated 29 January 2015 as confirmed vide BRPD letter dated 02 September 2015 for an aggregate amount of Tk. 3,725.98 million as per the terms and conditions of BRPD Circular No 04/2015.
- g) Stay Order Cases
The unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 7,874.16 million which have not been reported under classification as at 31 December 2015 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 1,138.13 million has been kept as general provision against those customers.

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.

Notes to financial statements

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 equipment 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.

Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. Asset category-wise depreciation rates are as follows:

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

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

Construction work in progress/Building under Construction

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

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



Notes to financial statements

sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with Bangladesh Accounting Standard (BAS) 16, Property, Plant and Equipment in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized up to the reporting period as there were no such indication existed as on Balance Sheet date.

3.1.11 Investment properties

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

3.1.12 Other assets

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

3.1.13 Inventories

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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

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

3.2.3 Other liabilities

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

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

3.3 Capital/shareholders' equity

Authorised capital

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

Paid-up capital

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

Statutory reserve

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

Revaluation reserve

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

Notes to financial statements

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

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

3.6 Revenue recognition

Interest income

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

Profit on investment (Islamic Banking)

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

Investment income

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

Interest and fees receivable on credit cards

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

Fees and commission income

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

Dividend income on shares

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

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



Notes to financial statements

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.

3.7.3 Superannuation and Benevolent Fund

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

3.7.4 Hospitalisation insurance

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

3.8 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items have been disclosed under contingent liabilities. As per BRPD circular no. 10 dated 18 September 2007, the Bank is required to maintain provision @ 1% against off-balance sheet exposures.

3.9 Provision for nostro accounts

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

3.10 Taxation

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

Current tax

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

Deferred tax

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

Notes to financial statements

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

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

3.11 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2015 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share issued for the year 2014. Details are 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.

3.12 Reconciliation of inter-bank/inter-branch account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on monthly basis and there are no material differences which may affect the financial statements significantly.

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

3.13 Risk Management at Bank Asia Ltd.

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

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

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



Notes to financial statements

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

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

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

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

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

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

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

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

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

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

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

Notes to financial statements

Asset Liability Management: The Asset Liability Risk is comprises of Balance Sheet Risk and liquidity risk. The Balance Sheet risk refers to risk of change in earning and/or devaluation of asset due to interest rate movement. The liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal/disbursement request by a counterparty/client. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors balance sheet risk.

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

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

Prevention of Money Laundering: Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

Ensuring internal control and compliance: Operational loss arising from error and fraud due to lack of proper internal control and compliance. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at corporate office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The audit Committee of the Board reviews the audit and inspection reports periodically and provides necessary instructions and recommendations for rectifications of lapses and observations identified by the audit team.

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

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

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

Managing Information and communication Technology Risk : Bank Asia Limited follows the guidelines issued by Bangladesh Bank on ICT Security for Banks and Financial Institutions. IT management deals with IT policy documentation, internal IT audit, training etc. The core objective of IT management is to achieve the highest levels of technology service quality and minimize possible operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

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

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

3.14 Events after reporting period

As per 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:



Notes to financial statements

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

3.18 Changes in Accounting Policies

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

3.19 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

Notes to financial statements

Name of the standards	Ref.	Status
Events after the Reporting Period	BAS-10	Complied
Construction Contracts	BAS-11	Complied
income Taxes	BAS-12	Complied
Property, Plant and Equipment	BAS-16	Complied
Leases	BAS-17	Complied
Revenue	BAS-18	Complied
Employee Benefits	BAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	N/A
The Effects of Changes in Foreign Exchange Rates	BAS-21	Complied
Borrowing Costs	BAS-23	Complied
Related Party Disclosures	BAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	N/A
Separate Financial Statements	BAS-27	Complied
Investments in Associates and Joint Ventures	BAS-28	Complied
Financial Instruments: Presentation	BAS-32	Complied
Earnings Per Share	BAS-33	Complied
Interim Financial Reporting	BAS-34	Complied
Impairment of Assets	BAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Complied
Intangible Assets	BAS-38	Complied
Financial Instruments: Recognition and Measurement	BAS-39	Complied
Investment property	BAS-40	Complied
Agriculture	BAS-41	N/A

3.20 Approval of financial statements

The financial statements were approved by the board of directors on 09 March 2016.

3.21 General

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



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
4 Cash		
4.1 In hand (including foreign currencies)		
Conventional and Islamic banking:		
Local currency	1,684,148,099	1,314,418,826
Foreign currencies	6,273,918	19,108,180
	1,690,422,017	1,333,527,006
Off-shore banking unit	-	-
	1,690,422,017	1,333,527,006
4.1(a) Consolidated cash In hand		
Bank Asia Limited	1,690,422,017	1,333,527,006
Bank Asia Securities Limited	11,890	6,029
BA Exchange Company (UK) Limited	1,149,477	989,788
BA Express USA, Inc.	97,578	7,842
	1,691,680,962	1,334,530,665
4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Conventional and Islamic banking :		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	10,273,716,981	9,417,361,100
Foreign currencies	54,872,119	7,358,020
	10,328,589,100	9,424,719,120
Balance with agent bank (Sonal Bank Limited)		
Local currency	450,726,790	192,502,950
Foreign currencies	-	-
	450,726,790	192,502,950
	10,779,315,890	9,617,222,070
Off-shore banking unit	-	-
	10,779,315,890	9,617,222,070
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bank Asia Limited:	10,779,315,890	9,617,222,070
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	10,779,315,890	9,617,222,070

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991, DOS circular no. 01 dated 19 January 2014 and MPD circular no. 01 dated 23 June 2014.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 6.5% (both conventional and islamic banking) has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

4.3.1 Cash Reserve Ratio (CRR) Conventional Banking

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

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
i. Daily Bank's CRR maintenance:		
Required reserve (6 % on Demand and Time Liabilities)	9,264,830,688	7,974,415,968
Actual reserve maintained	9,873,248,326	9,006,032,000
Surplus	<u>608,417,638</u>	<u>1,031,616,032</u>
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6.5 % of Demand and Time Liabilities)	10,036,899,912	8,638,950,632
Actual reserve maintained (average)	10,214,093,492	8,696,864,450
Surplus	<u>177,193,580</u>	<u>57,913,818</u>
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (6% Demand and Time Liabilities)	339,354,804	302,662,272
Actual reserve maintained	374,427,389	330,813,000
Surplus	<u>35,072,585</u>	<u>28,150,728</u>
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6.5% of Demand and Time Liabilities)	367,634,371	327,884,128
Actual reserve maintained (Average)	419,834,471	330,813,000
Surplus	<u>52,200,100</u>	<u>2,928,872</u>
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities :		
Required reserve	20,073,799,824	17,277,901,264
Actual reserve maintained	45,523,070,000	35,483,104,000
Surplus	<u>25,449,270,176</u>	<u>18,205,202,736</u>
Islamic Banking		
5.5% of Average Demand and Time Liabilities :		
Required reserve	311,075,215	277,440,416
Actual reserve maintained	344,478,000	292,091,000
Surplus	<u>33,402,785</u>	<u>14,650,584</u>
	<u>25,482,672,961</u>	<u>18,219,853,320</u>
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	1,669,236,000	1,086,945,632
Excess of CRR - Balance with Bangladesh Bank	-	367,081,368
Balance with agent bank (Sonali Bank Limited)	453,110,000	187,061,000
Government securities	43,397,881,000	33,834,134,000
Other securities	2,843,000	7,882,000
	<u>45,523,070,000</u>	<u>35,483,104,000</u>
Islamic Banking		
Cash in hand	21,186,000	12,163,000



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
Excess of CRR - Balance with Bangladesh Bank	6,792,000	2,928,000
Government securities	316,500,000	277,000,000
	<u>344,478,000</u>	<u>292,091,000</u>
	<u>45,867,548,000</u>	<u>35,775,195,000</u>
5. Balance with other banks and financial institutions		
In Bangladesh		
Conventional and Islamic banking (Note 5.1.1 and 5.3)	7,561,200,515	682,549,164
Off-shore banking unit	-	-
	<u>7,561,200,515</u>	<u>682,549,164</u>
Outside Bangladesh		
Conventional and Islamic banking (Note 5.2.1)	667,400,444	39,192,638
Off-shore banking unit	47,230,747	21,371,363
	<u>714,631,191</u>	<u>60,564,001</u>
	<u>8,275,831,706</u>	<u>743,113,165</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	766,332	739,539
Sonali Bank Limited	176,737,352	31,264,648
Standard Chartered Bank	424,319	2,585,337
Trust Bank Limited	12,978,486	(8,881,968)
	<u>191,774,249</u>	<u>26,575,316</u>
Short- notice deposit accounts		
BRAC Bank Limited	3,750,038	3,149,305
AB Bank Limited	513,475	501,161
Islami Bank Bangladesh Limited	169,835	168,009
Uttara Bank Limited	2,155,993	2,155,373
	<u>6,589,341</u>	<u>5,973,848</u>
Fixed deposit accounts/ MTDR		
Islamic Finance and Investment Limited	100,000,000	-
Hajj Finance Company Limited	500,000,000	400,000,000
Social Islami Bank Limited	300,000,000	-
Bank Alfalah limited	836,925	-
Union Bank Limited	150,000,000	250,000,000
	<u>1,050,836,925</u>	<u>650,000,000</u>
	<u>1,249,200,515</u>	<u>682,549,164</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
5.2 Outside Bangladesh		
5.2.1 Conventional and Islamic banking		
Current accounts		
Interest bearing :		
Citibank N.A., London (EURO)	159,182	108,207
Citibank N.A., London (GBP)	82,968,317	3,394,848
Citibank NA, New York (USD)	302,610	11,186,740
Habib American Bank, New York	144,425,283	128,702
Mashreqbank psc, New York (USD)	850,164	2,582,588
Standard Chartered Bank, Mumbai	5,900,215	307,144
Standard Chartered Bank, New York	7,768,429	1,727,732
	242,374,200	19,435,961
Non-interest bearing :		
AB Bank Limited, Mumbai	11,400,461	143,908
Al Rajhi Bank K.S.A	1,584,110	1,584,110
Bhutan National Bank Limited, Thimphu	3,130,597	1,675,306
Casisse Centrale Desjardins	139,953	188,024
Commerzbank AG, Frankfurt (EURO)	355,026,015	2,316,074
Commerzbank AG, Frankfurt (USD)	594,622	230,799
Habib Metropolitan Bank Limited, Karachi	274,569	125,558
Habib Bank UK, London	928,580	534,923
ICICI Bank Limited, Hong Kong	832,673	101,973
ICICI Bank Limited, Mumbai	20,363,433	234,662
JP Morgan Chase Bank N.A New York, U.S.A	6,627,865	17,728
Mashreqbank psc, Mumbai (EURO)	611,632	-
Muslim Commercial Bank Limited, Colombo	6,544,592	1,826,083
Muslim Commercial Bank Limited, Karachi	5,309,756	4,765,166
National Australia Bank Limited	538,034	1,311,723
Nepal Bangladesh Bank Limited, Kathmandu	1,174,790	165,509
Sonali Bank (UK) Limited, London	5,426,143	1,452,914
Saudi Hollandi K.S.A	109,714	109,714
UBAF, Tokyo	1,694,244	1,353,200
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	772,144	432,348
Wells Fargo Bank NA, New York, (USD)	1,419,864	3,473
Wells Fargo Bank NA, London, (Euro)	214,222	1,099,274
Zurcher Kantonal Bank, Switzerland	308,231	84,208
	425,026,244	19,756,677
	667,400,444	39,192,638
5.3 Placements		
With Banking companies (Note 5.3.1 and 5.3.2)	6,312,000,000	-
With Non-banking financial institutions (Note 5.3.3)	-	-
	6,312,000,000	-
	6,312,000,000	-



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
5.3.1 Placement- with Banking companies (Local Currency):		
NRB Bank Limited	200,000,000	-
Jamuna Bank Limited	800,000,000	-
Midland Bank Limited	250,000,000	-
AB Bank Limited	800,000,000	-
Standard Bank Limited	800,000,000	-
Dhaka Bank Limited	1,000,000,000	-
Meghna Bank Limited	200,000,000	-
	<u>4,050,000,000</u>	<u>-</u>
5.3.2 Placement- with Banking companies (Foreign Currencies):		
Mutual Trust Bank Limited	312,000,000	-
Eastern Bank Limited	780,000,000	-
Islami Bank Bangladesh Limited	1,170,000,000	-
	<u>2,262,000,000</u>	<u>-</u>
	<u>6,312,000,000</u>	<u>-</u>
5.3.3 Placement- with Non-banking financial institutions:		
	<u>-</u>	<u>-</u>
5.4 Maturity grouping of balance with other banks and financial institutions		
Up to 1 month	4,783,831,706	93,113,165
More than 1 month but not more than 3 months	1,806,000,000	450,000,000
More than 3 months but not more than 6 months	1,686,000,000	200,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<u>8,275,831,706</u>	<u>743,113,165</u>
5(a) Consolidated Balance with other banks and financial institutions In Bangladesh		
Bank Asia Limited	7,561,200,515	682,549,164
Bank Asia Securities Limited	444,415,554	309,529,359
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>8,005,616,069</u>	<u>992,078,523</u>
Less: Inter-company transactions	5,510,002	298,622,506
	<u>8,000,106,067</u>	<u>693,456,017</u>
Outside Bangladesh		
Bank Asia Limited	714,631,191	60,564,001
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	11,453,875	5,931,538
BA Express USA, Inc.	52,840,030	72,216,260
	<u>778,925,096</u>	<u>138,711,799</u>
	<u>8,779,031,163</u>	<u>832,167,816</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
6. Money at call and on short notice		
Call money		
With Banking companies (Note 6.1)	1,730,000,000	-
With Non-banking financial institutions	1,500,000,000	300,000,000
	<u>3,230,000,000</u>	<u>300,000,000</u>
6.1 Call Money- with Banking companies:		
Trust Bank Limited	200,000,000	-
The City Bank Limited	550,000,000	-
AB Bank Limited	600,000,000	-
NRB Bank Limited	180,000,000	-
National Credit and Commerce Bank Limited	200,000,000	-
	<u>1,730,000,000</u>	<u>-</u>
6.2 Call Money- with non Banking financial institutions:		
Investment Corporation of Bangladesh	1,500,000,000	300,000,000
	<u>1,500,000,000</u>	<u>300,000,000</u>
6(a) Consolidated Money at call and on short notice		
Bank Asia Limited	3,230,000,000	300,000,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>3,230,000,000</u>	<u>300,000,000</u>
7. Investments		
Government (Note 7.1)	43,717,224,029	34,844,385,059
Others (Note 7.2)	3,225,550,847	3,839,022,541
	<u>46,942,774,876</u>	<u>38,683,407,600</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	43,717,224,029	34,844,385,059
Off-shore banking unit	-	-
	<u>43,717,224,029</u>	<u>34,844,385,059</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	12,398,308,492	14,847,995,557
Treasury bonds (Note 7.1.1.2)	22,826,335,573	19,991,007,302
30 Days Bangladesh Bank Bill	8,489,737,264	-
Debentures of House Building Finance Corporation	-	2,500,000
Prize bonds	2,842,700	2,882,200
	<u>43,717,224,029</u>	<u>34,844,385,059</u>
7.1.1.1 Treasury bills		
91 days treasury bills	-	1,234,632,839
182 days treasury bills	3,955,418,886	4,083,217,616
364 days treasury bills	8,442,889,606	9,530,145,102
	<u>12,398,308,492</u>	<u>14,847,995,557</u>



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
7.1.1.2 Treasury bonds		
Bangladesh Bank Islamic bond	316,500,000	277,000,000
2 years Bangladesh Government treasury bonds	4,423,112,974	100,735,393
5 years Bangladesh Government treasury bonds	4,504,469,124	7,050,955,584
10 years Bangladesh Government treasury bonds	7,982,384,397	10,354,284,549
15 years Bangladesh Government treasury bonds	5,357,143,643	1,965,315,049
20 years Bangladesh Government treasury bonds	242,725,435	242,716,727
	<u>22,826,335,573</u>	<u>19,991,007,302</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	3,225,550,847	2,439,022,541
Off-shore banking unit	268,320,000	1,400,000,000
Less: Adjustment with OBU	(268,320,000)	-
	<u>3,225,550,847</u>	<u>3,839,022,541</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	575,132,992	553,925,167
Unquoted shares	145,529,880	142,817,792
	<u>720,662,872</u>	<u>696,742,959</u>
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st Bangladesh Fixed income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
EXIM Bank 1st Mutual Fund	248,740,000	248,740,000
	<u>748,405,000</u>	<u>748,405,000</u>
c) Debentures		
Beximco Denims Limited	9,537,605	9,537,605
Beximco Textiles Limited	6,445,370	6,445,370
	<u>15,982,975</u>	<u>15,982,975</u>
d) Bonds		
ACI Zero Coupon Bonds (Details are shown in Annexure-B)	-	7,891,607
MTBL subordinated bond	112,500,000	150,000,000
MTB Second subordinated bond	400,000,000	-
UCB Second subordinated bond	300,000,000	-
Premier Bank Non-convert subordinated bond	200,000,000	-
Prime Bank Limited	140,000,000	140,000,000
BSRML	88,000,000	100,000,000
SIBL subordinated Mudaraba bond	200,000,000	-
	<u>1,440,500,000</u>	<u>397,891,607</u>
e) Investment in commercial paper		
Investment in commercial paper	300,000,000	-

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
f) Placements		
With Banking companies (Note 7.2.1(a))	-	280,000,000
With Non-banking financial institutions (Note 7.2.1(b))	-	300,000,000
	-	580,000,000
	<u>3,225,550,847</u>	<u>2,439,022,541</u>
	-	-
7.2.1(a) Placement- with Banking companies (Local Currency):		
7.2.1(b) Placement- with Banking companies (Foreign Currency):		
National Credit and Commerce Bank Limited	-	280,000,000
7.2.1(c) Placement- with Non-banking financial institutions:		
Lanka Bangla Finance Limited	-	200,000,000
Uttara Finance	-	100,000,000
Placement with Off-shore Banking Unit	2,028,000,000	2,233,000,000
	2,028,000,000	2,533,000,000
Less : Adjustment with OBU	(2,028,000,000)	(2,233,000,000)
	-	300,000,000
7.3 Investments classified as per Bangladesh Bank circular:		
Held for trading (HFT)	26,142,981,291	19,451,266,209
Held to maturity (HTM)	17,254,900,038	15,110,736,650
Other securities	3,544,893,547	4,121,404,741
	<u>46,942,774,876</u>	<u>38,683,407,600</u>
7.4 Maturity-wise grouping		
On demand	20,717,768,294	16,985,900,000
Up to 3 months	3,768,000,000	114,200,000
More than 3 months but not more than 1 year	2,015,931,706	1,915,700,000
More than 1 year but not more than 5 years	12,193,533,983	10,238,807,161
More than 5 years	8,247,540,893	9,428,800,439
	<u>46,942,774,876</u>	<u>38,683,407,600</u>
7(a) Consolidated Investments		
Government		
Bank Asia Limited	43,717,224,029	34,844,385,059
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>43,717,224,029</u>	<u>34,844,385,059</u>
Others		
Bank Asia Limited	3,225,550,847	3,839,022,541
Bank Asia Securities Limited	219,549,671	209,107,461
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>3,445,100,518</u>	<u>4,048,130,002</u>
	<u>47,162,324,547</u>	<u>38,892,515,061</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
8 Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	126,986,780,735	108,785,321,969
Bills purchased and discounted (Note 8.2)	9,409,554,946	8,023,532,590
	<u>136,396,335,681</u>	<u>116,808,854,559</u>
8.1 Loans, cash credits, overdrafts, etc/investments Conventional and Islamic banking		
Inside Bangladesh		
Overdrafts/ Quard against deposit	26,068,572,073	24,321,536,886
Cash credit/Bai Murabaha (Muajjal)	1,240,217,716	981,745,955
Loans (General)/ Musharaka	25,657,793,569	21,908,836,092
House building loans	363,244,511	163,889,214
Loan against trust receipts/ Bai Murabaha post import	9,778,733,091	11,205,600,235
Payment against documents	83,837,021	252,102,150
Consumer credit scheme	5,482,235,146	4,073,104,225
Transport loan	1,372,176,280	1,141,077,392
Term loan- industrial	7,089,737,174	5,857,182,563
Term loan- others/ Hire purchase under Shirkatul Melk	35,884,085,008	32,840,211,015
Staff Loan	1,241,675,689	1,090,191,930
Credit card	1,147,963,907	1,063,165,332
Small and medium enterprise (SME)	3,414,655,444	2,675,505,156
Export Development Fund (EDF)	6,856,433,607	458,290,732
Credit for poverty alleviation scheme-micro credit	8,306,310	9,133,858
	125,689,666,546	108,041,572,735
Outside Bangladesh	-	-
	<u>125,689,666,546</u>	<u>108,041,572,735</u>
Off-shore banking unit	1,297,114,189	743,749,234
	<u>126,986,780,735</u>	<u>108,785,321,969</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	1,984,645,881	2,202,147,551
Off-shore banking unit	7,424,909,065	5,821,385,039
	<u>9,409,554,946</u>	<u>8,023,532,590</u>
8.3 Maturity-wise grouping		
Repayable on demand	28,470,000,000	19,956,300,000
Not more than 3 months	36,890,000,000	19,665,100,000
More than 3 months but not more than 1 year	44,766,300,000	49,731,300,000
More than 1 year but not more than 5 years	17,506,465,357	18,872,447,359
More than 5 years	8,763,570,324	8,583,707,200
	<u>136,396,335,681</u>	<u>116,808,854,559</u>
8.4 Net loans and advances/investments		
Gross loans and advances/investments	136,396,335,681	116,808,854,559
Less: Interest suspense (Note 13.4)	1,329,213,289	1,007,483,804
Provision for loans and advances/investments	5,996,663,988	5,137,046,801
	<u>7,325,877,277</u>	<u>6,144,530,605</u>
	<u>129,070,458,404</u>	<u>110,664,323,954</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh:		
Loans	99,677,990,946	83,482,039,128
Cash credits	1,240,217,716	981,745,955
Overdrafts	26,068,572,073	24,321,536,886
Bills purchased and discounted	8,274,990,805	7,271,781,516
	135,261,771,540	116,057,103,485
Outside Bangladesh:		
Bills purchased and discounted	1,134,564,141	751,751,074
	<u>136,396,335,681</u>	<u>116,808,854,559</u>
8.6 Significant concentration wise grouping		
a) Directors		
b) Chief Executive and other senior executives		
i) Managing Director	37,114,000	39,618,000
ii) Other senior executives	153,223,000	117,589,000
	190,337,000	157,207,000
c) Agriculture	1,758,344,878	745,388,605
d) Industry		
Food Manufacturing	12,589,410,605	7,848,022,727
Beverage industry	137,226,152	94,320,987
Tobacco industry	363,932,480	393,563,461
RMG industry	15,002,056,365	11,846,737,555
Textile industry	9,680,046,409	5,138,976,708
Wood cork and allied products	43,731,288	51,208,121
Furniture and Fixture	111,272,351	20,956,820
Paper and paper products	3,633,854,545	3,078,221,421
Leather and leather products	1,140,874,771	2,426,337,694
Rubber products	1,466,528,781	1,273,888,312
Chemical and chemical products	184,876,352	104,284,670
Basic metal products	4,209,128,222	4,877,305,760
Electrical machinery and apparatus	1,638,684,681	469,408,735
Other manufacturing industries	11,513,566,877	13,591,073,418
Ship building	1,508,697,227	1,792,336,749
Ship breaking	1,669,419,773	2,442,189,299
Pharmaceutical	435,057,428	897,981,102
	65,328,364,305	56,346,813,540
e) Constructions	4,913,520,108	3,982,289,868
f) Power, Gas, Water and Sanitary Services	690,115,603	2,962,258,181
g) Transport, Storage and Communication	3,551,828,290	3,133,841,256
h) Trade Services	27,009,000,921	23,849,756,816
i) Housing Services	10,443,774,077	6,899,076,581
j) Banking and Insurance	6,273,075,107	6,128,734,220
k) Professional and Misc. services	16,237,975,393	12,603,488,491
	<u>136,396,335,681</u>	<u>116,808,854,559</u>



Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
8.7 Geographical location-wise grouping		
Inside Bangladesh		
Urban		
Dhaka Division	96,511,152,242	79,086,334,912
Chittagong Division	22,655,581,079	25,051,386,983
Khulna Division	1,687,587,832	1,302,548,652
Rajshahi Division	2,636,913,917	1,897,683,219
Barisal Division	320,246,771	163,887,729
Sylhet Division	1,174,723,244	899,970,548
Rangpur Division	128,484,180	101,415,622
	125,114,689,265	108,503,227,665
Rural		
Dhaka Division	6,189,526,578	4,527,525,175
Chittagong Division	2,658,659,000	2,521,857,389
Khulna Division	430,495,191	215,763,329
Sylhet Division	433,078,723	300,741,637
Rajshahi Division	1,569,886,924	739,739,364
	11,281,646,416	8,305,626,894
Outside Bangladesh	-	-
	<u>136,396,335,681</u>	<u>116,808,854,559</u>
8.8 Loans/investments including bills purchased and discounted covered by securities		
Collateral of movable/immovable assets	90,581,161,309	80,124,327,682
Local banks and financial institutions' guarantee	172,198,853	449,232,462
Foreign banks' guarantee	139,337,839	336,094,000
Export documents	11,240,162,670	2,084,461,133
Cash and quasi cash	7,820,531,705	6,371,898,082
Personal guarantee	14,760,566,031	15,494,554,950
Other securities	11,682,377,275	11,948,286,249
	<u>136,396,335,681</u>	<u>116,808,854,559</u>
8.9 Details of large loans/investments		
As at 31 December 2015 there were fifteen (2014: sixteen) clients with whom amount of outstanding and classified loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 22,836.83 million as at 31 December 2015 (Taka 17,843.22 million in 2014).		
8.10 Particulars of loans and advances/investments		
i) Loans/investments considered good in respect of which the Bank is fully secured	109,953,392,375	89,366,013,359
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	14,760,566,031	15,494,554,950
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	11,682,377,275	11,948,286,249
iv) Loans/investments adversely classified; provision not maintained there against	-	-
	<u>136,396,335,681</u>	<u>116,808,854,559</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
v) Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,241,675,689	1,090,191,930
vi) Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii) Maximum total amount of advances/investments, including temporary advances/investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,241,675,689	1,090,191,930
viii) Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix) Due from banking companies	9,409,554,946	8,023,532,590
x) Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a) increase/(Decrease) of provision (specific)	(1,025,150,301)	906,825,023
Amount of loan written off	1,075,794,018	471,377,402
Amount realised against the loans previously written off	55,044,236	76,606,895
b) Provision kept against loans/investments classified as bad debts	2,911,650,000	3,981,260,000
Interest credited to interest suspense account	1,329,213,289	1,007,483,804
xi) c) Cumulative amount of written off loans/investments		
Opening balance	3,126,674,625	2,655,297,223
Amount written off during the year	1,075,794,018	471,377,402
	4,202,468,643	3,126,674,625
The amount of written off loans/investments for which law suit has been filed	4,202,468,643	3,126,674,625

8.11 Grouping as per classification rules**Unclassified:**

Standard including staff loan
Special mentioned account

120,546,797,905	106,002,370,559
10,040,665,935	4,605,934,000

Classified:

Sub-standard
Doubtful
Bad/loss

312,964,106	425,308,000
249,400,700	151,917,000
5,246,507,035	5,623,325,000
5,808,871,841	6,200,550,000
136,396,335,681	116,808,854,559



Notes to financial statements

Amount in Taka

31 Dec 2015

31 Dec 2014

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2015	Base for provision	%	Required provision	
				Amount	
For loans and advances/Investments:					
Unclassified - general provision					
All unclassified loans (other than SME financing, house building loan and loan to Brokerage House (BH))					
consumer finance, staff loan and SMA	82,363,355,636	82,363,355,636	1% to 5%	1,435,558,124	799,148,327
Small and medium enterprise financing	14,672,976,258	14,672,976,258	0.25%	36,682,441	28,777,738
House building loan and loan for professional	4,108,512,180	4,108,512,180	2.00%	82,170,244	58,653,960
Loans to BH	7,302,302,791	7,302,302,791	2.00%	146,046,056	65,062,873
Consumer finance	2,135,952,098	2,135,952,098	5.00%	106,797,605	80,889,850
Special mentioned account	10,040,665,935	8,086,824,491	0.25% to 90%	1,162,273,786	57,602,910
Staff loan	1,241,675,688	-	-	-	-
				2,969,528,255	1,090,135,657
Off-shore unit					
Unclassified loans (general)	8,722,023,254	8,722,023,254	1%	87,220,233	65,651,343
Special mentioned account	-	-	-	-	-
				87,220,233	65,651,343
Classified - specific provision:					
Sub-standard	312,964,106	282,307,931	20% / 5%	48,999,356	48,556,000
Doubtful	249,400,700	117,528,908	50%	58,764,454	37,789,450
Bad/loss	5,246,507,035	2,802,826,066	100%	2,802,826,066	3,449,119,000
				2,910,589,876	3,535,464,450
Required provision for loans and advances				5,967,338,364	4,691,251,450
Total provision maintained					
Conventional and Islamic Banking (Note 13.1)				5,909,443,755	5,071,395,458
Off-shore Banking Unit				87,220,233	65,651,343
				5,996,663,988	5,137,046,801
Excess provision at 31 December				29,325,624	445,795,351

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
8.13 Suits filed by the Bank (Branch wise details)		
Agrabad	1,529,757,584	1,562,036,126
Anderkilla	675,478,880	236,276,883
Ashulia	18,425,030	14,163,464
Bahadderhat	61,924,493	92,569,803
Bashundhara	10,014,528	25,180,188
Bhatiary	355,567,422	-
Bogra	61,831,085	-
Cards Dept.	58,705	58,705
CDA Avenue	473,956,426	411,873,961
Chatkhil	17,361,013	17,361,013
Corporate	323,039,732	323,938,255
Dhanmondi	89,427,533	87,499,269
EPZ	5,519,100	-
Gulshan	155,723,299	101,159,943
Jatrabari SME Centre	851,992	851,992
Jurain SME Centre	941,349	941,349
Kamal Bazar	315,335	315,335
Khatunganj	2,014,225,997	1,991,645,961
Khulna	77,394,034	77,394,034
Lohagara	18,602,599	-
Malkhanagar	124,311,455	124,311,455
MCB Banani	40,300,342	40,300,343
MCB Dilkusha	109,418,307	85,270,398
MCB Sk. Mujib Road	1,725,777,188	1,282,530,284
Mirpur	18,886,181	18,886,181
Mitford	185,455,977	52,106,556
Moghbazar	53,513,290	-
Mohakhali	879,256	593,321
Narayanganj	2,834,027	-
North South Road	47,098,679	196,565,388
Paltan	6,708,387	-
Progoti Sarani	5,988,412	-
Principal Office	405,550,329	405,550,329
Rajshahi	2,752,675	2,752,675
Ramgonj SME/Agri	10,032,139	7,337,232
Rekabi bazar SME Center	348,681	348,681
Scotia	441,397,024	625,254,415
Shantingar	86,316,221	86,316,221
Station Road	154,116,307	154,116,307
Sylhet Main	22,160,533	17,534,302
Sylhet Uposhahar	172,482,880	156,159,197
Sylhet Uposhahar Islamic Window	15,253,933	-
Tarail	-	8,786,422
Uttara	157,458,561	590,000
	<u>9,679,456,921</u>	<u>8,208,575,986</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
8.14 Bills purchased and discounted		
Payable in Bangladesh	8,274,990,805	7,271,781,516
Payable outside Bangladesh	1,134,564,141	751,751,074
	<u>9,409,554,946</u>	<u>8,023,532,590</u>
8.15 Maturity-wise grouping of bills purchased and discounted		
Payable within 1 month	4,704,777,473	4,011,766,295
More than 1 month but less than 3 months	3,387,439,781	2,888,471,732
More than 3 months but less than 6 months	1,317,337,692	1,123,294,563
More than 6 months	-	-
	<u>9,409,554,946</u>	<u>8,023,532,590</u>
8.(a) Consolidated Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	126,986,780,735	108,785,321,969
Bank Asia Securities Limited	5,488,271,756	5,832,650,452
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>132,475,052,491</u>	<u>114,617,972,421</u>
Less: Inter- companies transactions	2,880,012,102	2,751,500,441
	<u>129,595,040,389</u>	<u>111,866,471,980</u>
Bills purchased and discounted		
Bank Asia Limited	9,409,554,946	8,023,532,590
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>9,409,554,946</u>	<u>8,023,532,590</u>
	<u>139,004,595,335</u>	<u>119,890,004,570</u>
9 Fixed assets including premises, furniture and fixtures		
Conventional and Islamic banking (Note 9.1)	5,075,506,799	5,213,383,925
Off-shore banking unit	-	223,364
	<u>5,075,506,799</u>	<u>5,213,607,289</u>
9.1 Conventional and Islamic banking		
Cost:		
Land	2,643,839,095	2,643,839,095
Building	2,481,719,434	2,481,719,434
Furniture and fixtures	1,078,978,805	1,018,231,865
Equipments	667,517,646	583,090,424
Computer and accessories	326,512,576	290,281,363
Construction work in progress	27,596,071	-
Motor vehicles	197,552,984	169,041,839
	<u>7,423,716,612</u>	<u>7,186,204,021</u>
Less: Accumulated depreciation	2,292,762,232	1,921,769,778
Adjustment of Assets revaluation	55,447,581	50,826,951
Written down value at the end of the year	<u>5,075,506,799</u>	<u>5,213,607,289</u>

Details are shown in Annex C.

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
9(a) Fixed assets including premises, furniture and fixtures		
Bank Asia Limited	5,075,506,799	5,213,607,289
Bank Asia Securities Limited	1,071,096	5,425,783
BA Exchange Company (UK) Limited	7,479,587	9,279,242
BA Express USA, Inc.	8,757,587	9,329,617
	<u>5,092,815,069</u>	<u>5,237,641,931</u>
10 Other assets		
Conventional and Islamic banking (Note 10.1)	11,941,026,682	9,997,566,025
Off-shore banking unit	16,095,737	33,642,632
	<u>11,957,122,419</u>	<u>10,031,208,657</u>
10.1 Conventional and Islamic banking		
income generating other assets		
Investment in Bank Asia Securities Ltd - incorporated in Bangladesh	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited - incorporated in United Kingdom	36,000,000	39,000,000
Investment in BA Express USA Inc. - incorporated in USA	74,880,000	67,200,000
	<u>2,110,870,000</u>	<u>2,106,190,000</u>
Non-income generating other assets		
income receivable (Note 10.2)	749,621,375	582,140,959
Stock of stamps	4,437,741	4,474,167
Stationery, printing materials, etc	24,225,777	22,461,472
Prepaid expenses	4,597,953	4,118,192
Deposits and advance rent	286,441,642	312,040,642
Due from Capital Market Division of the Bank	4,999,998	9,999,998
Advances, prepayments and others (Note 10.3)	78,979,432	64,960,017
Advance income tax	8,232,300,531	6,498,450,622
Receivable against government	192,578,533	217,579,825
Sundry debtors	81,128,329	23,026,906
Protested bills	73,897,265	73,942,765
Receivable from BA Exchange Company (UK) Limited	38,788,424	34,708,663
Receivable from BA Express USA Inc.	52,180,322	39,382,567
Excise duty recoverable	5,979,360	4,089,230
	<u>9,830,156,682</u>	<u>7,891,376,025</u>
	<u>11,941,026,682</u>	<u>9,997,566,025</u>

10.2 income receivable

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

10.3 Advances, prepayments and others

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

10.4 Receivable from Government in connection with Rangs Properties:

The Bank has a receivable from Government in connection with demolition of Rangs Bhaban in 2008 situated at 113-116 Old Airport Road, Dhaka-1215. Bank Asia had a purchased floor at 3rd floor of the Building, where from the then Scotia Branch used to run. Total receivable in this regard is Tk. 3,19,52,365.00 (Taka three crore nineteen lac fifty two thousand three hundred sixty five) which was eventually written-off from the Book considering uncertainty and prolonged legal proceedings.

10(a) Consolidated Other assets



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
Bank Asia Limited	11,957,122,419	10,031,208,657
Bank Asia Securities Limited	141,764,313	130,797,800
BA Exchange Company (UK) Limited	2,541,447	3,301,441
BA Express USA, Inc.	29,742,877	19,299,059
	<u>12,131,171,056</u>	<u>10,184,606,957</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	34,248,240	35,780,220
Investment in BA Express USA, Inc.	75,120,000	74,985,254
Receivable from BASL	4,999,998	9,999,998
Receivable from BA Exchange Company (UK) Limited	38,788,424	34,708,663
Receivable from BA Exchange USA, Inc.	52,180,322	39,382,567
	<u>9,925,844,072</u>	<u>7,989,760,255</u>

10(aa) Demutualization membership of Dhaka Stock Exchange

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk 153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk 10 each, totalling Tk 72,151,060. The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more than the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

11 Borrowings from other banks, financial institutions and agents

Conventional and Islamic banking (Note 11.1)	6,344,881,709	3,021,476,083
Off-shore banking unit (Note 11.2)	7,979,233,839	7,099,663,886
Less: Inter borrowings between OBU and Conventional Banking	(2,028,000,000)	(2,275,000,000)
	<u>12,296,115,548</u>	<u>7,846,139,969</u>

11.1 Conventional and Islamic banking

In Bangladesh (Note 11.1.1)	6,344,881,709	3,021,476,083
Outside Bangladesh	-	-
	<u>6,344,881,709</u>	<u>3,021,476,083</u>

11.1.1 In Bangladesh

Secured:

Un secured:

Money at call and on short notice

State Bank of India	150,000,000.00	230,000,000.00
Rupali Bank	-	400,000,000.00
United Commercial Bank Limited	-	200,000,000.00
IFIC Bank Limited	-	600,000,000.00
Basic Bank	-	300,000,000.00
Dutch Bangla Bank Limited	-	450,000,000.00
	<u>150,000,000.00</u>	<u>2,180,000,000.00</u>

Term borrowing

Bangladesh Bank refinance	111,663,096	811,476,083
SME Foundation Pre Finance	45,000,000	30,000,000
Borrowing A/C (AGRI Taka 10)	12,534,753	-
Borrowing A/C Jute refinance	15,000,000	-
Export development fund	6,010,683,860	-
Onshore export discount fund	268,320,000	-
	<u>6,463,201,709</u>	<u>841,476,083</u>

Less: Inter borrowings between OBU and Conventional Banking	(268,320,000)	-
	<u>6,344,881,709</u>	<u>3,021,476,083</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
11.2 Borrowing at Off-shore banking unit		
Secured		
Un secured:		
Conventional Banking	2,034,500,000	2,275,000,000
International Finance Corporation	2,347,500,000	2,100,000,000
Bankmuscat, Oman	-	385,000,000
BMI Bank, Bahrain	-	525,000,000
Commercial Bank of Ceylon, Bangladesh	-	175,000,000
First Gulf Bank	391,250,000	-
Habib Bank Limited, Bangladesh	-	119,000,000
ICICI, Hong Kong	391,250,000	868,000,000
Mashreq, USA	782,500,000	-
National Bank of Ras Al Khaimah	694,578,770	-
Nepal Bangladesh Bank Limited	391,250,000	-
Noor Islami Bank, Dubai, UAE	-	17,690,176
United Bank Limited, UAE	855,896,955	634,973,710
United Bank Limited, USA	90,508,114	-
	<u>7,979,233,839</u>	<u>7,099,663,886</u>
11 (a) Consolidated Borrowings from other banks, financial institutions and agents		
Bank Asia Limited	12,296,115,548	7,846,139,969
Bank Asia Securities Limited	2,919,350,832	3,365,276,266
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>15,215,466,380</u>	<u>11,211,416,235</u>
Less: inter- companies transactions	2,880,012,102	2,751,500,441
	<u>12,335,454,278</u>	<u>8,459,915,794</u>
11 (aa) Subordinated Non-Convertible Bonds		
Subordinated Non-Convertible Zero Coupon Bond		
A.K Khan & Company Limited	131,432,375	187,096,765
AB Bank 1st Mutual Fund	19,964,080	28,419,290
EBL First Mutual Fund	5,252,844	7,477,535
EBL NRB Mutual Fund	10,472,960	14,908,480
EXIM Bank 1st Mutual Fund	21,027,740	29,933,432
First Bangladesh Fixed income Fund	110,375,180	157,121,403
IFIC Bank 1st Mutual Fund	5,236,480	7,454,240
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	6,442,507	9,171,045
Popular Life 1st Mutual Fund	5,236,480	7,454,240
	<u>315,440,646</u>	<u>449,036,430</u>
Subordinated Non-Convertible Floating Rate Bond		
Agrani Bank Limited	200,000,000	-
BRAC Bank Limited	100,000,000	-
Janata Bank Limited	250,000,000	-
Mercantile Bank Limited	500,000,000	-
One Bank Limited	600,000,000	-
Pubali Bank Limited	250,000,000	-
Rupali Bank Limited	600,000,000	-
Sonali Bank Limited	500,000,000	-
	<u>3,000,000,000</u>	<u>-</u>
	<u>3,315,440,646</u>	<u>449,036,430</u>



Notes to financial statements

	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>		
11.2 Maturity-wise grouping		
Payable on demand	150,000,000	2,180,000,000
Up to 1 month	-	2,911,539,969
More than 1 month but within 3 months	6,150,000,000	700,000,000
More than 3 months but within 1 year	3,451,385,986	2,024,600,000
More than 1 year but within 5 years	4,660,170,208	479,036,430
More than 5 years	1,200,000,000	-
	15,611,556,194	8,295,176,399

11.3 Disclosure regarding REPO

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

(i) Disclosure regarding outstanding REPO as on 31 December

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

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

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

b Disclosure regarding overall transaction of REPO & Reverse REPO :

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

12 Deposits and other accounts

Conventional and Islamic banking (Note 12.1)	168,779,426,028	139,948,578,380
Off-shore banking unit	1,047,914,363	920,707,746
	169,827,340,391	140,869,286,126

Deposits and other accounts

Current/Al-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	28,576,124,590	20,617,888,516
	28,576,124,590	20,617,888,516

Bills payable

Deposits from banks	-	-
Deposits from customers	3,936,675,238	1,808,032,594
	3,936,675,238	1,808,032,594

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	21,174,184,061	16,547,202,983
	21,174,184,061	16,547,202,983

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
Fixed deposits/Mudaraba fixed deposits		
Deposits from banks	28,516,974	15,574,726
Deposits from customers	115,063,925,165	100,959,879,561
	115,092,442,139	100,975,454,287
	168,779,426,028	139,948,578,380
12.1 Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)	28,516,974	15,574,726
Deposits from customers (Note 12.1.2)	168,750,909,054	139,933,003,654
	168,779,426,028	139,948,578,380
12.1.1 Deposits from banks		
Fixed deposit/SND		
AB Bank Limited	40,218	1,320,235
EXIM Bank Limited	19,906,448	7,702,712
Sonali Bank Limited	7,500,000	5,504,734
Social Islami Bank Limited	534,138	522,530
Trust Bank Limited	536,170	524,515
	28,516,974	15,574,726
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	28,576,124,590	20,617,888,516
Bills payable (Note 12.1.2b)	3,936,675,238	1,808,032,594
Savings bank/Mudaraba savings deposits	21,174,184,061	16,547,202,983
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	115,063,925,165	100,959,879,561
	168,750,909,054	139,933,003,654
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	11,223,610,142	7,268,978,934
Other demand deposit - Local currency	13,198,114,224	10,579,482,537
Other demand deposit - Foreign currencies	3,397,550,856	2,221,246,152
Foreign currency deposits	756,849,368	548,180,893
	28,576,124,590	20,617,888,516
12.1.2b Bills payable		
Bills payable - local currency	3,930,474,264	1,801,046,700
Bills payable - foreign currencies	6,200,974	6,985,894
	3,936,675,238	1,808,032,594
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	66,067,219,535	61,408,417,355
Special notice deposit	17,363,342,993	13,412,462,265
Foreign currency deposits (interest bearing)	3,132,058	5,481,257
Deposit under schemes	31,630,230,579	26,133,518,684
	115,063,925,165	100,959,879,561



Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	12,257,959,194	8,162,738,970
Savings bank/Mudaraba savings deposits	1,905,676,565	1,489,248,268
Foreign currency deposits (non interest bearing)	4,154,400,224	2,769,427,045
Sundry deposits	13,198,114,224	10,579,482,537
Bills payable	3,936,675,238	1,808,032,594
	<u>35,452,825,445</u>	<u>24,808,929,414</u>
b) Time deposits		
Savings bank/Mudaraba savings deposits	19,268,507,496	15,057,954,715
Fixed deposits/Mudaraba fixed deposits	66,109,301,820	61,450,939,791
Foreign currency deposits (interest bearing)	3,132,058	5,481,257
Special notice deposit	17,363,342,993	13,412,462,265
Deposits under schemes	31,630,230,579	26,133,518,684
	<u>134,374,514,946</u>	<u>116,060,356,712</u>
	<u>169,827,340,391</u>	<u>140,869,286,126</u>
12.3 Sector-wise break-up of deposits and other accounts		
Government	2,097,504,000	3,029,841,834
Deposit from banks	28,516,974	15,574,726
Other public	1,678,389,000	4,591,458,051
Foreign currencies	5,211,647,619	3,702,601,942
Private	160,811,282,798	129,529,809,573
	<u>169,827,340,391</u>	<u>140,869,286,126</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	28,516,974	15,574,726
Up to 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>28,516,974</u>	<u>15,574,726</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	4,340,600,000	4,658,900,000
Up to 1 month	29,531,907,788	25,245,225,274
Over 1 month but within 6 months	51,636,400,000	60,894,067,406
Over 6 months but within 1 year	42,503,800,000	10,514,600,000
Over 1 year but within 5 years	16,953,015,639	16,635,045,039
Over 5 years	20,896,424,752	21,097,841,087
	<u>165,862,148,179</u>	<u>139,045,678,806</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
Bills payable		
Payable on demand	2,037,675,238	195,900,000
Up to 1 month	-	-
Over 1 month but within 6 months	1,899,000,000	1,612,132,594
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,936,675,238</u>	<u>1,808,032,594</u>
	<u>169,827,340,391</u>	<u>140,869,286,126</u>
12(a) Consolidated Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Bank Asia Limited	29,610,473,642	21,511,648,552
Bank Asia Securities Limited	323,995,932	110,453,062
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>29,934,469,574</u>	<u>21,622,101,614</u>
Less: Inter-company transactions	5,510,002	298,622,506
	<u>29,928,959,572</u>	<u>21,323,479,108</u>
Bills payable		
Bank Asia Limited	3,936,675,238	1,808,032,594
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>3,936,675,238</u>	<u>1,808,032,594</u>
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	21,174,184,061	16,547,202,983
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>21,174,184,061</u>	<u>16,547,202,983</u>
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	115,106,007,450	101,002,401,997
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>115,106,007,450</u>	<u>101,002,401,997</u>
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	19,901,699,382	16,702,053,325
Off-shore banking unit	27,381,536	-
	<u>19,929,080,918</u>	<u>16,702,053,325</u>
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.2)	5,996,663,988	5,137,046,801
Provision on off-balance sheet exposures (Note 13.3)	968,170,568	715,271,546
Interest suspense account (Note 13.4)	1,329,213,289	1,007,483,804
Provision for income tax including deferred tax (Note 13.5)	10,199,628,405	8,649,628,405



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
Provision for performance and festival bonus	227,942,238	210,196,052
Master card and Visa card payables	852,192	6,442,077
Expenditures and other payables	69,672,602	79,210,397
Obligation under finance lease (Note 13.6)	2,137,300	6,251,573
Provision for nostro accounts (Note 13.7)	-	-
Other payable	58,670,181	31,764,540
Provision for profit equalisation	21,128,871	31,518,386
Provision for Smart Junior Saver A/c	101,196	114,983
Provision for diminution in value of shares (Note 13.8)	143,383,553	303,383,553
Payable to Government	61,196,920	29,307,621
Provision for others (Note 13.9)	134,822,336	124,822,336
Unearned income	181,953,218	181,778,928
Clearing adjustment account	63,374,050	56,793,187
Interest payable on subordinated non-convertible zero coupon bond	155,988,585	24,653,825
Branch adjustment account credit balance	286,799,890	64,385,311
Adjustment with OBU	-	42,000,000
	19,901,699,382	16,702,053,325

13.2 Provision for loans and advances/investments

A. General

Balance at the beginning of the year	1,090,135,458	1,015,707,596
Add: Provision made during the year		
On unclassified loans and advances/investments etc.	1,517,658,297	74,427,862
Transfer from Provision for diminution in value of shares	160,000,000	-
Transfer from Specific Provision	230,000,000	-
	1,907,658,297	74,427,862
Less: Provision no longer required		
On general loans and advances/investments etc.	-	-
On special mentioned account	-	-
Balance as at 31 December	2,997,793,755	1,090,135,458

B. Specific

Balance at the beginning of the year	3,981,260,000	3,074,434,778
Less: Transfer to General Provision	(230,000,000)	-
Write off/amicable settlement during the year	(974,270,489)	(506,121,466)
	(1,204,270,489)	(506,121,466)
Add/ Back: Recoveries of amounts previously written off	55,044,236	76,606,895
Provision against malkhanagar protested bills	-	47,179,849
Specific provision made during the year for other accounts	79,616,253	1,289,159,944
	134,660,489	1,412,946,688
Balance as at 31 December	2,911,650,000	3,981,260,000

C. Total provision on loans and advances/investments (A+B)

D. General provision maintained for OBU as at 01 January

Add: Provision made during the year	65,651,343	22,491,899
Provision on loans and advances for OBU	21,568,890	43,159,444
	87,220,233	65,651,343

E. Total provision on loans and advances/investments (C+D)

	5,996,663,988	5,137,046,801
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Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
13.3 Provision on off-balance sheet exposures		
Balance as at 1 January	713,516,428	668,513,351
Add: Provision made during the year	253,361,910	45,003,077
	966,878,338	713,516,428
Less: Adjustments made during the year	-	-
Balance at the end of the year	966,878,338	713,516,428
General provision maintained for OBU as at 01 January	1,755,118	3,129,298
Add: Provision made during the year	-	-
Less: Adjustments made during the year	(462,888)	(1,374,180)
	1,292,230	1,755,118
Balance as at 31 December	968,170,568	715,271,546
13.4 Interest suspense account		
Balance as at 1 January	1,007,483,804	687,051,851
Add: Amount transferred to interest suspense account during the year	2,293,051,562	1,975,538,924
	3,300,535,366	2,662,590,775
Less: Amount of interest suspense recovered	1,894,605,120	1,614,950,742
Interest waiver during the year	76,716,957	40,156,229
	1,971,322,077	1,655,106,971
Balance as at 31 December	1,329,213,289	1,007,483,804
13.5 Provision for taxation		
Current tax (Note 13.5.1)	9,832,107,040	8,297,368,394
Deferred tax (Note 13.5.2)	367,521,365	352,260,011
	10,199,628,405	8,649,628,405
13.5.1 Provision for current tax		
Balance as at 1 January	8,297,368,394	6,350,206,065
Add: Provision made during the year	1,534,738,646	1,947,162,329
	9,832,107,040	8,297,368,394
Less: Adjustments made during the year	-	-
Balance as at 31 December	9,832,107,040	8,297,368,394
13.5.2 Provision for deferred tax		
Balance as at 1 January	352,260,011	301,160,011
Provision made for deferred tax liabilities:		
Charged/(credited) to profit and loss statement	15,261,354	51,100,000
Charged/(credited) to revaluation reserve	-	-
	15,261,354	51,100,000
	367,521,365	352,260,011
Provision made for deferred tax assets	-	-
Balance as at 31 December	367,521,365	352,260,011



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
13.5.1(a) Consolidated Provision for current tax		
Bank Asia Limited	1,534,738,646	1,947,162,329
Bank Asia Securities Limited	15,183,964	16,893,989
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	150,625	61,848
	<u>1,550,073,235</u>	<u>1,964,118,166</u>
13.5.2(a) Consolidated provision for deferred tax		
Bank Asia Limited	15,261,354	51,100,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>15,261,354</u>	<u>51,100,000</u>
13.6 Obligation under finance lease		
Motor vehicles	2,137,300	6,251,573
	<u>2,137,300</u>	<u>6,251,573</u>
13.7 Provision for nostro accounts		
As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months. Details of unrecognized entries are shown in Annex I.		
13.8 Provision for diminution in value of shares		
Balance as at 1 January	303,383,553	246,883,553
Less: Transfer to general provision for loans and advances/investments	(160,000,000)	-
Add: Provision made during the period	-	56,500,000
Balance as at 31 December	<u>143,383,553</u>	<u>303,383,553</u>
Provision requirement	96,659,798	303,129,012
Provision maintained	143,383,553	303,383,553
Surplus provision maintained	<u>46,723,755</u>	<u>254,541</u>
13.9 Provision for others :		
Balance as at 1 January	124,822,336	69,831,098
Adjustment made during the year	-	(8,762)
Add: Provision made during the period	10,000,000	55,000,000
Balance as at 31 December	<u>134,822,336</u>	<u>124,822,336</u>
Provision requirement	108,844,000	90,926,000
Provision maintained	134,822,336	124,822,336
Surplus provision maintained	<u>25,978,336</u>	<u>33,896,336</u>

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

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
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13.10 Branch adjustment accounts

This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2015 are given below:

	"Number of unresponded entries (Debit)"	Amount of unresponded entries (Taka)	Number of unresponded entries (Credit)	Amount of unresponded entries (Taka)
Up to 3 months	162	58,174,263	94	43,304,589
More than 3 months				
but within 6 months	2	381,060	15	2,146,495
More than 6 months				
but within 1 year	2	675,005	5	94,844
More than 1 year				
but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	166	59,230,328	114	45,545,928

13(a) Consolidated Other liabilities

Bank Asia Limited	19,929,080,918	16,702,053,325
Bank Asia Securities Limited	1,234,291,546	1,195,047,962
BA Exchange Company (UK) Limited	47,822,793	36,237,391
BA Express USA, Inc.	57,414,346	52,426,908
	<u>21,268,609,603</u>	<u>17,985,765,586</u>
Less: Inter- companies transactions		
Receivable from BASL	4,999,998	9,999,998
Receivable from BA Exchange (UK) Limited	38,788,424	34,708,663
BA Express USA, Inc.	52,180,322	39,382,567
	<u>21,172,640,859</u>	<u>17,901,674,358</u>

14 Share capital

14.1 Authorized capital

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

56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each issued as bonus shares	3,640,107,700	3,640,107,700
Right shares issued 25% for the year 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	693,632,350
Issued as bonus shares 10% for the year 2014	762,995,590	-
	<u>8,392,951,530</u>	<u>7,629,955,940</u>



Notes to financial statements

Amount in Taka

31 Dec 2015

31 Dec 2014

14.3 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 2003.

14.4 Capital to risk-weighted asset

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014 and The calculation of CAR under Basel II has been made as per BRPD Circular no. 10 dated March 10, 2010.

	In line of Basel III	In line of Basel II
Paid up capital	8,392,951,530	7,629,955,940
Statutory reserve (Note 15)	5,876,250,921	5,051,466,882
General reserve	8,166,144	-
Retained earnings (Note 17)	2,152,333,448	1,492,242,767
	16,429,702,043	14,173,665,589
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	29,600,000	-
Common Equity Tier -1 capital (Going-Concern Capital)/ Core Capital	16,400,102,043	14,173,665,589
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	16,400,102,043	14,173,665,589
Tier - 2 Capital (Gone-Concern Capital)/ Supplementary capital		
General provision maintained against unclassified loan/investments	2,048,254,188	1,155,786,801
General provision on off-balance sheet exposure	-	715,271,546
Subordinated non-convertible zero coupon bonds	3,315,440,646	449,036,430
General reserve	-	8,166,474
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	6,704,991,051	3,669,557,468
Less: Regulatory adjustments 20 % of revaluation reserve for fixed assets, securities and equity securities	268,259,243	-
Total Tier- 2 Capital	6,436,731,807	3,669,557,468
A) Total capital	22,836,833,850	17,843,223,057
B) Total risk weighted assets (RWA)	183,247,385,000	157,574,620,000
C) Required capital	18,324,738,500	15,757,462,000
D) Capital surplus (A-C)	4,512,095,350	2,085,761,057
Capital to risk weighted asset ratio/ Capital adequacy ratio:		
Common Equity Tier- 1 / core capital to RWA (minimum 4.5% under Basel III and 5% under Basel II)	8.95%	8.99%
Tier- 1 / core capital to RWA (minimum 5.5% under Basel III and 5% under Basel II)	8.95%	8.99%
Capital to Risk Weighted Assets against minimum requirement 10%	12.46%	11.32%

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14.4 (a) Consolidated capital to risk-weighted asset

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014 and The calculation of CAR under Basel II has been made as per BRPD Circular no. 10 dated March 10, 2010.

	In line of Basel III	In line of Basel II
Paid up capital	8,392,951,530	7,629,955,940
Non-controlling (Minority) interest	10,785	10,781
Statutory reserve (Note 15)	5,876,250,921	5,051,466,882
General reserve	8,166,144	-
Retained earnings (Note 17)	1,867,693,933	1,229,245,329
	16,145,073,313	13,910,678,932
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	29,600,000	-
Common Equity Tier -1 capital (Going-Concern Capital)/ Core Capital	16,115,473,313	13,910,678,932
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	16,115,473,313	13,910,678,932
Tier - 2 Capital (Gone-Concern Capital)/ Supplementary capital		
General provision maintained against unclassified loan/investments	2,044,930,000	1,155,786,801
General provision on off-balance sheet exposure	-	715,271,546
Subordinated non-covertable zero coupon bonds	3,315,440,646	449,036,430
General reserve	-	8,166,474
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	6,701,666,863	3,669,557,468
Less: Regulatory adjustments		
20 % of revaluation reserve for fixed assets, securities and equity securities	268,259,243	-
Total Tier- 2 Capital	6,433,407,619	3,669,557,468
A) Total capital	22,548,880,932	17,580,236,400
B) Total risk weighted assets (RWA)	182,715,722,148	159,062,557,435
C) Required capital	18,271,572,215	15,906,255,744
D) Capital surplus (A-C)	4,277,308,718	1,673,980,656
Capital to risk weighted asset ratio/ Capital adequacy ratio:		
Common Equity Tier- 1 / core capital to RWA (minimum 4.5% under Basel III and 5% under Basel II)	8.82%	8.75%
Tier- 1 / core capital to RWA (minimum 5.5% under Basel III and 5% under Basel II)	8.82%	8.75%
Capital to Risk Weighted Assets against minimum requirement 10%	12.34%	11.05%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2015 No. of shares	At 31 December 2015 %	At 31 December 2014 No. of shares	At 31 December 2014 %
Sponsors & Directors	389,992,062	46.47	354,538,315	46.47
General public	147,851,402	17.62	141,895,144	18.60
Institutions	259,288,145	30.89	230,714,179	30.24
Investment companies	33,672,122	4.01	28,030,782	3.66
Non-resident Bangladeshi	5,824,752	0.69	5,392,928	0.71
Foreign investors	2,666,670	0.32	2,424,246	0.32
	839,295,153	100.00	762,995,594	100.00



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14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2015	2014	2015	2014
Less than 5000	10572	13792	1.31	1.64
5,000 to 50,000	1917	2024	3.02	3.34
50,001 to 100,000	133	126	1.14	1.14
100,001 to 200,000	66	72	1.11	1.38
200,001 to 300,000	32	22	0.92	0.71
300,001 to 400,000	14	22	0.58	1.02
400,001 to 50,000	11	11	0.57	0.66
500,001 to 1,000,000	36	35	2.94	3.3
1,000,001 to 10,000,000	88	84	29.22	28.31
Over 10,000,000	23	23	59.19	58.41
	12,892	16,211	100	100

14.7 Name of the Directors and their shareholdings as at 31 December 2015

Sl	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	20,701,617	18,819,652
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	32,873,520	29,885,019
3	Mr. A M Nurul Islam (Independent Director)	Vice Chairman	-	-
4	Mr. Mohammed Lakiotullah (Independent Director)	Director	-	-
5	Mrs. Hosneara Sinha	Director	38,285,809	34,805,281
6	Mr. Rume A Hossain	Director	22,137,321	20,124,838
7	Ms. Farhana Haq Chowdhury	Director	22,832,883	20,757,167
8	Mr. M Irfan Syed (Representative director of Amiran Generations Ltd.)	Director	26,630,337	24,209,398
9	Ms. Naheed Akhter Sinha	Director	40,199,287	36,544,807
10	Mr. Shah Md. Nurul Alam (Independent Director)	Director	-	-
11	Ms. Sohana Rouf Chowdhury	Director	16,785,903	15,259,912
12	Mr. Mashur Rahman (Independent Director)	Director	-	-
13	Mr. Mir Shahjahan	Director	17,291,222	15,719,293
14	Mr. M Shahjahan Bhuiyan (Independent Director)	Director	-	-
15	Mr. Md. Nazrul Huda (Independent Director)	Director	-	-

15 Statutory reserve

Balance as at 1 January	5,051,466,882	4,208,075,877
Add: Addition during the year (20% of pre-tax profit)	824,784,039	843,391,005
Balance as at 31 December 2015	<u>5,876,250,921</u>	<u>5,051,466,882</u>

16 Revaluation reserve

HTM securities (Note 16.1)	3,305,385	1,502,377
HFT securities (Note 16.2)	264,905,490	344,223,506
Fixed Assets revaluation (Note 16.3)	2,281,418,967	2,336,866,550
	<u>2,549,629,842</u>	<u>2,682,592,433</u>

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	31 Dec 2015	31 Dec 2014
16.1 Revaluation reserve on HTM securities		
Balance as at 1 January	1,502,377	2,684,722
Gain from revaluation on investments	1,808,365	938,307
Adjustment for sale/maturity of securities	(5,357)	(2,120,652)
Balance as at 31 December 2015	<u>3,305,385</u>	<u>1,502,377</u>
16.2 Revaluation reserve on HFT securities		
Balance as at 1 January	344,223,506	315,013,379
Gain from revaluation on investments	2,757,754,279	2,725,989,587
Adjustment for sale/maturity of securities	(2,837,072,295)	(2,696,779,460)
Balance as at 31 December 2015	<u>264,905,490</u>	<u>344,223,506</u>
16.3 Revaluation reserve on Fixed Assets		
Balance as at 1 January	2,336,866,550	2,387,693,502
Depreciation charged during the year	(55,447,583)	(50,826,952)
Balance as at 31 December 2015	<u>2,281,418,967</u>	<u>2,336,866,550</u>
16 (a) Consolidated Revaluation reserve		
Bank Asia Limited	2,549,629,842	2,682,592,433
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>2,549,629,842</u>	<u>2,682,592,433</u>
17 Retained earnings		
Balance as at 1 January	1,492,242,767	759,746,473
Add: Post - tax profit for the year	2,573,920,194	2,218,692,697
Revaluation reserve transferred to retained earnings	55,447,583	50,826,952
Transfer from share premium account	330	-
Less: Issue of bonus shares for the year 2014	762,995,590	-
Less: Issue of cash dividend for the year 2014	381,497,797	-
Less: Issue of bonus shares for the year 2013	-	693,632,350
Transfer to statutory reserve	824,784,039	843,391,005
Balance as at 31 December 2015	<u>2,152,333,448</u>	<u>1,492,242,767</u>
17(a) Consolidated Retained earnings		
Balance as at 1 January	1,229,245,329	699,449,908
Add: Foreign exchange revaluation reserve for opening retained earnings	2,208,087	3,433,584
Add: Transfer from share premium account	330	-
Revaluation reserve transferred to retained earnings	55,447,583	50,826,952
Post- tax profit for the year	2,550,070,034	2,012,557,417
Less: Non controlling interest	4	(823)
	<u>3,836,971,359</u>	<u>2,766,268,684</u>
Less: Issue of bonus shares for the year 2013	-	693,632,350
Less: Issue of bonus shares for the year 2014	762,995,590	-
Less: Issue of cash dividend for the year 2014	381,497,797	-
Transferred to statutory reserve	824,784,039	843,391,005
	<u>1,969,277,426</u>	<u>1,537,023,355</u>
Balance as at 31 December	<u>1,867,693,933</u>	<u>1,229,245,329</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,785	10,781
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>10,785</u>	<u>10,781</u>
18 Contingent liabilities		
Conventional and Islamic banking	96,687,833,782	71,351,642,744
Off-shore banking unit	129,223,047	175,511,850
	<u>96,817,056,829</u>	<u>71,527,154,594</u>
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	33,090,944,368	23,707,509,508
Off-shore banking unit	87,746,341	81,112,430
	<u>33,178,690,709</u>	<u>23,788,621,938</u>
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	29,263,667,968	21,663,339,317
Off-shore banking unit	-	-
	<u>29,263,667,968</u>	<u>21,663,339,317</u>
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	23,063,033,545	19,895,718,625
Off-shore banking unit	30,116,156	52,947,860
	<u>23,093,149,701</u>	<u>19,948,666,485</u>
Bills for collection		
Conventional and Islamic banking (Note 18.4)	9,032,813,966	6,085,075,294
Off-shore banking unit	11,360,550	41,451,560
	<u>9,044,174,516</u>	<u>6,126,526,854</u>
Other commitments		
Conventional and Islamic banking (Note 18.5)	2,237,373,935	-
Off-shore banking unit	-	-
	<u>2,237,373,935</u>	<u>-</u>
	<u>96,817,056,829</u>	<u>71,527,154,594</u>
18.1 Acceptances and endorsements		
Conventional and Islamic banking	33,090,944,368	23,707,509,508
Off-shore banking unit	87,746,341	81,112,430
	<u>33,178,690,709</u>	<u>23,788,621,938</u>
18.2 Letters of guarantee		
Letters of guarantee (Local)	29,263,667,968	21,663,339,317
Letters of guarantee (Foreign)	-	-
	<u>29,263,667,968</u>	<u>21,663,339,317</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	434,133	434,133
Government	10,608,865,779	8,770,364,320
Banks and other financial institutions	13,678,184,163	12,273,442,372
Others	4,976,183,892	619,098,492
	<u>29,263,667,968</u>	<u>21,663,339,317</u>

Notes to financial statements

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	31 Dec 2015	31 Dec 2014
18.3 Irrevocable letters of credit		
Letters of credit Back to Back (Inland)	2,758,335,159	2,336,573,970
Letters of credit (General)	18,156,171,640	15,740,120,408
Back to back L/C	2,148,526,746	1,819,024,247
	<u>23,063,033,545</u>	<u>19,895,718,625</u>
18.4 Bills for collection		
Local bills for collection	4,236,763,760	3,747,243,070
Foreign bills for collection	4,796,050,206	2,337,832,224
	<u>9,032,813,966</u>	<u>6,085,075,294</u>
18.5 Other commitments		
Forward Assets Purchased and Forward Deposits Placed	2,237,373,935	-
	<u>2,237,373,935</u>	<u>-</u>

18.5 Workers' profit participation fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as it is not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.

19 income statement

income:

Interest, discount and similar income (Note 19.1)	18,427,561,349	17,647,037,973
Dividend income (Note 22.1)	19,705,266	20,363,972
Fees, commission and brokerage (Note 19.2)	1,146,555,898	980,344,673
Interest on bonds and commercial paper	174,224,382	-
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	-	8,160,000
Interest on reverse repo	29,459,889	-
Interest on ACI Convertible zero coupon bonds	-	4,978,205
Interest on Bangladesh Steel Re-rolling Mills	11,960,002	8,666,666
MTBL unsecured subordinated convertible bonds	16,802,748	18,000,009
Prime Bank Ltd. unsecured non-convertible subordinated bonds	16,006,266	16,100,000
Interest on placements	72,872,771	220,119,703
Foreign exchange gain (Note 23.1)	1,009,559,855	897,469,268
Other operating income (Note 24)	572,527,938	564,728,562
	<u>21,497,236,364</u>	<u>20,385,969,031</u>

Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	11,170,318,446	10,699,769,024
Administrative expenses (Note 19.3)	2,943,907,565	2,492,599,207
Other expenses (Note 34)	1,001,527,229	1,043,538,876
Depreciation on banks assets	375,820,468	371,230,751
	<u>15,491,573,708</u>	<u>14,607,137,858</u>
	<u>6,005,662,656</u>	<u>5,778,831,173</u>

19.1 Interest, discount and similar income

Interest income/profit on investments	13,877,758,406	13,914,306,656
Interest on treasury bills	896,633,842	845,489,089
Interest on treasury bonds	2,512,454,340	2,331,261,977
Interest on debentures	1,443,750	4,184,766
Income from investment in shares	6,644,396	6,496,772
Capital gain on Government securities	1,132,626,615	545,298,713
	<u>18,427,561,349</u>	<u>17,647,037,973</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
19.2 Fees, commission and brokerage		
Commission	1,146,555,898	980,344,673
Brokerage	-	-
	<u>1,146,555,898</u>	<u>980,344,673</u>
19.3 Administrative expenses		
Salaries and allowances (Note 25)	2,155,844,975	1,821,359,360
Rent, taxes, insurance, electricity, etc (Note 26)	514,123,923	429,936,885
Legal expenses (Note 27)	9,632,359	10,474,191
Postage, stamp, telecommunication, etc (Note 28)	76,977,146	68,249,997
Stationery, printing, advertisement, etc (Note 29)	99,636,353	75,546,760
Managing Director's salary and fees (Note 30)	16,732,000	14,159,744
Directors' fees (Note 31)	4,692,000	2,770,000
Auditors' fees (Note 32)	915,000	690,000
Repair of Bank's assets (Note 33.1)	65,353,809	69,412,270
	<u>2,943,907,565</u>	<u>2,492,599,207</u>
20 Interest income/profit on investments		
Conventional and Islamic banking (Note 20.1)	13,510,055,660	13,818,527,443
Off-shore banking unit	434,159,152	146,536,852
	<u>13,944,214,812</u>	<u>13,965,064,295</u>
Less: inter transaction between OBU and Conventional banking	66,456,406	50,757,639
	<u>13,877,758,406</u>	<u>13,914,306,656</u>
20.1 Conventional and Islamic banking		
Loans (General)/Musharaka	4,116,404	15,603,524
Loans against trust receipts/ Bai Murabaha post import	1,118,285,176	1,745,470,417
Packing credit	22,502,538	20,226,270
House building loan	33,707,101	41,487,558
Payment against documents	215,481,273	75,582,340
Cash credit/Bai-Muajjal	109,579,057	113,836,825
Overdraft/ Quard against deposit	523,681,807	550,094,325
Consumer credit scheme	679,317,856	573,048,587
Staff loan	68,071,196	54,009,115
Local bills purchased	133,813,390	312,419,609
Foreign bills purchased	10,888,273	36,951,554
Interest income from credit card	223,092,300	203,146,304
Term loan- others/ Hire purchase Shirkatul Melk	3,102,573,379	3,227,995,329
Term loan- industrial	966,516,664	965,081,315
Demand loan	1,864,467,729	1,595,193,912
Transport loan	169,065,530	177,500,051
Sachsondo - SME	439,261,776	407,089,144
Other loans and advances	3,415,500,275	3,428,897,095
EDF Loan	154,700,189	72,470,119
Total interest/profit on loans and advances/investments	13,254,621,913	13,616,103,393
Interest/profit on balance with other banks and financial institutions	254,053,938	201,985,628
Interest/profit received from foreign banks	1,379,809	438,422
	<u>13,510,055,660</u>	<u>13,818,527,443</u>

Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
20(a) Consolidated Interest income/profit on investments		
Bank Asia limited	13,877,758,406	13,914,306,656
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd.	298,522,408	382,122,589
BA Express USA, Inc.	-	-
	<u>14,176,280,814</u>	<u>14,296,429,245</u>
Less: Inter-company transactions	231,469,133	332,572,825
	<u><u>13,944,811,681</u></u>	<u><u>13,963,856,420</u></u>
21 Interest paid/profit shared on deposits and borrowings etc.		
Conventional and Islamic banking (Note 21.1)	10,926,062,112	10,630,449,001
Off-shore banking unit	310,712,740	120,077,662
	<u>11,236,774,852</u>	<u>10,750,526,663</u>
Less: inter transaction with OBU	66,456,406	50,757,639
	<u><u>11,170,318,446</u></u>	<u><u>10,699,769,024</u></u>
21.1 Conventional and Islamic banking Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	5,192,174,841	5,805,297,473
Scheme deposits	3,898,871,672	3,105,662,254
Sanchaya plus	142,095,271	167,894,029
Savings deposits/ Mudaraba Savings bank	652,758,494	595,915,401
Special notice deposits	515,758,099	534,417,349
	<u>10,401,658,377</u>	<u>10,209,186,506</u>
Interest on borrowings and others		
Local banks including Bangladesh Bank	162,600,992	384,355,717
Interest on subordinated non-covertable zero coupon bond	361,586,168	36,847,262
Foreign banks	216,575	59,516
	<u>524,403,735</u>	<u>421,262,495</u>
	<u><u>10,926,062,112</u></u>	<u><u>10,630,449,001</u></u>
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	11,170,318,446	10,699,769,024
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd.	257,826,415	391,678,480
BA Express USA, Inc.	-	-
	<u>11,428,144,861</u>	<u>11,091,447,504</u>
Less: Inter-company transactions	231,469,133	332,572,825
	<u><u>11,196,675,728</u></u>	<u><u>10,758,874,679</u></u>
22 Investment income		
Conventional and Islamic banking (Note 22.1)	4,881,382,660	4,000,884,608
Off-shore banking unit	9,451,607	28,235,264
	<u>4,890,834,267</u>	<u>4,029,119,872</u>



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
22.1 Conventional and Islamic Banking		
Interest on treasury bills	896,633,842	845,489,089
Interest on treasury bonds	2,510,835,048	2,327,701,829
Interest on Islamic bonds	1,619,292	3,560,148
SIBL Mudaraba Bond	15,823,334	-
Prime Bank Ltd. unsecured non-convertible subordinated bonds	16,006,266	16,100,000
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	-	8,160,000
Interest on ACI Convertible zero coupon bonds	-	4,978,205
MTBL unsecured subordinated convertible bonds	16,802,748	18,000,009
Interest on placement	63,421,164	191,884,439
Capital gain from investment in shares	6,644,396	6,496,772
Dividend on shares	19,705,266	20,363,972
Interest on debentures	1,443,750	4,184,766
Capital gain on Government securities	1,132,626,615	545,298,713
Interest on Bangladesh Steel Re-rolling Mills	11,960,002	8,666,666
Interest on commercial paper	135,451,347	-
MTB second subordinated bond	8,400,000	-
Interest on reverse repo	29,459,889	-
Interest on Zero Coupon Bond	766,139	-
UCB second subordinated bond	13,783,562	-
	<u>4,881,382,660</u>	<u>4,000,884,608</u>
22(a) Consolidated investment income		
Bank Asia Limited	4,890,834,267	4,029,119,872
Bank Asia Securities Limited	10,086,792	6,076,750
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>4,900,921,059</u>	<u>4,035,196,622</u>
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	2,150,681,855	1,871,714,801
Off-shore banking unit	5,433,898	6,099,140
	<u>2,156,115,753</u>	<u>1,877,813,941</u>
23.1 Conventional and Islamic Banking		
Commission on L/C	228,341,924	227,709,658
Commission on back to back L/C	530,181,478	453,081,713
Fees and commission	81,702,987	61,262,230
Commission on L/G	263,284,019	198,348,476
Commission on export	9,564,407	8,289,700
Commission on PO, DD, TT, TC, etc	13,467,205	10,210,689
Other commission	14,579,980	15,343,067
	1,141,122,000	974,245,533
Foreign exchange gain	1,009,559,855	897,469,268
	<u>2,150,681,855</u>	<u>1,871,714,801</u>
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia limited	2,156,115,753	1,877,813,941
Bank Asia Securities Ltd.	94,457,230	116,204,857
BA Exchange Company (UK) Limited	12,328,911	7,118,757
BA Express USA, Inc.	26,781,328	7,885,554
	<u>2,289,683,222</u>	<u>2,009,023,109</u>

Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	554,641,298	554,024,017
Off-shore banking unit	17,886,640	10,704,545
	<u>572,527,938</u>	<u>564,728,562</u>
24.1 Conventional and Islamic banking		
Locker charge	9,790,314	8,631,810
Service and other charges	273,226,939	272,863,536
Master/Visa card fees and charges	105,989,827	95,288,754
Postage/telex/SWIFT/fax recoveries	101,787,095	90,370,107
Profit on sale of fixed assets	2,469,486	2,680,750
Non-operating income	14,642,228	23,134,455
Rebate on nostro account	36,271,455	55,881,044
Other income from brokerage	10,463,954	5,173,561
	<u>554,641,298</u>	<u>554,024,017</u>
24 (a) Consolidated other operating income		
Bank Asia Limited	572,527,938	564,728,562
Bank Asia Securities Ltd.	8,341,802	6,628,537
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	910,581	-
	<u>581,780,321</u>	<u>571,357,099</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	2,155,844,975	1,821,359,360
Off-shore banking unit	-	-
	<u>2,155,844,975</u>	<u>1,821,359,360</u>
25.1 Conventional and Islamic banking		
Basic salary	768,415,684	670,276,081
Allowances	796,352,904	683,698,617
Festival bonus	122,913,433	109,436,191
Gratuity	186,568,379	92,816,391
Provident fund contribution	71,594,575	60,132,080
Performance bonus	210,000,000	205,000,000
	<u>2,155,844,975</u>	<u>1,821,359,360</u>
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	2,155,844,975	1,821,359,360
Bank Asia Securities Ltd.	38,896,165	37,856,947
BA Exchange Company (UK) Limited	6,347,378	6,645,926
BA Express USA, Inc.	20,791,351	12,922,640
	<u>2,221,879,869</u>	<u>1,878,784,873</u>
26 Rent, taxes, insurance, electricity etc.		
Conventional and Islamic banking (Note 26.1)	513,820,868	429,637,292
Off-shore banking unit	303,055	299,593
	<u>514,123,923</u>	<u>429,936,885</u>
26.1 Conventional and Islamic banking		



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
Rent, rate and taxes	292,281,104	267,737,747
Insurance	135,184,695	95,096,930
Power and electricity	86,355,069	66,802,615
	<u>513,820,868</u>	<u>429,637,292</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	514,123,923	429,936,885
Bank Asia Securities Ltd.	11,873,361	12,323,515
BA Exchange Company (UK) Limited	8,608,629	6,542,620
BA Express USA, Inc.	6,873,632	4,535,361
	<u>541,479,545</u>	<u>453,338,381</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	9,632,359	10,474,191
Off-shore banking unit	-	-
	<u>9,632,359</u>	<u>10,474,191</u>
27.1 Conventional and Islamic Banking		
Legal expenses	9,632,359	10,474,191
Other professional charges	-	-
	<u>9,632,359</u>	<u>10,474,191</u>
27(a) Consolidated Legal expenses		
Bank Asia Limited	9,632,359	10,474,191
Bank Asia Securities Ltd.	27,378	102,078
BA Exchange Company (UK) Limited	224,992	1,084,906
BA Express USA, Inc.	1,733,428	1,937,539
	<u>11,618,157</u>	<u>13,598,714</u>
28 Postage, stamps, telecommunication etc.		
Conventional and Islamic banking (Note 28.1)	76,632,695	68,051,160
Off-shore banking unit	344,451	198,837
	<u>76,977,146</u>	<u>68,249,997</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	53,844,741	50,004,090
Master/VISA card process fee	6,609,724	2,171,123
ATM charge	2,070,231	2,057,389
SWIFT and Reuter charge	11,806,778	11,402,162
Internet	2,301,221	2,416,396
	<u>76,632,695</u>	<u>68,051,160</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	76,977,146	68,249,997
Bank Asia Securities Ltd.	2,144,607	2,563,731
BA Exchange Company (UK) Limited	460,136	443,279
BA Express USA, Inc.	387,494	182,699
	<u>79,969,383</u>	<u>71,439,706</u>

Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	99,636,353	75,546,760
Off-shore banking unit	-	-
	<u>99,636,353</u>	<u>75,546,760</u>
29.1 Conventional and Islamic banking		
Office and security stationery	41,843,883	40,435,391
Calendar, diary, souvenir, etc	14,496,200	523,400
ATM card	3,039,007	417,587
Books and periodicals	1,756,523	2,022,487
Publicity and advertisement	38,500,740	32,147,895
	<u>99,636,353</u>	<u>75,546,760</u>
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	99,636,353	75,546,760
Bank Asia Securities Ltd.	324,261	677,192
BA Exchange Company (UK) Limited	221,607	247,184
BA Express USA, Inc.	1,214,455	1,043,223
	<u>101,396,676</u>	<u>77,514,359</u>
30 Managing Director's salary and fees		
Basic salary	8,400,000	6,903,225
House rent allowance	900,000	1,274,194
Entertainment allowances	180,000	441,936
Incentive bonus	1,000,000	1,000,000
Festival bonus	1,400,000	1,200,000
Utility allowance and others	1,692,000	1,504,904
House maintenance allowance	420,000	345,162
Provident fund	840,000	690,323
Leave fare assistance	1,900,000	800,000
	<u>16,732,000</u>	<u>14,159,744</u>
31 Directors' fees		
Directors' fees	4,692,000	2,770,000
	<u>4,692,000</u>	<u>2,770,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	4,692,000	2,770,000
Bank Asia Securities Ltd.	148,350	201,250
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>4,840,350</u>	<u>2,971,250</u>
32 Auditors' fees		
Statutory audit fees	915,000	690,000
Others	-	-
	<u>915,000</u>	<u>690,000</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
32(a) Consolidated Auditors fees		
Bank Asia Limited	915,000	690,000
Bank Asia Securities Ltd.	95,833	86,250
BA Exchange Company (UK) Limited	681,043	751,320
BA Express USA, Inc.	1,576,126	695,787
	<u>3,268,002</u>	<u>2,223,357</u>
33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	440,926,534	440,558,108
Off-shore banking unit	247,743	84,913
	<u>441,174,277</u>	<u>440,643,021</u>
33.1 Conventional and Islamic banking		
Depreciation		
Owned assets	370,992,721	366,233,871
Leased assets	4,580,004	4,911,967
	375,572,725	371,145,838
Repairs		
Building	14,197,446	20,023,948
Furniture and fixtures	525,824	510,265
Equipments	3,948,877	4,699,211
	18,672,147	25,233,424
	46,681,662	44,178,846
	<u>440,926,534</u>	<u>440,558,108</u>
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	441,174,277	440,643,021
Bank Asia Securities Ltd.	4,814,386	4,722,446
BA Exchange Company (UK) Limited	1,689,654	2,472,344
BA Express USA, Inc.	768,000	764,287
	<u>448,446,317</u>	<u>448,602,098</u>
34 Other expenses		
Conventional and Islamic banking (Note 34.1)	989,974,309	1,038,409,564
Off-shore banking unit	11,552,920	5,129,312
	<u>1,001,527,229</u>	<u>1,043,538,876</u>
34.1 Conventional and Islamic banking		
Car expenses	242,956,324	222,743,910
Contractual service expenses	294,183,822	274,091,811
Computer expenses	142,777,486	100,100,159
Other management and administrative expenses	166,846,045	117,352,564
Entertainment	36,232,836	28,242,116
AGM/EGM expenses	12,115,155	3,687,389
Office plantation	5,295,104	5,903,365
Payment to superannuation fund	2,400,000	2,400,000
Finance charge for lease assets	808,038	1,362,816
Donation and subscription to institutions	48,138,375	241,280,869

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
Travelling expenses	27,495,445	27,620,298
Training and internship	10,029,089	12,869,587
Directors' travelling expenses	196,590	214,240
Sharia council fees	500,000	500,000
Write off fixed assets	-	40,440
	<u>989,974,309</u>	<u>1,038,409,564</u>
34(a) Consolidated other expenses		
Bank Asia Limited	1,001,527,229	1,043,538,876
Bank Asia Securities Ltd.	51,367,135	26,135,478
BA Exchange Company (UK) Limited	3,288,043	4,219,758
BA Express USA, Inc.	9,560,764	12,033,695
	<u>1,065,743,171</u>	<u>1,085,927,807</u>
34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	1,850,636,460	1,408,590,883
Off-shore banking unit	21,106,002	41,785,264
	<u>1,871,742,462</u>	<u>1,450,376,147</u>
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	1,517,658,297	74,427,862
Off-shore banking unit	21,568,890	43,159,444
	1,539,227,187	117,587,306
Specific provision		
Conventional and Islamic banking	79,616,253	1,289,159,944
Off-shore banking unit	-	-
	79,616,253	1,289,159,944
Adjust with General provision	-	-
	79,616,253	1,289,159,944
Provision for off-balance sheet items		
Conventional and Islamic banking	253,361,910	45,003,077
Off-shore banking unit	(462,888)	(1,374,180)
	252,899,022	43,628,897
	<u>1,871,742,462</u>	<u>1,450,376,147</u>
34(c) Consolidated Provision charge for the year against loans and advances/investments		
Bank Asia Limited	1,881,742,462	1,561,876,147
Bank Asia Securites Limited:		
Specific Provision	28,000,000	175,494,169
Provision for diminution in value of investments	-	6,852,383
Other provisions	-	-
	28,000,000	182,346,552
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	<u>1,909,742,462</u>	<u>1,744,222,699</u>



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	1,713,617,575	1,126,183,474
Off-shore banking unit	17,886,640	10,704,545
	<u>1,731,504,215</u>	<u>1,136,888,019</u>
35.1 Conventional and Islamic banking		
Locker charge	9,790,314	8,631,810
Service and other charges	273,226,939	272,863,536
Master card fees and charges	105,989,827	95,288,754
Postage/telex/SWIFT/ fax recoveries	101,787,095	90,370,107
Non-operating income	1,222,823,400	659,029,267
	<u>1,713,617,575</u>	<u>1,126,183,474</u>
35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	1,731,504,215	1,136,888,019
Bank Asia Securities Ltd.	8,341,802	6,628,537
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	910,581	-
	<u>1,740,756,598</u>	<u>1,143,516,556</u>
36 Payments for other operating activities		
Conventional and Islamic banking (Note 36.1)	1,612,238,699	1,568,456,877
Off-shore banking unit	11,855,975	299,593
	<u>1,624,094,674</u>	<u>1,568,756,470</u>
36.1 Conventional and Islamic banking		
Rent, rates and taxes	514,123,923	429,936,885
Legal expenses	9,632,359	10,474,191
Directors' fees	4,692,000	2,770,000
Postage, stamp, telecommunication, etc	76,977,146	68,249,997
Other expenses	989,166,271	1,042,176,060
Managing Director's salary	16,732,000	14,159,744
Auditors' fee	915,000	690,000
	<u>1,612,238,699</u>	<u>1,568,456,877</u>
36(a) Payments for other operating activities		
Bank Asia Limited	1,624,094,674	1,568,756,470
Bank Asia Securities Ltd.	65,656,664	41,412,302
BA Exchange Company (UK) Limited	13,262,843	13,041,883
BA Express USA, Inc.	20,131,444	19,385,081
	<u>1,723,145,625</u>	<u>1,642,595,736</u>
37 Earnings per share (EPS)		
Net profit after tax (Numerator)	2,573,920,194	2,218,692,697
Number of ordinary shares outstanding (Denominator)	762,995,594	762,995,594
Issue of bonus shares 10%	76,299,559	76,299,559
Number of ordinary shares outstanding (Denominator)	839,295,153	839,295,153
Earnings per share (EPS)	<u>3.07</u>	<u>2.64</u>

Earnings per share has been calculated in accordance with BAS 33: "Earnings Per Share (EPS)". Earnings per share for previous year has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2014, the earliest period reported. Actual EPS for December 2014 was Taka 2.91.

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
37(a) Consolidated Earnings per share (EPS)		
Net profit after tax (Numerator)	2,550,070,034	2,012,557,417
Number of ordinary shares outstanding (Denominator)	839,295,153	839,295,153
Earnings per share (EPS)	3.04	2.40

38 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 1,839 (2014: 1,773).

39 Audit committee

The Board of Directors of Bank Asia Limited constituted the Audit Committee of the Board, in compliance with the Bangladesh Bank directives in the 44th meeting held on January 18, 2003. The Audit Committee was formed with the objectives to establishing a platform for a compliant and secured banking structure in the bank. The present Audit Committee was reconstituted the Board in the 312th meeting held on March 31, 2015 consisting of the following members:

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

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

No. of meeting	Date	No. of meeting	Date
155th Audit	18th Jan, 2015	165th Audit	21st June, 2015
156th Audit	25th Jan, 2015	166th Audit	12th July, 2015
157th Audit	8th Feb, 2015	167th Audit	4th August, 2015
158th Audit	26th Feb, 2015	168th Audit	23rd August, 2015
159th Audit	15th March, 2015	169th Audit	15th September, 2015
160th Audit	5th April, 2015	170th Audit	21st October, 2015
161st Audit	19th April, 2015	171st Audit	17th November, 2015
162nd Audit	29th April, 2015	172nd Audit	15th December, 2015
163rd Audit	17th May, 2015		
164th Audit	7th June, 2015		

In the year 2015, the Audit Committee held 18 (eighteen) meetings in which, the following issues, among others, were reviewed and discussed:

- 1 External Audit Report of the Bank and the recommendations made there under.
 - 2 Bangladesh Bank comprehensive inspection report and the recommendations made there under.
 - 3 Audit & Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance (ICC) Division of the Bank.
 - 4 Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
 - 5 The corrective measures taken by the Management in regard to the lapses pointed out by the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
 - 6 The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports.
 - 7 Management Report on Accounts of the Bank for the year ended on 31.12.2015.
 - 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with the compliance thereof.
 - 9 The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.
- The Audit Committee has further satisfied itself that
- * The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors of the Bank are to be duly complied with.
 - * Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).



Notes to financial statements

Amount in Taka

31 Dec 2015

31 Dec 2014

- * The system of Internal Control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the bank.
- * The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- * The Financial Statements of the Bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

40 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – December 2015 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (TK)
Rangs Properties	Common Directors & Close family members Director	Office Rent	89,993,278
Agro Food Services Ltd.	Common Directors & Close family members Director	Office Rent	26,654,496
Ranks Telecom	-do-	Mobile Phone	16,130,533
ZRC Engineering	Close family members Director	Transportation	11,015,807
Romask Ltd	Common Directors & Close family members Director	Printing	33,630,139
Rangs Industries Ltd.	-do-	Electronics items providers	81,900
Rancon Service Ltd.	-do-	Electric equipment Maintenance	14,836,381
Rangs workshop Ltd	-do-	Car repair and Services	580,796
Ranks ITT Ltd.	-do-	Network Connectivity fees	15,609,304
DHS Motors	-do-	Car providers	25,875,384
Shield Security Service	-do-	Security Service providers	137,031,828
Green Bangla	Close family members Director	Tree Plantation	189,922
The Shokaler Khabor	-do-	Advertising	3,783,870
Reliance Insurance	-do-	Insurance Service	17,182,246
The Daily Star	-do-	Advertising	2,848,498
Hajj Finanace	Common Directors	Lease Rental	4,666,051
ERA Infotech	Associate Company	Software vendor	62,085,612
Hajj Finanace	Common Directors	Lease obligation for lease Car	1,925,526
ERA Infotech Ltd	Associate	Investment in Share	383,700
Total			464,505,269

During the year 2015 Directors and their interest in different entities are given in Annexure F

The Bank sanctioned the following facilities in favor of the Phulbari Tea Estates Ltd. and M. Ahmed Tea & Lands Co. Ltd. during the year 2015.

Name of the director having interest	Nature of facility	Limit(Taka)	Outstanding balance as at 31 December 2015 (Taka)	Nature of Security
Mr. Mohd. Safwan Chowdhury	Bank Guarantee	434,133	434,133	Lien on FDR

41 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 3,825 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

42 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2015 was Tk. 16.50 (2014: 16.7) at DSE and Tk. 16.3 (2014: 16.9) at CSE.

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 335th meeting held on 09 March 2016 has recommended stock dividend @ 5% and cash dividend @ 15% subject to the approval of the shareholders at the next Annual General Meeting.

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

Bank Asia Highlights on the overall activities

as at and for the year ended 31 December 2015

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2015	2014	2015	2014
1	Paid-up capital	8,392,951,530	7,629,955,940	107,258,167	97,507,424
2	Total capital	22,836,833,851	17,843,223,057	291,844,522	228,028,410
3	Capital (deficit)/surplus	4,512,095,351	2,085,761,057	57,662,560	26,655,093
4	Total assets	224,347,309,388	182,730,940,346	2,867,058,267	2,335,219,685
5	Total deposits	169,827,340,391	140,869,286,126	2,170,317,449	1,800,246,468
6	Total loans and advances / investments	136,396,335,681	116,808,854,559	1,743,084,162	1,492,764,914
7	Total contingent liabilities and commitments	94,579,682,894	71,527,154,594	1,208,686,043	914,085,043
8	Credit deposit ratio	80.31%	82.92%	80.31%	82.92%
9	Percentage of classified loans / investments against total loans and advances / investments	4.26%	5.31%	4.26%	5.31%
10	Profit after tax and provision	2,573,920,194	2,218,692,697	32,893,549	28,353,900
11	Amount of classified loans/investments during current year	5,808,871,841	6,200,550,000	74,234,784	79,240,256
12	Provisions kept against classified loans / investments	2,911,650,000	3,981,260,000	37,209,585	50,878,722
13	Provision surplus against classified loans / investments	1,060,124	445,795,351	13,548	5,697,065
14	Cost of fund	10.04%	10.57%	10.04%	10.57%
15	Interest earning assets	194,844,942,263	156,535,375,324	2,490,031,211	2,000,452,081
16	Non-interest earning assets	29,502,367,125	26,195,565,022	377,027,056	334,767,604
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	7.44%	8.82%	7.44%	8.82%
18	Return on assets (ROA) [PAT/ Average assets]	1.26%	1.28%	1.26%	1.28%
19	Income from investment	4,890,834,267	4,029,119,872	62,502,674	51,490,350
20	Capital to Risk Weighted Asset Ratio (CRAR)	12.46%	11.32%	12.46%	11.32%
21	Earnings per share	3.07	2.64	0.04	0.03
22	Net income per share	3.07	2.64	0.04	0.03
23	Price earning ratio	5.38	6.24	5.38	6.24

Exchange rate used 1 USD equivalent to BDT 78.25

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

Annex A

as at 31 December 2015

Name of the Bank	Account type	2015			2014			
		Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Conventional and Islamic banking:								
Interest bearing :								
Citibank N.A., London	CD	EURO	1,872.73	85.00	159,182	1,202.30	90.00	108,207
Citibank N.A., London	CD	GBP	691,402.64	120.00	82,968,317	26,114.22	130.00	3,394,849
Citibank N.A., New York	CD	USD	3,879.62	78.00	302,610	159,810.56	70.00	11,186,739
Habib American Bank, New York	CD	USD	1,851,606.19	78.00	144,425,283	1,838.61	70.00	128,703
Mashreqbank psc, New York	CD	USD	10,899.54	78.00	850,164	36,894.11	70.00	2,582,588
Standard Chartered Bank, Mumbai	CD	ACU	75,643.78	78.00	5,900,215	4,387.77	70.00	307,144
Standard Chartered Bank, New York	CD	USD	99,595.25	78.00	7,768,430	24,681.88	70.00	1,727,732
					242,374,200			19,435,961
Non-interest bearing :								
AB Bank Ltd., Mumbai	CD	ACU	146,159.75	78.00	11,400,461	2,055.82	70.00	143,907
Bhutan National Bank Ltd., Thimphu	CD	USD	40,135.86	78.00	3,130,597	23,932.95	70.00	1,675,307
Commerzbank AG, Frankfurt	CD	USD	7,623.35	78.00	594,621	3,297.13	70.00	230,799
Caisse Centrale Desjardins	CD	CAD	2,332.54	60.00	139,952	3,418.62	55.00	188,024
Commerzbank AG, Frankfurt	CD	EURO	4,176,776.65	85.00	355,026,015	25,734.16	90.00	2,316,074
Zurcher Kantonal Bank, Switzerland	CD	CHF	3,852.89	80.00	308,231	1,684.16	50.00	84,208
Habib Metropolitan Bank Ltd., Karachi	CD	ACU	3,520.12	78.00	274,569	1,793.69	70.00	125,558
National Australia Bank Limited, Melbourne	CD	AUD	9,782.44	55.00	538,034	26,234.45	50.00	1,311,723
Unicredit Bank AG Munich	CD	EURO	9,084.05	85.00	772,144	4,803.87	90.00	432,348
Habib Bank UK, London	CD	GBP	7,738.17	120.00	928,580	4,114.79	130.00	534,923
ICICI Bank Ltd., Kowloon	CD	USD	10,675.30	78.00	832,673	1,456.75	70.00	101,973
ICICI Bank Ltd., Mumbai	CD	ACU	261,069.65	78.00	20,363,433	3,352.32	70.00	234,662
Muslim Commercial Bank Ltd., Colombo	CD	ACU	83,905.02	78.00	6,544,592	26,086.90	70.00	1,826,083
Muslim Commercial Bank Ltd., Karachi	CD	ACU	68,073.80	78.00	5,309,756	68,073.80	70.00	4,765,166
Nepal Bangladesh Bank Ltd., Kathmandu	CD	ACU	15,061.41	78.00	1,174,790	2,364.41	70.00	165,509
UBAF, Tokyo	CD	JPY	2,606,529.00	0.65	1,694,244	2,460,363.00	0.55	1,353,200
Wells Fargo Bank N.A., New York	CD	USD	18,203.38	78.00	1,419,864	49.61	70.00	3,473
Wells Fargo Bank N.A., London	CD	EURO	2,520.26	85.00	214,222	12,214.16	90.00	1,099,274
Sonali Bank (UK) Ltd.	CD	USD	69,565.93	78.00	5,426,143	20,755.92	70.00	1,452,914
Al Rajhi Bank, KSA	CD	SAR	72,005.00	22.00	1,584,110	72,005.00	22.00	1,584,110
Saudi Hollandi Bank, KSA	CD	SAR	4,987.00	22.00	109,714	4,987.00	22.00	109,714
JP Morgan Chase Bank, New York	CD	USD	84,972.63	78.00	6,627,865	253.26	70.00	17,728
Mashreqbank psc, Mumbai (EURO)	CD	EURO	71,956.7	85.00	611,632	00000		
					425,026,243			19,756,677
Off-shore banking unit:								
Commerzbank AG, Frankfurt	CD	EURO	51.50	85.00	4,029	2.60	90.00	234
Habib American Bank, New York	CD	USD	603,531.08	78.25	47,226,307	305,297.33	70.00	21,370,447
Sonali Bank, London	CD	GBP	5.25	120.00	411	5.25	130.00	683
					47,230,747			21,371,364
					714,631,191			60,564,001



Bank Asia Investment in Shares

as at 31 December 2015

Provision Requirement

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Per Share cost	Quoted rate per share 31 December 2015	Total market value as at 31 December 2015	31 December 2015 Unrealized profit/(loss)
Quoted Share								
1	Khulna Power Company	10	4,265	406,760	95.37	74.90	319,449	(87,311)
2	Advanced Chemical Ind. Ltd.	10	37,768	5,429,490	143.76	561.60	21,210,509	15,781,019
3	AB Bank Limited	10	112,128	9,721,497	86.70	20.90	2,343,475	(7,378,022)
4	BSRM Limited	10	315,789	11,999,982	38.00	131.60	41,557,832	29,557,850
5	Dhaka Bank	10	409,134	15,813,029	38.65	19.70	8,059,940	(7,753,089)
6	Exim Bank	10	1,877,123	38,574,878	20.55	8.60	16,143,258	(22,431,620)
7	Goldenson	10	119,185	8,587,279	72.05	26.00	3,098,810	(5,488,469)
8	IDLC Finance	10	393,121	31,288,500	79.59	63.60	25,002,496	(6,286,005)
9	Islami Bank	10	196,158	6,974,560	35.56	27.80	5,453,192	(1,521,368)
10	Lanka Bangla Finance	10	585,050	55,895,677	95.54	29.00	16,966,450	(38,929,227)
11	Mercant Bank	10	3,617,290	99,660,403	27.55	10.70	38,705,003	(60,955,400)
12	National Housing Fin & Inv Ltd.	10	263,500	13,094,325	49.69	34.80	9,169,800	(3,924,525)
13	Phoenix Finance	10	1,024,148	49,442,462	48.28	20.90	21,404,693	(28,037,768)
14	Prime Finance	10	72,576	12,001,824	165.37	11.40	827,366	(11,174,458)
15	Prime Insurance	10	60,564	5,467,112	90.27	15.00	908,460	(4,558,652)
16	Pubali Bank	10	6	208	34.65	21.60	130	(78)
17	Reliance Insurance	10	91,451	7,343,515	80.30	49.00	4,481,099	(2,862,416)
18	Southeast Bank	10	1,072,181	34,732,696	32.39	17.60	18,870,386	(15,862,311)
19	United Commercial Bank	10	2,163,993	63,772,870	29.47	21.30	46,093,051	(17,679,819)
20	Premier Bank	10	3,196,083	66,798,135	20.90	8.60	27,486,314	(39,311,821)
	Sub total		537,005,201				308,101,712	(228,903,489)
	Available cash balance		38,127,791					
			575,132,992					
Mutual Fund								
			Total Units	Total cost	NAV*0.85	Cost Price		
21	1st Janata Bank MF	10	6,110,730	50,000,000	8.18	4.30	26,276,139	-
22	MBL 1ST MF	10	5,000,000	50,000,000	10.00	5.70	28,500,000	(1,550,000)
23	EBL NRB MF	10	18,670,375	149,665,000	8.02	4.10	76,548,538	-
24	FBDF income	10	32,298,689	250,000,000	7.74	6.30	203,481,741	-
25	EXIM BANK 1ST MF	10	15,000,000	150,000,000	8.47	5.50	82,500,000	-
26	EXIM BANK 1ST MF	10	14,381,990	98,740,000	8.47	5.50	79,100,945	-
	Sub total		748,405,000				496,407,362	(1,550,000)
A. Provision requirement for quoted stocks (230,453,489)								



SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Quoted rate		31 December 2015 Unrealized profit/ (loss)
						per share (NAV)	Total book value as at 31 December 2015	
Unquoted Share								
1	Industrial & Infrastructure Development Finance Co. Limited	10	7,329,110	29,683,838	4.05	15.03	110,152,598	80,468,760
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	29.36	33,538,586	30,399,696
3	Era-Infotech Limited	100	3,837	383,700	100.00	5,041.49	19,344,206	18,960,506
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	22.03	705,374	(2,496,138)
5	MSF Asset Management Co. Ltd.	10	200,000	2,000,000	10.00	10.00	2,000,000	-
6	ACME Laboratories Ltd.	10	1,000,000	52,000,000	52.00	70.37	70,370,000	18,370,000
7	Investment in SWIFT share	233,543	22	5,137,940	22	233,543	5,137,940	-
8	Energypac Power Generation Limited	10	1,192,800	49,984,000	41.90	31.92	38,074,867	(11,909,133)
	B. Provision requirement for unquoted stocks			145,529,880			279,323,571	133,793,691
	C. Provision Requirement for quoted and unquoted stocks (A+B)							(96,659,798)
	D. Provision maintained							143,383,553
	E. Provision Excess / (Shortfall)							46,723,755

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

as at 31 December 2015

Particulars	Cost				Rate %	Depreciation				Written down value as at 31 Dec 2015	
	Balance as at 01 Jan 2015	Addition during the year	Revaluation	Disposal/adjustment during the year		Balance as at 31 Dec 2015	Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year		Balance as at 31 Dec 2015
Own assets											
Land	2,643,839,095	-	-	-	-	2,643,839,095	-	-	-	-	2,643,839,095
Building	2,432,146,347	-	-	-	5	2,432,146,347	78,680,508	51,717,241	-	618,489,385	1,813,656,962
Furniture and fixtures	851,069,017	62,396,940	-	(1,650,000)	20	911,815,957	121,840,103	-	(894,167)	642,925,714	268,890,243
Equipments	476,889,285	84,427,222	-	-	20	561,316,507	63,867,873	-	-	394,312,777	167,003,730
Computer and accessories	218,077,263	36,231,213	-	-	20	254,308,476	28,914,293	-	-	181,160,698	73,147,778
Motor vehicles	150,141,839	28,511,145	-	-	20	178,652,984	23,176,890	-	-	125,867,362	52,785,622
Sub-total	6,772,162,847	211,566,520	-	(1,650,000)		6,982,079,367	316,479,667	51,717,241	(894,167)	1,962,755,936	5,019,323,431
Leased assets											
Building	49,573,087	-	-	-	5	49,573,087	800,000	3,730,340	-	20,985,790	28,587,297
Furniture and fixtures	167,162,848	-	-	-	20	167,162,848	-	-	-	167,162,848	-
Equipments	106,201,139	-	-	-	20	106,201,139	-	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	-	20	72,204,100	-	-	-	72,204,100	-
Motor vehicles	18,900,000	-	-	-	20	18,900,000	3,780,000	-	-	18,900,000	-
Sub-total	414,041,174	-	-	-		414,041,174	4,580,000	3,730,340	-	385,453,877	28,587,297
Total	7,186,204,021	211,566,520	-	(1,650,000)		7,396,120,541	321,059,667	55,447,581	(894,167)	2,348,209,813	5,047,910,728
Work in Progress											
Building-Kawran Bazar*	-	11,476,071.00	-	-	-	11,476,071.00	-	-	-	-	11,476,071.00
Building Lalmatia**	-	16,120,000.00	-	-	-	16,120,000.00	-	-	-	-	16,120,000.00
Total	-	27,596,071.00	-	-	-	27,596,071.00	-	-	-	-	27,596,071.00
Grand Total	7,186,204,021	239,162,591	-	(1,650,000)		7,423,716,612	321,059,667	55,447,581	(894,167)	2,348,209,813	5,075,506,799

* For construction of 12 storied commercial building with 22 storied foundation

** For construction of 6 storied building over the existing 2 storied building

Bank Asia Conventional and Islamic banking Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2014

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec'2014	
	Balance as at 01 Jan '2014	Additions during the year	Revaluation	Disposal/ adjustment during the year		Balance as at 31 Dec 2014	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year		Balance as at 31 Dec'2014
Own assets											
Land	2,643,839,095	-	-	-	2,643,839,095	-	-	-	-	-	2,643,839,095
Building	2,432,146,347	-	-	-	2,432,146,347	5	362,003,673	78,680,493	47,407,470	-	488,091,636
Furniture and fixtures	673,363,445	178,855,572	-	(1,150,000)	851,069,017	20	404,245,452	118,290,267	-	(555,944)	521,979,775
Equipments	405,463,926	71,425,359	-	-	476,889,285	20	262,431,826	68,013,078	-	-	330,444,904
Computer and accessories	184,233,790	33,843,473	-	-	218,077,263	20	123,653,129	28,593,276	-	-	152,246,405
Motor vehicles	139,108,575	13,833,264	-	(2,800,000)	150,141,839	20	82,369,892	23,120,580	-	(2,800,000)	102,690,472
Sub-total	6,478,155,178	297,957,669	-	(3,950,000)	6,772,162,847		1,234,703,972	316,697,694	47,407,470	(3,355,944)	1,595,453,192
Leased assets											
Building	49,573,087	-	-	-	49,573,087	5	12,235,966	800,003	3,419,481	-	16,455,450
Furniture and fixtures	167,162,848	-	-	-	167,162,848	20	167,162,848	-	-	-	167,162,848
Equipments	106,201,139	-	-	-	106,201,139	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	-	72,204,100	20	72,204,100	-	-	-	72,204,100
Motor vehicles	18,900,000	-	-	-	18,900,000	20	11,340,000	3,780,000	-	-	15,120,000
Sub-total	414,041,174	-	-	-	414,041,174		369,144,053	4,580,003	3,419,481	-	377,143,537
Total	6,892,196,352	297,957,669	-	(3,950,000)	7,186,204,021		1,603,848,025	321,277,697	50,826,951	(3,355,944)	1,972,596,729
											5,213,607,289



Bank Asia Limited and its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2015

Particulars	Cost			Rate of dep. %	Depreciation				Written down value as at 31 Dec 2015
	Balance as at 01 Jan 2015	Additions during the year	Disposal/adjustment during the year		Balance as at 31 Dec 2015	Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	
Own assets									
Land	2,643,839,095	-	-	0	-	-	-	-	2,643,839,095
Building	2,432,146,347	-	-	5	2,432,146,347	78,680,508	52,485,241	-	619,257,385
Furniture and fixtures	862,347,554	62,442,592	(1,650,000)	20	530,482,249	122,425,157	-	(894,167)	652,013,239
Equipments	483,477,089	84,640,819	-	20	334,876,224	66,515,323	-	-	401,391,547
Computer and accessories	225,601,486	36,261,600	-	20	157,851,126	30,496,175	-	-	188,347,301
Motor vehicles	150,141,839	28,511,145	-	20	178,652,984	23,176,890	-	-	125,867,362
Sub-total	6,797,553,410	211,856,155	(1,650,000)		1,613,991,707	321,294,053	52,485,241	(894,167)	1,986,876,834
Leased assets									
Leasehold (BA Exchange (UK) Ltd.	-	-	-	0	-	-	-	-	-
Building	72,964,732	-	-	5	72,964,732	2,233,622	3,730,340	-	28,628,465
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	-	167,162,848
Equipments	106,201,139	-	-	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	20	72,204,100	-	-	-	72,204,100
Motor vehicles	18,900,000	-	-	20	18,900,000	3,780,000	-	-	18,900,000
Sub-total	437,432,819	-	-		437,432,819	6,013,622	3,730,340	-	393,096,552
Total	7,234,986,229	211,856,155	(1,650,000)		1,997,344,298	327,307,675	56,215,581	(894,167)	2,379,973,387
Work in Progress									
Building-Kawran Bazar*	-	11,476,071.00	-		11,476,071.00	-	-	-	11,476,071.00
Building Lalmatia**	-	16,120,000.00	-		16,120,000.00	-	-	-	16,120,000.00
Total	-	27,596,071.00	-		27,596,071.00	-	-	-	27,596,071.00
Grand Total	7,234,986,229	239,452,226	(1,650,000)		1,997,344,298	327,307,675	56,215,581	(894,167)	2,379,973,387

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

** For construction of 6 storied building over the existing 2 storied building

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

Annex C-4

as at 31 December 2014

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2014
	Balance as at 01 Jan 2014	Additions during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2014		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2014	
Own assets										
Land	2,643,839,095	-	-	2,643,839,095	0	-	-	-	-	2,643,839,095
Building	2,432,146,347	-	-	2,432,146,347	5	362,003,673	78,680,493	47,407,470	488,091,636	1,944,054,711
Furniture and fixtures	686,450,148	179,589,556	(3,692,150)	862,347,554	20	412,170,963	121,152,683	(2,841,398)	530,482,249	331,865,305
Equipments	410,782,401	72,694,688	-	483,477,089	20	265,547,698	69,328,526	-	334,876,224	148,600,865
Computer and accessories	191,687,413	33,914,073	-	225,601,486	20	127,753,006	30,098,120	-	157,851,126	67,750,360
Motor vehicles	139,108,575	13,833,264	(2,800,000)	150,141,839	20	82,369,892	23,120,580	(2,800,000)	102,690,472	47,451,367
Sub-total	6,504,013,979	300,031,581	(6,492,150)	6,797,553,410		1,249,845,232	322,380,403	47,407,470	1,613,991,707	5,183,561,703
Leased assets										
Leasehold (BA Exchange (UK) Ltd.	-	-	-	-	0	-	-	-	-	-
Building	65,543,048	8,323,429	(901,745)	72,964,732	5	16,494,600	2,750,422	3,419,481	22,664,503	50,300,229
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848	(0)
Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100	-
Motor vehicles	18,900,000	-	-	18,900,000	20	11,340,000	3,780,000	-	15,120,000	3,780,000
Sub-total	430,011,135	8,323,429	(901,745)	437,432,819		373,402,687	6,530,422	3,419,481	383,352,590	54,080,229
Total	6,934,025,114	308,355,010	(7,393,895)	7,234,986,229		1,623,247,919	328,910,825	50,826,951	1,997,344,298	5,237,641,931



Bank Asia Limited

Statement of tax position

as at 31 December 2015

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order	Excess/(Short) provision	Status
2000	2001-2002	2,000,000	7,080,931	(5,080,931)	Assessment finalized
2001	2002-2003	42,626,674	38,156,227	4,470,447	Assessment finalized
2002	2003-2004	91,950,000	83,933,056	8,016,944	Assessment finalized
2003	2004-2005	165,000,000	155,712,331	9,287,669	Assessment finalized
2004	2005-2006	166,807,728	187,552,594	(20,744,866)	Assessment finalized
2005	2006-2007	220,089,576	273,929,209	(53,839,633)	Assessment finalized
2006	2007-2008	432,447,206	433,037,008	(589,802)	Assessment finalized
2007	2008-2009	704,871,326	707,990,638	(3,119,312)	Assessment finalized
2008	2009-2010	790,000,000	715,369,681	74,630,319	Assessment finalized
2009	2010-2011	779,000,000	928,407,967	(149,407,967)	Assessment finalized
2010	2011-2012	1,498,735,610	1,874,438,423	(375,702,813)	Tax Appellate commissioner
2011	2012-2013	1,515,992,334	1,738,409,929	(222,417,595)	Tax Appellate tribunal
2012	2013-2014	1,788,554,541	1,757,614,602	30,939,939	Assessment finalized
2013	2014-2015	2,041,583,693	1,598,721,337	442,862,356	Assessment finalized
2014	2015-2016	1,947,162,329	1,700,830,400	246,331,929	Return submitted
2015	2016-2017	1,534,738,646	-	-	



Bank Asia Limited

Details of Large Loan

as at 31 December 2015

	2015	2014
Number of clients	15	16
Amount of outstanding advances (Taka)	44,569.68	40,802.60
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2015			Outstanding (Taka) 2014		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Abul Khair Steel Industries Ltd.	662.13	2,523.83	3,185.96	1,423.60	975.50	2,399.10
2	Abdul Monem Ltd.	-	-	-	1,764.00	965.40	2,729.40
3	Apex adelchi footwear	1,768.11	614.99	2,383.10	2,122.30	813.80	2,936.10
4	Bank asia securities Ltd.	2,880.01	300.00	3,180.01	2,751.20	300.00	3,051.20
5	BRAC	50.48	3,685.59	3,736.07	596.50	1,939.60	2,536.10
6	Basundhara Group	1,568.02	721.21	2,289.23	1,435.00	504.70	1,939.70
7	City Sugar Industries Ltd.	1,000.26	1,586.82	2,587.08	561.20	1,698.00	2,259.20
8	Echotex	819.64	1,902.40	2,722.04	232.50	2,041.00	2,273.50
9	Kabir Steel Re-Rolling Mills Ltd.	-	-	-	1,472.60	1,923.10	3,395.70
10	Meghna Group	0.09	2,517.46	2,517.55	-	-	-
11	Partex Group	835.96	3,372.31	4,208.27	304.80	1,620.20	1,925.00
12	Pran RFL Group	1,153.12	1,864.09	3,017.21	914.00	1,540.80	2,454.80
13	Prime ship recycling limited	-	-	-	2,018.80	-	2,018.80
14	S.A group	3,122.93	-	3,122.93	2,543.90	465.60	3,009.50
15	Summit Group	594.38	2,547.61	3,141.99	1,000.40	2,491.90	3,492.30
16	Spectra Engineers Limited	866.41	1,807.97	2,674.38	-	-	-
17	Thermax Group	1,436.11	867.06	2,303.17	1,612.30	548.10	2,160.40
18	Western Marine Group	1,077.70	2,422.99	3,500.69	1,237.40	984.40	2,221.80
	Total	17,835.35	26,734.33	44,569.68	21,990.50	18,812.10	40,802.60

Bank Asia Limited

Names of Directors and their interest in different entities

as at 31 December 2015

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	Mr. A Rouf Chowdhury	Chairman	Rangs Limited
			Rangs Workshop Limited
			Rangs Industries Limited
			Rangs Properties Limited
			Rangs Motors Limited
			Rancon Engineering Limited
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Telecom Limited
			Ranks Petroleum Limited
			Ranks Interiors Limited
			Rancon Motors Limited
			Rancon Services Limited
			Shield Security Services Limited
			Ranks Agro Biotech Limited
			Rancon Autos Limited
			Ranks FC properties Limited
			Rancon Automobiles Limited
			Ranks Steel Limited
			Ranks Real Estate Limited
			Ranks Motors Workshop Limited
			Metro Foils Limited
			Sea Resources Limited
			Sea Fishers Limited
			Deep Sea Fishers Limited
			Sea Resources Agencies Limited
Fishers Shipyard Limited			
Sea Resources Cold Storage Limited			
Sea Mans Dockyard & Fish Meal Limited			
Rancon Motor Bikes Limited			
Zest Polymer Limited			
The Daily Star			
Daily Shokaler Khabor Publications Limited			
Bank Asia Limited			
M. Ahmed Tea & Lands Co.			
Phulbari Tea Estates Limited			
M. Ahmed Cold Storage Limited			
M. Ahmed Food & Spices Limited			
Premier Dyeing & Calendaring Limited			
Anandaniketan Limited			
Bank Asia Limited			
Bank Asia Limited			
Bank Asia Limited			
Rangs Industries Limited			
Ranks ITT Limited			
Romask Limited			
Rangs Pharmaceuticals Limited			
Ranks Telecom Limited			
Ranks Petroleum Limited			
Bank Asia Limited			
Sinha Apparels Limited			
ZMS Fashions Limited			
Sinha Auto Spinning Mills Limited			
Sattar Jute Mills Limited			
Pritha Apparels Limited			
Bank Asia Limited			
2.	Mr. Mohd. Safwan Choudhury	Vice Chairman	
3.	Mr. A.M.Nurul Islam	Vice Chairman & Independent Director	
4.	Mr. Rume A Hossain	Director	
5.	Ms. Hosneara Sinha	Director	



Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
6.	Ms. Farhana Haq Chowdhury	Director	Rangs Pharmaceuticals Limited
			Rangs Telecom Limited
			Rancon Automobiles Limited
			DHS Motors Limited
			Rancon Motor Bikes Limited
7.	Mr. Mohammed Lakiotullah	Independent Director	Bank Asia Limited
8.	Mr. M Shahjahan Bhuiyan	Independent Director	Bank Asia Limited
9.	Ms. Sohana Rouf Chowdhury	Director	Rangs Limited
			Rangs Workshop Limited
			Rangs Industries Limited
			Rangs Properties Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs ITT Limited
			Rangs Telecom Limited
			Rangs Petroleum Limited
			Rangs Interiors Limited
			Rancon Motors Limited
			Rancon Services Limited
			Shield Security Services Limited
			Rangs Agro Bioteq Limited
			Rancon Automobiles Limited
			Rangs Steel Limited
			Rangs Real Estate Limited
			Sash Limited
			Rangs Motors Workshop Limited
			Rancon Engineering Limited
			Rancon Autos Limited
			Metro Foils Limited
			Sea Resources Limited
Sea Fishers Limited			
Deep Sea Fishers Limited			
Sea Resources Agencies Limited			
Fishers Shipyard Limited			
Sea Resources Cold Storage Limited			
Sea Mans Dockyard & Fish Meal Limited			
Zest Polymer Limited			
Bank Asia Limited			
10.	Mr. Mohammed Irfan Syed (Representing Amiran Generations Limited)	Director	Bank Asia Limited
11.	Ms. Naheed Akhter Sinha	Director	Sinha Apparels Limited
			ZMS Fashions Limited
			BP Wears (Pvt.) Limited
12.	Mr. Shah Md. Nurul Alam	Independent Director	Bank Asia Limited
13.	Mr. Md Nazrul Huda	Independent Director	Bank Asia Limited
14.	Mr. Mashiur Rahman	Independent Director	Bank Asia Limited
15.	Mr. Mir Shahjahan	Director	ZMS Fashions Limited
			Bank Asia Limited

Bank Asia Limited Islamic Banking Operations

as at and for the year ended 31 December 2015

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

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

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

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

The ISR declared on Mudaraba deposits for the year 2015

Types of Mudaraba Deposit	Distributable Investment income Sharing Ratio (ISR) w.e.f. 01.01.2015	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	50%	50%
2. Mudaraba Term Deposit Account (MTDA) 2 months	50%	50%
3. Mudaraba Term Deposit Account (MTDA) 3 months	75%	25%
4. Mudaraba Term Deposit Account (MTDA) 6 months	75%	25%
5. Mudaraba Term Deposit Account (MTDA) 12 months	77%	23%
6. Mudaraba Term Deposit Account (MTDA) 24 months	78%	22%
7. Mudaraba Term Deposit Account (MTDA) 36 months	80%	20%
8. Mudaraba Term Deposit Account (MTDA) 60 months	80%	20%
9. Mudaraba Special Notice Deposit Account (MSND)	35%	65%
10. Mudaraba Savings Account (MSA)	45%	55%
11. Smart Junior Saver (School Banking) Account	70%	30%
12. Mudaraba Deposit Pension Scheme (MDPS) 3-10 Years	87%	13%
13. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 & 2 year	80%	20%
14. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
15. Mudaraba Hajj Savings Scheme (MHSA)	90%	10%
16. Cash Waqf	90%	10%



2. Investment Operation and Return Thereon

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

- a. Fixed return based investment
- b. Variable return based investment

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

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

3. Income/ Revenue Recognition Principle

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

For Bai-Murabaha Muajjal Investment

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

For Hire Purchase Shirkatul Melk (HPSM) Investment

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

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

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

For Musharaka Investment

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

4. Cost Recognition Principle

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

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

Bank Asia Limited Islamic Banking Unit Balance Sheet

as At 31 December 2015

Amount in Taka

	31 Dec 2015	31 Dec 2014
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	21,185,850	12,163,015
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	374,427,389	330,813,158
	395,613,239	342,976,173
Balance with other banks and financial institutions		
In Bangladesh	1,051,520,235	650,669,170
Outside Bangladesh	-	-
	1,051,520,235	650,669,170
Placement with other banks and financial institutions	-	-
Investments in shares and securities		
Government	316,500,000	277,000,000
Others	200,000,000	-
	516,500,000	277,000,000
Investments		
General Investment	4,519,181,765	3,476,923,095
Bills purchased and discounted	20,022,953	-
	4,539,204,718	3,476,923,095
Fixed assets including premises, furniture and fixtures	13,170,622	10,145,585
Other assets	45,512,104	673,649,174
Non - banking assets	-	-
Total assets	6,561,520,918	5,431,363,197
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts :		
Al-wadeeah current and other deposits accounts, etc.	408,990,067	210,878,177
Bills payable	29,902,770	27,410,556
Mudaraba savings deposits	752,390,416	522,868,210
Mudaraba term deposits	4,836,488,983	4,328,345,866
	6,027,772,236	5,089,502,809
Other liabilities	533,748,682	341,860,388
Total liabilities	6,561,520,918	5,431,363,197
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	38,537,816	27,260,135
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments:	-	-
Total Off-Balance Sheet items including contingent liabilities	38,537,816	27,260,135



Bank Asia Limited Islamic Banking Unit Profit and Loss Statement

for the year ended 31 December 2015

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
Investment income	511,090,710	516,916,684
Profit paid on deposits, borrowings, etc.	350,270,903	394,218,963
Net investment income	160,819,807	122,697,721
Profit on Investment with bank and financial institutions	17,442,626	3,560,148
Commission, exchange and brokerage	32,793,719	22,021,548
Other operating income	4,328,753	3,471,583
Total operating income	215,384,905	151,751,000
Salaries and allowances	52,599,244	46,358,410
Rent, taxes, insurance, electricity, etc.	6,443,305	5,041,218
Legal expenses	76,073	-
Postage, stamp, telecommunication, etc.	599,557	487,771
Stationery, printing, advertisement, etc.	585,268	1,452,947
Depreciation and repair of Bank's assets	3,745,587	2,047,418
Repair and maintenance	-	-
Entertainment expenses	-	-
Travelling expenses	-	-
Other expenses	25,679,849	28,452,806
Total operating expenses	89,728,883	83,840,570
Profit before provision	125,656,022	67,910,430
Provision for investments		
General provision	11,047,958	(1,785,500)
Specific provision	(1,857,740)	8,899,400
	9,190,218	7,113,900
Provision for diminution in value of investments	-	-
Other provision	-	-
Total provision	9,190,218	7,113,900
Total profit/(loss) before taxes	116,465,804	60,796,530

Bank Asia Limited Off-shore Banking Unit Balance Sheet

as at 31 December 2015

	Notes	31 Dec 2015 USD	31 Dec 2015 Taka	31 Dec 2014 USD	31 Dec 2014 Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions					
	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		603,588	47,230,747	305,305	21,371,363
		603,588	47,230,747	305,305	21,371,363
Investments					
Government		-	-	-	-
Others		3,440,000	269,180,000	20,000,000	1,400,000,000
		3,440,000	269,180,000	20,000,000	1,400,000,000
Loans and advances					
	4				
Loans, cash credits, overdrafts, etc.		16,576,539	1,297,114,189	10,624,989	743,749,234
Bills purchased and discounted		94,887,017	7,424,909,065	83,162,643	5,821,385,039
		111,463,556	8,722,023,254	93,787,632	6,565,134,273
Fixed assets including premises, furniture and fixtures					
		-	-	3,191	223,364
Other assets					
	5	205,696	16,095,737	480,609	33,642,632
Non - banking assets					
		-	-	-	-
Total assets		<u>115,712,840</u>	<u>9,054,529,738</u>	<u>114,576,738</u>	<u>8,020,371,632</u>
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
	6	101,971,039	7,979,233,839	101,423,770	7,099,663,886
Deposits and other accounts					
	7				
Current deposits		13,218,518	1,034,349,052	12,768,001	893,760,036
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		173,359	13,565,311	384,967	26,947,710
Bearer certificate of deposit		-	-	-	-
		13,391,877	1,047,914,363	13,152,968	920,707,746
Other liabilities					
	8	349,924	27,381,536	-	-
Total liabilities		<u>115,712,840</u>	<u>9,054,529,738</u>	<u>114,576,738</u>	<u>8,020,371,632</u>
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements	9	1,121,359	87,746,341	1,158,749	81,112,430
Letters of guarantee		-	-	-	-
Irrevocable letters of credit	10	384,871	30,116,156	756,398	52,947,860
Bills for collection	11	145,183	11,360,550	592,165	41,451,560
Other contingent liabilities		-	-	-	-
		1,651,413	129,223,047	2,507,312	175,511,850
Total Off-Balance Sheet items including contingent liabilities		<u>1,651,413</u>	<u>129,223,047</u>	<u>2,507,312</u>	<u>175,511,850</u>



Bank Asia Limited

Off-shore Banking Unit

Profit and Loss Statement

for the year ended 31 December 2015

	Notes	31 Dec 2015 USD	31 Dec 2015 Taka	31 Dec 2014 USD	31 Dec 2014 Taka
Interest income	12	5,591,952	434,159,152	2,093,384	146,536,852
Interest paid on deposits and borrowings, etc.	13	4,001,967	310,712,740	1,715,395	120,077,662
Net interest/net profit on investments		1,589,985	123,446,412	377,988	26,459,190
Investment income		121,736	9,451,607	403,361	28,235,264
Commission, exchange and brokerage	14	61,442	5,433,898	87,131	6,099,140
Other operating income	15	230,379	17,886,640	152,922	10,704,545
Total operating income (A)		2,003,542	156,218,557	1,021,402	71,498,139
		-	-	-	-
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		3,903	303,055	4,280	299,593
Postage, stamp, telecommunication, etc.		4,437	344,451	2,841	198,837
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		3,191	247,743	1,213	84,913
Other expenses		148,801	11,552,920	73,276	5,129,312
Total operating expenses (B)		160,332	12,448,169	81,609	5,712,655
Profit before provision (C=A-B)		1,843,210	143,770,388	939,793	65,785,484
Provision for loans and advances		-	-	-	-
General provision		277,806	21,568,890	616,563	43,159,444
Specific provision		-	-	-	-
		277,806	21,568,890	616,563	43,159,444
Provision for off-balance sheet items		(5,962)	(462,888)	(19,631)	(1,374,180)
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		271,844	21,106,002	596,932	41,785,264
Total profit/(loss) (C-D)		1,571,366	122,664,386	342,860	24,000,220

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

for the year ended 31 December 2015

1 Status of the unit

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

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

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

2.2 Foreign currency

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

2.3 Loans and advances

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

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

c) As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5%

2.4 General

Assets and liabilities have been translated into Taka currency @ USD 1 = BDT 78.25 (2014 : BDT 70). Income and expenses are translated at an average rate @ USD 1 = BDT 77.64 (2014 : BDT 70). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 78.00.

	31 Dec 2015 USD	31 Dec 2015 Taka	31 Dec 2014 USD	31 Dec 2014 Taka
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh				
Commerzbank A.G, Frankfurt	51	4,029	3	182
Habib American Bank, New York	603,531	47,226,307	305,297	21,370,813
Sonali Bank (UK) Limited	5	411	5	368
	<u>603,588</u>	<u>47,230,747</u>	<u>305,305</u>	<u>21,371,363</u>
4 Loans and advances				
Loans, cash credit, overdrafts etc. (Note 4.1)	16,576,539	1,297,114,189	10,624,989	743,749,234
Bills purchased and discounted (Note 4.2)	94,887,017	7,424,909,065	83,162,643	5,821,385,039
	<u>111,463,556</u>	<u>8,722,023,254</u>	<u>93,787,632</u>	<u>6,565,134,273</u>



Notes to financial statements

	31 Dec 2015 USD	31 Dec 2015 Taka	31 Dec 2014 USD	31 Dec 2014 Taka
4.1 Loans, cash credit, overdrafts etc.				
Term loan industrial	1,442,099	112,844,258	-	-
Term loan others	14,679,157	1,148,644,036	10,028,739	702,011,742
Loan against trust receipts	150,437	11,771,673	182,163	12,751,432
Loan others	304,846	23,854,222	414,087	28,986,060
	<u>16,576,539</u>	<u>1,297,114,189</u>	<u>10,624,989</u>	<u>743,749,234</u>
4.2 Bills purchased and discounted				
Payable in Bangladesh	94,877,417	7,424,157,865	83,162,643	5,821,385,039
Payable outside Bangladesh	9,600	751,200	-	-
	<u>94,887,017</u>	<u>7,424,909,065</u>	<u>83,162,643</u>	<u>5,821,385,039</u>
5 Other assets				
Interest receivable	-	-	206,275	14,439,237
Branch adjustment account	44,553	3,486,300	(10,610)	(742,689)
Prepaid expenses	161,143	12,609,437	284,944	19,946,084
	<u>205,696</u>	<u>16,095,737</u>	<u>480,609</u>	<u>33,642,632</u>
6 Borrowings from other banks, financial institutions and agents				
Borrowing from other banks (Note 6.1)	45,971,039	3,597,233,839	38,923,770	2,724,663,886
Borrowing from corporate office, Dhaka	26,000,000	2,034,500,000	32,500,000	2,275,000,000
Borrowing from IFC	30,000,000	2,347,500,000	30,000,000	2,100,000,000
	<u>101,971,039</u>	<u>7,979,233,839</u>	<u>101,423,770</u>	<u>7,099,663,886</u>
6.1 Borrowing from other banks				
Bankmuscat, Oman	-	-	5,500,000	385,000,000
BMI Bank, Bahrain	-	-	7,500,000	525,000,000
Commercial Bank of Ceylon, Bangladesh	-	-	2,500,000	175,000,000
First Gulf Bank	5,000,000	391,250,000	-	-
Habib Bank Limited, Bangladesh	-	-	1,700,000	119,000,000
ICICI, Hong Kong	5,000,000	391,250,000	12,400,000	868,000,000
Mashreq, USA	10,000,000	782,500,000	-	-
National Bank of Ras Al Khaimah	8,876,406	694,578,770	-	-
Nepal Bangladesh Bank Limited	5,000,000	391,250,000	-	-
Noor Islami Bank, Dubai, UAE	-	-	252,717	17,690,176
United Bank Limited, UAE	10,937,980	855,896,955	9,071,053	634,973,710
United Bank Limited, USA	1,156,653	90,508,114	-	-
	<u>45,971,039</u>	<u>3,597,233,839</u>	<u>38,923,770</u>	<u>2,724,663,886</u>
7 Deposits and other accounts				
Customer deposits and other accounts (Note 7.1)	13,391,877	1,047,914,363	13,152,968	920,707,746
	<u>13,391,877</u>	<u>1,047,914,363</u>	<u>13,152,968</u>	<u>920,707,746</u>

Notes to financial statements

	31 Dec 2015 USD	31 Dec 2015 Taka	31 Dec 2014 USD	31 Dec 2014 Taka
7.1 Customer deposits and other accounts				
Foreign currency (Current)	12,678,615	992,101,592	12,059,315	844,152,053
Other demand deposits(Current)	539,904	42,247,460	708,685	49,607,983
Fixed deposit	173,359	13,565,311	384,967	26,947,710
	<u>13,391,877</u>	<u>1,047,914,363</u>	<u>13,152,968</u>	<u>920,707,746</u>
8 Other liabilities				
Interest expenses payable	349,924	27,381,536	-	-
	<u>349,924</u>	<u>27,381,536</u>	<u>-</u>	<u>-</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	352,549	27,586,959	613,765	42,963,550
Letters of credit (Acceptances)	768,810	60,159,382	544,984	38,148,880
	<u>1,121,359</u>	<u>87,746,341</u>	<u>1,158,749</u>	<u>18,112,430</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	190,120	14,876,890	268,615	18,803,050
Letters of credit (cash)	194,751	15,239,266	487,783	34,144,810
	<u>384,871</u>	<u>30,116,156</u>	<u>756,398</u>	<u>52,947,860</u>
11 Bills for collection:				
	<u>145,183</u>	<u>11,360,550</u>	<u>592,165</u>	<u>41,451,560</u>
12 Interest income				
Demand loan	577	44,837	-	-
Packing credit	20,782	1,613,537	3,662	256,323
Loan against trust receipt	13,681	1,062,165	32,063	2,244,428
Payment against documents	82	6,402	-	-
Term loan -industrial	13,732	1,066,183	188,142	13,169,927
Term loan -others	419,707	32,586,022	-	-
Foreign bill purchased	5,123,390	397,780,006	1,840,720	128,850,389
Lease finance	-	-	28,797	2,015,785
	<u>5,591,952</u>	<u>434,159,152</u>	<u>2,093,384</u>	<u>146,536,852</u>
13 Interest paid on deposits and borrowings etc.				
Interest on deposit	200,646	15,578,160	249,629	17,474,042
Interest on borrowings	3,801,321	295,134,580	1,465,766	102,603,620
	<u>4,001,967</u>	<u>310,712,740</u>	<u>1,715,395</u>	<u>120,077,662</u>
14 Commission, exchange and brokerage				
Commission on L/C	65,290	5,069,106	72,720	5,090,366
Commission on export	8,263	641,539	5,637	394,590
Commission on PO, DD, TT, TC, etc	5,999	465,733	8,936	625,520
Foreign exchange gain & charges	(18,110)	(1,406,036)	(162)	(11,336)
Exchange gain/(loss) net off exchange gains	-	663,556	-	-
	<u>61,442</u>	<u>5,443,898</u>	<u>87,131</u>	<u>6,099,140</u>
15 Other operating income				
SWIFT charge recovery	10,441	810,619	15,992	1,119,440
Other	219,938	17,076,021	136,930	9,585,105
	<u>230,379</u>	<u>17,886,640</u>	<u>152,922</u>	<u>10,704,545</u>

Bank Asia Limited

Statement of outstanding unreconciled entries (nostro account)

Annex I

as at 31 December 2015

Sl. no.	Period of unreconciliation	As per local book			As per correspondents' book			USD	
		Debit entries No.	USD	Credit entries No.	USD	Debit entries No.	Credit entries No.		
1	Upto 3 months	25	15,778,548	115	12,610,181	30	296,033	261	9,437,664
2	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
3	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
4	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
5	More than 12 months	-	-	-	-	-	-	-	-
	Total	25	15,778,548	115	12,610,181	30	296,033	261	9,437,664



Bank Asia Limited Reconciliation between Bangladesh Bank statement and Bank's book

as at 31 December 2015

The reconciling items relates to clearing of the following:

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

Local currency :	As per Bangladesh Bank Statement BDT	As per Bank's General ledger BDT	Reconciling Difference BDT
Bangladesh Bank, Dhaka	9,736,090,498.18	9,699,621,114.13	36,469,384.05
Bangladesh Bank, Dhaka (Al-wadeeah current account)	374,427,389.17	374,427,389.17	-
Bangladesh Bank, Chittagong	28,529,488.07	90,530,138.07	(62,000,650.00)
Bangladesh Bank, Sylhet	9,899,314.61	9,909,314.61	(10,000.00)
Bangladesh Bank, Khulna	47,938,305.44	48,438,305.44	(500,000.00)
Bangladesh Bank, Rajshahi	2,259,469.95	2,259,469.95	-
Bangladesh Bank, Bogra	48,130,432.01	48,130,432.01	-
Bangladesh Bank, Barishal	400,818.22	400,818.22	-
Total	10,247,675,715.65	10,273,716,981.60	(26,041,265.95)
Bank credited but not debited by Bangladesh Bank			368,042,644.83
Bank debited but not credited by Bangladesh Bank			(4,653,461,453.09)
Bangladesh Bank credited but not debited by Bank			4,575,568,175.65
Bangladesh Bank debited but not credited by Bank			(316,190,633.34)
			(26,041,265.95)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	2,917,844.71	649,790.34	50,683,646.63	2,268,054.37
Total	2,917,844.71	649,790.34	50,683,646.63	2,268,054.37
Bank credited but not debited by Bangladesh Bank				13,663,722.70
Bank debited but not credited by Bangladesh Bank				(1,900,371.66)
Bangladesh Bank credited but not debited by Bank				1,823,358.76
Bangladesh Bank debited but not credited by Bank				(11,318,655.43)
				2,268,054.37



Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	1,238.55	2,142.35	160,849.00	1.25
	1,238.55	2,142.35	160,849.00	1.25
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				1.25
Bangladesh Bank debited but not credited by Bank				-
				<u>1.25</u>

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	17,183.43	47,183.43	4,010,591.55	(30,000.00)
	17,183.43	47,183.43	4,010,591.55	(30,000.00)
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				30,000.00
				<u>30,000.00</u>

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238	45,238	24,881	-
	45,238	45,238	24,881	-
Total (BDT)			<u>10,328,596,950</u>	

Bank Asia Limited Segment Reporting

Annex K

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

Particulars	Bank Asia Limited					Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh					In side Bangladesh		Outside Bangladesh		
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total		Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
				Islamic Banking	Off-shore Banking unit					
Interest income	12,932,508,544	511,090,710	434,159,152	13,877,758,406	298,522,408	-	-	(231,469,133)	13,944,811,681	
Interest paid on deposits and borrowings, etc	10,509,334,803	350,270,903	310,712,740	11,170,318,446	257,826,415	-	-	(231,469,133)	11,196,675,728	
Net interest income	2,423,173,741	160,819,807	123,446,412	2,707,439,960	40,695,993	-	-	-	2,748,135,953	
Investment income	4,863,940,034	17,442,626	9,451,607	4,890,834,267	10,086,792	-	-	-	4,900,921,059	
Commission, exchange and brokerage	2,117,888,136	32,793,719	5,433,898	2,156,115,753	94,457,230	12,328,911	26,781,328	-	2,289,683,222	
Other operating income	550,312,545	4,328,753	17,886,640	572,527,938	8,341,802	-	910,581	-	581,780,321	
Total operating income (A)	9,955,314,456	215,384,905	156,218,557	10,326,917,918	153,581,817	12,328,911	27,691,909	-	7,772,384,602	
Salaries and allowances	2,103,245,731	52,599,244	-	2,155,844,975	38,896,165	6,347,378	20,791,351	-	2,221,879,869	
Rent, taxes, insurance, electricity, etc	507,377,563	6,443,305	303,055	514,123,923	11,873,361	8,608,629	6,873,632	-	541,479,545	
Legal expenses	9,556,286	76,073	-	9,632,359	27,378	224,992	1,733,428	-	11,618,157	
Postage, stamp, telecommunication, etc	76,033,138	599,557	344,451	76,977,146	2,144,607	460,136	387,494	-	79,969,383	
Stationery, printing, advertisements, etc	99,051,085	585,268	-	99,636,353	324,261	221,607	1,214,455	-	101,396,676	
Managing Director's salary and fees	16,732,000	-	-	16,732,000	-	-	-	-	16,732,000	
Directors' fees	4,692,000	-	-	4,692,000	148,350	-	-	-	4,840,350	
Auditors' fees	915,000	-	-	915,000	95,833	681,043	1,576,126	-	3,268,002	
Depreciation and repairs of Bank's assets	437,180,947	3,745,587	247,743	441,174,277	4,814,386	1,689,654	768,000	-	448,446,317	
Other expenses	964,294,460	25,679,849	11,552,920	1,001,527,229	51,367,135	3,288,043	9,560,764	-	1,065,743,171	
Total operating expenses (B)	4,219,078,210	89,728,883	12,448,169	4,321,255,262	109,691,476	21,521,482	42,905,250	-	4,495,373,470	
Profit before provision (C=A-B)	5,736,236,246	125,656,022	143,770,388	6,005,662,656	43,890,341	(9,192,571)	(15,213,341)	-	6,025,147,085	
Provision:										
Provision for loans and advances/investments				1,618,843,440	28,000,000	-	-	-	1,646,843,440	
Provision for off-balance sheet items				252,899,022	-	-	-	-	252,899,022	
Other provisions				10,000,000	-	-	-	-	10,000,000	
Profit before tax provision (C=A-B)				4,123,920,194	15,890,341	(9,192,571)	(15,213,341)	-	4,115,404,623	
Provision for taxation				1,550,000,000	15,183,964	-	150,625	-	1,565,334,589	
Profit after tax provision (C=A-B)				2,573,920,194	706,377	(9,192,571)	(15,363,966)	-	2,550,070,034	

Bank Asia Limited Segment Reporting

Annex K-1

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

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				Outside Bangladesh	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total					
PROPERTY AND ASSETS									
Cash	12,074,124,668	395,613,239	-	12,469,737,907	11,890	1,149,477	97,578	-	12,470,996,852
Balance with other banks and financial institutions	7,177,080,724	1,051,520,235	47,230,747	8,275,831,706	444,415,554	11,453,875	52,840,030	(5,510,002)	8,779,031,163
Money at call and on short notice	3,230,000,000	-	-	3,230,000,000	-	-	-	-	3,230,000,000
Investments	46,157,094,876	516,500,000	269,180,000	46,942,774,876	219,549,671	-	-	-	47,162,324,547
Loans and advances/investments	123,135,107,709	4,539,204,718	8,722,023,254	136,396,335,681	5,488,271,756	-	-	(2,880,012,102)	139,004,595,335
Fixed assets including premises, furniture and fixtures	5,062,336,177	13,170,622	-	5,075,506,799	1,071,096	7,479,587	8,757,587	-	5,092,815,069
Other assets	11,895,514,578	45,512,104	16,095,737	11,957,122,419	141,764,313	2,534,867	29,742,877	(2,205,320,404)	9,925,844,072
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	208,731,258,732	6,561,520,918	9,054,529,738	224,347,309,388	6,295,084,280	22,617,806	91,438,072	(5,090,842,508)	225,665,607,038
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, financial institutions and agents	4,316,881,710	-	7,979,233,839	12,296,115,548	2,919,350,832	-	-	(2,880,012,102)	12,335,454,278
Subordinated Non-Convertible Zero Coupon Bond	3,315,440,646	-	-	3,315,440,646	-	-	-	-	3,315,440,646
Deposits and other accounts	162,751,653,792	6,027,772,236	1,047,914,363	169,827,340,391	323,995,932	-	-	(5,510,002)	170,145,826,321
Other liabilities	19,484,416,504	417,282,878	27,381,536	19,929,080,918	1,234,291,546	47,822,793	57,414,346	(95,968,744)	21,172,640,859
Total liabilities	189,868,392,652	6,445,055,114	9,054,529,738	205,367,977,503	4,477,638,310	47,822,793	57,414,346	(2,981,490,848)	206,969,362,104
Total shareholders' equity	18,862,866,081	116,465,804	-	18,979,331,885	1,817,445,969	(25,204,987)	34,023,726	(2,109,351,659)	18,696,244,934
Total liabilities and shareholders' equity	208,731,258,732	6,561,520,918	9,054,529,738	224,347,309,388	6,295,084,280	22,617,806	91,438,072	(5,090,842,508)	225,665,607,038



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

We have audited the accompanying financial statements of Bank Asia Securities Limited (the "Company") which comprise the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable rules & regulations, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the Company's statement of financial position (balance sheet) and the statement of comprehensive income (profit and loss account) together with the annexed notes dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purposes of the Company's business.

হোদা বাসী চৌধুরী & কো

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

Dhaka, 24 February 2016



Bank Asia Securities Limited Statement of Financial Position

as at 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
<i>Amount in Taka</i>			
Non-Current Assets			
Property, plant and equipment	4	1,071,096	5,425,781
Membership of Dhaka Stock Exchange Ltd.	5	153,119,000	153,119,000
Total non-current assets		154,190,096	158,544,781
Current Assets			
Advances, deposits and prepayments	6	7,078,352	9,256,439
Investment in shares at cost	7	66,430,671	55,988,460
Margin loans	8	5,488,271,756	5,832,650,452
Accounts receivable	9	2,018,249	10,737,266
Advance income tax	10	132,667,712	110,804,095
Cash and cash equivalents	11	444,427,444	309,535,388
Total current assets		6,140,894,183	6,328,972,100
Total assets		6,295,084,279	6,487,516,881
Equity			
Share capital	12	2,000,000,000	2,000,000,000
Retained earnings/(Accumulated losses)	13	(182,554,031)	(183,260,408)
		1,817,445,969	1,816,739,592
Current Liabilities			
Customer deposits	14	323,995,932	110,453,062
Loans and borrowings	15	2,919,350,832	3,365,276,266
Accounts payable	16	5,864,549	12,368,402
Liability for expenses	17	9,883,064	7,319,590
Interest suspense account	18	890,799,213	890,799,213
Provision for diminution in value of investments	19	7,243,012	7,243,012
Provision for client margin loan	19.1	203,494,169	175,494,169
Provision for taxation	20	117,007,539	101,823,575
Total current liabilities		4,477,638,310	4,670,777,289
Total equity and liabilities		6,295,084,279	6,487,516,881

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


Chairman


Director


Chief Executive Officer

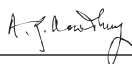
Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 24 February 2016

Bank Asia Securities Limited Statement of Comprehensive income

for the year ended 31 December 2015

	Notes	31 Dec 2015	31 Dec 2014
Interest income	21	298,522,408	382,122,589
Interest expense	22	(257,826,415)	(391,678,480)
Net interest income		40,695,993	(9,555,891)
Brokerage commission		94,457,230	116,204,855
Other operating income	23	13,096,967	6,030,670
Total operating income		148,250,190	112,679,634
Operating expenses	24	(104,359,849)	(77,994,270)
Profit before provision		43,890,341	34,685,364
Provision for diminution in value of investments	19	-	(6,852,383)
Provision for client margin loan	19.1	(28,000,000)	(175,494,169)
Profit/(Loss) before tax		15,890,341	(147,661,188)
income tax expense	20	(15,183,964)	(16,893,989)
Profit/ (Loss) after tax		706,377	(164,555,177)
Total comprehensive income/(loss)		706,377	(164,555,177)
Earnings per share		0.04	(8.23)

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



Chairman



Director



Chief Executive Officer

Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 24 February 2016



Bank Asia Securities Limited Statement of Cash Flows

for the year ended 31 December 2015

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
A. Cash flows from operating activities		
Cash received from		
Interest income	298,522,408	382,122,589
Brokerage commission	94,457,230	116,204,854
Cash payment to		
Interest expenses	(257,826,415)	(391,678,480)
Operating expenses	(68,186,249)	(71,301,013)
Customers' deposits	213,542,870	(84,511,568)
income tax paid	(21,863,618)	(16,893,989)
Net cash flows from/(used in) operating activities	258,646,227	(66,057,606)
B. Cash flows from investing activities		
Loans and advances to customers	328,679,924	3,044,268
Other assets	10,897,104	(4,205,801)
Accounts Payable	(6,503,853)	(176,162)
Investment in listed securities	(10,442,211)	(30,911,432)
Acquisition of property, plant and equipment	(459,700)	(295,576)
Advance for office premises	-	(100,000)
Net cash flows/(used in) investing activities	322,171,265	(32,644,702)
C. Cash flows from financing activities		
Loans and borrowings	(445,925,434)	401,919,977
Net cash flows/(used in) from financing activities	(445,925,434)	401,919,977
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	134,892,058	303,217,669
E. Opening cash and cash equivalents	309,535,386	6,317,718
F. Closing cash and cash equivalents	444,427,444	309,535,388

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

Chairman

Director

Chief Executive Officer

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 February 2016

Bank Asia Securities Limited Statement of Changes in Equity

for the year ended 31 December 2015

Particulars	Amount in Taka		
	Share capital	Retained earnings/ (Accumulated Losses)	Total
Year ended 31 Dec 2014			
Opening balance	2,000,000,000	(18,705,231)	1,981,294,769
Net loss for the year	-	(164,555,177)	(164,555,177)
Closing balance	2,000,000,000	(183,260,408)	1,816,739,592
Year ended 31 Dec 2015			
Opening balance	2,000,000,000	(183,260,408)	1,816,739,592
Net Profit for the year	-	706,377	706,377
Closing balance	2,000,000,000	(182,554,031)	1,817,445,969

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


Chairman


Director



Chief Executive Officer



Bank Asia Securities Limited Notes to the Financial Statements

as at and for the year ended 31 December 2015

1. Reporting entity

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

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

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

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance with generally accepted accounting principles following Bangladesh Financial Reporting Standards (BFRSs)/Bangladesh Accounting Standards (BASs). Wherever appropriate, such principles are explained in succeeding notes.

2.2 Functional and presentational currency

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

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in any future periods affected.

3. Significant accounting policies

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

3.1 Interest income

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

3.2 income from brokerage commission

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

3.3 Statement of cash flows

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

3.4 Property, plant and equipment

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

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of day-to-day

Notes to financial statements

servicing items of property, plant and equipment are expensed when incurred.

Depreciation

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

Asset category	Rate of depreciation (%)
Computer and accessories	20
Furniture and fixtures	20
Office equipment	20
Office renovation	20

Details are given in Annexure-I.

3.5 Intangible assets

Computer software

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

Subsequent costs

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

Amortisation of intangible assets

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

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
4. Property, plant and equipment		
Opening balance	5,425,781	9,852,651
Add: Addition during the period	459,700	295,576
Less: Depreciation charge for the period	4,814,386	4,722,446
Closing balance	<u>1,071,096</u>	<u>5,425,781</u>

Details are given in Annex I.

5. Membership of Dhaka Stock Exchange Limited

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

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

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



Notes to financial statements

	Amount in Taka	
	31 Dec 2015	31 Dec 2014
6. Advances, deposits and prepayments		
Opening Balance	9,256,439	851,670
Advance office rent	-	8,284,349
Advance for branch offices	-	20,420
Advance for Nikunjo office premises	-	100,000
Less: Adjustment during the period	2,178,087	-
Closing Balance	<u>7,078,352</u>	<u>9,256,439</u>
The balance represents advance office rent of Hadi Mansion, Nikunjo office premises & other.		
7. Investment in shares (at cost) Details are given in Annex II.	<u>66,430,671</u>	<u>55,988,461</u>
8. Margin loans to customers		
Opening balance	5,832,650,452	5,580,299,642
Add: Interest chared during the period	283,341,385	629,894,390
	6,115,991,837	6,210,194,032
Less: Repayment of Margin Loan during the period	627,720,081	377,543,580
Closing balance	<u>5,488,271,756</u>	<u>5,832,650,452</u>
The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ratio during the year based on directives issued by Bangladesh Securities and Exchange Commission.		
9. Accounts receivable		
Receivable from Dhaka Stock Exchange Ltd.	1,084,699	10,333,566
Receivable from Bank Asia Limited	362,000	7,700
Receivable Dividend (Dealer)	245,550	-
Cheques in transit	326,000	396,000
	<u>2,018,249</u>	<u>10,737,266</u>
10. Advance income tax		
Opening balance	110,804,095	93,910,106
Tax deducted at source from brokerage commission	14,020,427	16,519,062
Tax deducted at source from dividend income	260,606	159,090
Advance for appeal to the high court	6,061,500	-
Tax deducted at source from bank interest	1,521,085	215,837
	21,863,618	16,893,989
Closing balance	<u>132,667,712</u>	<u>110,804,095</u>
11. Cash and cash equivalents		
Cash in hand (note 11.1)	11,890	6,029
Bank balances (note 11.2)	444,415,554	309,529,359
	<u>444,427,444</u>	<u>309,535,388</u>
11.1 Cash in hand		
Head-office	11,890	6,029
	<u>11,890</u>	<u>6,029</u>

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014	
11.2 Bank balances			
Bank Asia Limited	5,452,818	296,949,246	
Bank Asia Limited (IPO)	57,184	1,673,260	
ONE Bank Limited (Consolidated Customer A/C)	5,049,456	5,965,174	
ONE Bank Limited (Dealer)	14,240,172	4,931,679	
NRB Bank Limited (Consolidated Customer A/C)	419,609,187	-	
Premier Bank Limited	6,733	10,000	
NRB Global Bank Limited	3	-	
	444,415,554	309,529,359	
12. Share capital			
Authorised capital :			
20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000	
Issued, subscribed and paid up capital:			
20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000	
The Company's shareholding position as at 31 December 2015 was as under:			
	Number of shares	% of holding	Value/Taka
Bank Asia Limited	19,999,900	99.99778	1,999,990,000
Mr. Anisur Rahman Sinha	100	0.002222	10,000
	20,000,000	100	2,000,000,000
13. Retained earnings/(Accumulated losses)			
Opening balance	(183,260,408)	(18,705,231)	
Less: Dividend	-	-	
	(183,260,408)	(18,705,231)	
Add: Total comprehensive income/(loss) during the period	706,377	(164,555,177)	
Closing balance	(182,554,031)	(183,260,408)	
	323,995,932	110,453,062	
14. Customer deposits			
Customer deposits represent uninvested funds lying with the Company's account at the reporting date.			
15. Loans and borrowings			
Bank Asia Limited	2,880,012,102	2,751,500,441	
NRB Global Bank Limited	-	200,562,937	
Investment Corporation of Bangladesh	39,333,120		
Prime Bank Limited	5,610	413,212,889	
	2,919,350,832	3,365,276,266	
16. Accounts payable			
Bank Asia Limited	5,000,000	10,000,000	
Payable for IPO Application Process	-	2,204,000	
Dhaka Stock Exchange Limited	864,549	164,402	
	5,864,549	12,368,402	



Notes to financial statements

	<i>Amount in Taka</i>	
	31 Dec 2015	31 Dec 2014
17. Liabilities for expenses	9,883,064	7,319,590
The amount represents provisions against operating expenses during the period.		
18. Interest suspense account		
Opening balance	890,799,213	641,342,452
Add: Interest suspense during the year	-	249,456,761
Closing Balance	890,799,213	890,799,213
The amount represents interest income from loan accounts of the clients who have negative equity with Bank Asia Securities Limited during the year. The amount will be recognised as income when client equity become positive balance.		
19. Provision for diminution in value of investments		
Opening Balance	7,243,012	390,629
Add: Provision made during the period	-	6,852,383
Closing balance	7,243,012	7,243,012
These exists a shortfall of Tk 11,685,353 between the cost of investment and respective market value as at 31 December 2015. The Company has taken the option provided by BSEC direction dated 08 December, 2015 and considering that an aggregate amount of Tk 7,243,012 representing 62% of the shortfall has already been provided for, no additional provision has been made.		
19.1 Provision for Client Margin Loan		
Opening Balance	175,494,169	-
Add: Provision made during the period	28,000,000	175,494,169
Closing Balance	203,494,169	175,494,169
This represents provision made as per BSEC directive to maintain at least 20% shortfall in negative equity against unrealised loss on margin loan extended to customer.		
20. Provision for corporate income tax		
Opening balance	101,823,575	84,929,586
Add: Provision made during the period	15,183,964	16,893,989
Closing balance	117,007,539	101,823,575
Provision for corporate income tax was made following applicable tax law. Income tax was withheld from the transactions of traded securities @ 0.05% under section 53BBB is the final tax liability of the Company under section 82C of Income Tax Ordinance 1984 and the details of year wise tax position are given in Annex III		
21. Interest income		
income from bank deposits	15,181,023	1,684,960
income from margin loan	283,341,385	380,437,628
	298,522,408	382,122,589
22. Interest expense		
Interest on loan	257,826,415	391,678,480
23. Other operating income		
Others operating income (note 23.1)	18,428,594	12,705,287
Less: CDBL charges	5,331,627	6,674,617
	13,096,967	6,030,670
23.1 Others operating income		
BO account opening fees	275,500	248,000

Notes to financial statements

Amount in Taka

	31 Dec 2015	31 Dec 2014
Margin account renewal fees	3,042,000	2,140,000
income from transfer/transmission/corporate action	1,855,211	3,183,558
Margin account opening fees	22,000	19,000
BO account maintenance fees	2,437,500	1,037,979
Other income	709,591	-
Dividend income	1,548,580	795,450
Capital gain from investment in shares	8,538,212	5,281,300
	<u>18,428,594</u>	<u>12,705,287</u>

24. Operating expenses

Amortisation of pre-operating expenses	-	1,970,812
Audit fees	95,833	86,250
Bank charges	152,002	293,291
Bank guarantee commission	2,100,000	787,500
BO Maintenance	1,949,600	1,856,400
Business and promotional expenses	108,000	-
Cleaning expenses	442,535	412,297
Computer accessories	177,550	227,420
Conveyance	123,276	121,028
Depreciation	4,814,386	4,722,446
Directors' remuneration	148,350	201,250
Entertainment	689,339	819,761
Fuel and oil	276,560	272,460
Hawla charges	7,800	1,156,598
Insurance premium	49,885	71,146
Internet charges	1,350,637	1,955,466
Laga charges	6,952,827	6,681,922
License and renewal fees	563,730	350,237
Written off upon final settlement	28,795,741	-
Newspaper	69,525	33,904
Office rent	11,134,137	11,432,608
Others	57,672	145,149
Plantation	259,741	255,171
Postage and courier	32,549	33,998
Printing and stationery	324,261	677,192
Professional fees	27,378	102,078
Repair and maintenance	408,693	533,408
Salaries and allowances	38,896,165	37,840,847
Service Charge	18,400	705,680.00
Telephone & Mobile Bill	761,421	574,267
Training Expenses	69,151	108,596
Transportation	13,100	118,981
Utilities	3,489,607	3,446,109
	<u>104,359,849</u>	<u>77,994,270</u>

25. Others

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

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

Bank Asia Securities Limited

Schedule of Fixed Assets

as at 31 December 2015

Annexure-I

Amount in Taka

Particulars	Cost			Rate (%)	Depreciation			Written down value at 31 Dec 2015	
	At 01 Jan 2015	Addition during the year	Adjustment/disposal		Total at 31 Dec 2015	At 01 Jan 2015	Charge for the period		Adjustment on disposal
Computer and accessories	6,028,583	-	-	20	4,518,209	1,205,714	-	5,723,923	304,660
Furniture and fixtures	2,915,764	9,500	-	20	2,332,610	585,054	-	2,917,664	7,600
Office equipment	5,543,451	65,000	-	20	4,224,562	1,121,693	-	5,346,255	262,196
Office renovation	7,628,789	-	-	20	6,024,552	1,525,757	-	7,550,309	78,480
Computer software	1,495,640	385,200	-	20	1,086,512	376,168	-	1,462,680	418,160
Total	23,612,227	459,700	-		18,186,446	4,814,386	-	23,000,831	1,071,096



Bank Asia Securities Limited Investment in shares

as at 31 December 2015

Annexure-II

Amount in Taka

SL No	Name of the company	Nature of shares	Types of shares	Face value	Number of shares including bonus	Cost of holdings	Average cost	Quoted value per share as at 31 Dec 2015	Total market value as at 31 Dec 2015
1	EMERALDOIL	Quoted	A	10.00	100,000	5,478,020	54.78	65.00	6,500,000
2	FEKDIL	Quoted	A	10.00	350,000	7,462,210	21.32	16.50	5,775,000
3	TUNGHAI	Quoted	A	10.00	220,000	4,403,300	20.02	10.20	2,244,000
4	PADMAOIL	Quoted	A	10.00	20,000	5,341,341	267.07	184.20	3,684,000
5	ONEBANKLtd.	Quoted	A	10.00	148,500	2,233,146	15.04	15.30	2,272,050
6	POWERGRID	Quoted	A	10.00	150,000	7,304,985	48.70	45.90	6,885,000
7	LANKABAFIN	Quoted	A	10.00	187,275	11,469,023	61.24	29.00	5,430,975
8	POPULARIMF	Quoted	A	10.00	121,563	695,495	5.72	4.20	510,565
9	MJLBD	Quoted	A	10.00	5,100	591,615	116.00	94.30	480,930
10	ABB1STMF	Quoted	A	10.00	120,983	780,558	6.45	4.50	544,424
11	CVOPRL	Quoted	B	10.00	1,250	672,979	538.38	336.30	420,375
12	Energypac Limited	Unquoted	-	10.00	477,225	19,998,000	41.90	-	19,998,000
						66,430,671			54,745,318

Bank Asia Securities Limited

Statement of year wise Tax Position

Annexure-III

as at 31 December 2015

Amount in Taka

Accounting Year	Assessment Year	Tax Provision as per accounts	Tax demand as per assessment order	Excess/(Short) Provision	Status
2011	2012-13	54,812,943.00	76,262,269.00	(21,449,326.00)	Appeal under High Court Division
2012	2013-14	16,070,482.00	-	-	Assessment under process in DCT level
2013	2014-15	14,046,161.00	-	-	Assessment under process in DCT level
2014	2015-16	16,893,989.00	-	-	Assessment under process in DCT level



Registered number: 07314397

BA EXCHANGE COMPANY (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015



BA EXCHANGE COMPANY (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	A R Chowdhury Md Mehmood Husain Mr Abm Kamrul Huda Azad
REGISTERED NUMBER	07314397
REGISTERED OFFICE	125 Whitechapel Road London E1 1DT
TRADING ADDRESS	125 Whitechapel Road London E1 1DT
INDEPENDENT AUDITORS	AGP Chartered Accountants Chartered Accountants & Registered Auditors Unit 8 Quebec Wharf 14 Thomas Road London E14 7AF

BA EXCHANGE COMPANY (UK) LIMITED

CONTENTS

Directors' report

Independent auditors' report

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Notes to the financial statements

The following pages do not form part of the statutory financial statements:

Detailed profit and loss account and summaries



BA EXCHANGE COMPANY (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

The directors present their report and the financial statements for the year ended December 31, 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £73,718 (2014 - loss £127,146).

The directors who served during the year were:

A R Chowdhury
Md Mehmood Husain
Mr Abm Kamrul Huda Azad

FUTURE DEVELOPMENTS

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

BA EXCHANGE COMPANY (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

POST BALANCE SHEET EVENTS

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

AUDITORS

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

A Rouf Chowdhury
Director



BA EXCHANGE COMPANY (UK) LIMITED

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

We have audited the financial statements of BA Exchange Company (UK) Limited for the year ended December 31, 2015, set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

BA EXCHANGE COMPANY (UK) LIMITED

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

-Sd-

Forhad Ahmed FCA (Senior statutory auditor)

for and on behalf of

AGP Chartered Accountants

Chartered Accountants
Registered Auditors

Unit 8 Quebec Wharf
14 Thomas Road
London
E14 7AF



BA EXCHANGE COMPANY (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Note	2015 £	2014 £
Turnover	2	105,649	56,850
Cost of sales		<u>(26,683)</u>	<u>(27,268)</u>
Gross profit		78,966	29,582
Administrative expenses		<u>(152,676)</u>	<u>(156,682)</u>
Operating loss		(73,710)	(127,100)
Interest payable and similar charges		<u>(8)</u>	<u>(46)</u>
Loss on ordinary activities before taxation		<u>(73,718)</u>	<u>(127,146)</u>
Loss for the financial year		<u>(73,718)</u>	<u>(127,146)</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(73,718)</u>	<u>(127,146)</u>

There were no recognised gains and losses for 2015 other than those included in the income statement.

BA EXCHANGE COMPANY (UK) LIMITED
REGISTERED NUMBER:07314397

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	6	65,517	77,802
		<u>65,517</u>	<u>77,802</u>
Current assets			
Debtors: Amounts falling due within one year	7	22,262	22,627
Cash at bank and in hand	8	110,400	58,034
		<u>132,662</u>	<u>80,661</u>
Creditors: Amounts falling due within one year	9	(418,964)	(305,530)
Net current assets		<u>(286,302)</u>	<u>(224,869)</u>
Total assets less current liabilities		<u>(220,785)</u>	<u>(147,067)</u>
Net assets		<u>(220,785)</u>	<u>(147,067)</u>
Capital and reserves			
Called up share capital	12	300,000	300,000
Profit and loss account		(520,785)	(447,067)
		<u>(220,785)</u>	<u>(147,067)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

A Rouf Chowdhury
 Director



BA EXCHANGE COMPANY (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2015**

	Share capital £	Retained earnings £	Total equity £
At January 1, 2015	300,000	(447,067)	(147,067)
Comprehensive income for the year			
Loss for the year	-	(73,718)	(73,718)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(73,718)	(73,718)
Total contributions by and distributions to owners	-	-	-
At December 31, 2015	300,000	(520,785)	(220,785)

BA EXCHANGE COMPANY (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT DECEMBER 31, 2014**

	Share capital £	Retained earnings £	Total equity £
At January 1, 2014	300,000	(319,921)	(19,921)
Comprehensive income for the year			
Loss for the year	-	(127,146)	(127,146)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(127,146)	(127,146)
Total contributions by and distributions to owners	-	-	-
At December 31, 2014	300,000	(447,067)	(147,067)



BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note).

The following principal accounting policies have been applied:

1.2 GOING CONCERN

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

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

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2015.

1.3 REVENUE

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ACCOUNTING POLICIES (continued)
1.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

1.5 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ACCOUNTING POLICIES (continued)

1.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ACCOUNTING POLICIES (continued)
1.8 FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ACCOUNTING POLICIES (continued)

1.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 FINANCE COSTS

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. TURNOVER

100% Turnover of the company for the year ended 31 December 2015 (2014- 100%) have arisen from within the United Kingdom.

3. OPERATING LOSS

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets	12,285	17,141
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,000	3,000
	15,285	20,141

4. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,000	3,000
	3,000	3,000
	-	-

5. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	22,000	22,000

BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

		22,000	22,000
6. TANGIBLE FIXED ASSETS			
	S/Term Leasehold Property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2015	122,846	19,684	142,530
At December 31, 2015	122,846	19,684	142,530
Depreciation			
At 1 January 2015	45,044	19,684	64,728
Charge owned for the period	12,285	-	12,285
At December 31, 2015	57,329	19,684	77,013
At December 31, 2015	65,517	-	65,517
<i>At December 31, 2014</i>	<i>77,802</i>	<i>-</i>	<i>77,802</i>
The net book value of land and building may be further analysed as follows:			
		2015 £	2014 £
Short leasehold		65,518	77,802
		65,518	77,802
7. DEBTORS			
		2015 £	2014 £
Due within one year			
Other debtors		10,500	10,500
Prepayments and accrued income		11,762	12,127
		22,262	22,627



BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

8. CASH AND CASH EQUIVALENTS	2015 £	2014 £
Cash at bank and in hand	110,400	58,032
	110,400	58,032
	110,400	58,032
9. CREDITORS: Amounts falling due within one year	2015 £	2014 £
Trade creditors	348,187	237,220
Taxation and social security	-	97
Other creditors	61,157	62,389
Accruals and deferred income	9,620	5,824
	418,964	305,530
	418,964	305,530
10. FINANCIAL INSTRUMENTS	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	10,500	10,500
	10,500	10,500
	10,500	10,500
Financial liabilities		
Financial liabilities measured at amortised cost	(418,964)	(305,328)
	(418,964)	(305,328)
	(418,964)	(305,328)

Financial assets measured at amortised cost comprise deposits held with third parties.

Financial Liabilities measured at amortised cost comprise trade creditors and other business creditors and accruals.

11. RESERVES

Profit and loss account

The profit and loss account consists of the profits retained within the business and is recorded at historic cost.

BA EXCHANGE COMPANY (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

12. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

13. COMMITMENTS UNDER OPERATING LEASES

At December 31, 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Later than 5 years	<u>42,000</u>	<u>42,000</u>
Total	<u><u>42,000</u></u>	<u><u>42,000</u></u>

14. RELATED PARTY TRANSACTIONS

All of the Company's remittances are routed through its parent entity Bank Asia Limited as part of the normal business cycles, these transactions are at arms length, these amounts have no transactional value and purely for settlement. All revenues are earned from the remitters. There is a position at the year end included in Trade Creditors £348,187 (2014 - £237,220)

15. CONTROLLING PARTY

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

16. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.



BA EXCHANGE COMPANY (UK) LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 £	2014 £
Turnover	105,649	56,850
Cost of sales	(26,683)	(27,268)
Gross profit	<u>78,966</u>	<u>29,582</u>
Gross profit %	74.7 %	52.0 %
	<u>78,966</u>	<u>29,582</u>
Less: overheads		
Administration expenses	(152,676)	(156,682)
Operating loss	<u>(73,710)</u>	<u>(127,100)</u>
Share of operating profit of joint ventures	-	-
Interest payable	(8)	(46)
Loss for the year	<u>(73,718)</u>	<u>(127,146)</u>

BA EXCHANGE COMPANY (UK) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

TURNOVER

	2015 £	2014 £
Commission Income	105,432	75,462
F/X Loss	(5,283)	(18,612)
Other income	5,500	-
	<u>105,649</u>	<u>56,850</u>

COST OF SALES

	2015 £	2014 £
Cost of sales		
Bank Charges	26,683	27,268
	<u>26,683</u>	<u>27,268</u>

ADMINISTRATION EXPENSES

	2015 £	2014 £
Administration expenses		
Directors national insurance	-	-
Directors salaries	22,000	22,000
Staff salaries	32,392	31,074
Staff training	-	180
Hotels, travel and subsistence	208	458
Printing and stationery	760	582
Postage	251	291
Telephone and fax	3,692	3,248
Computer costs	9,404	9,234
General office expenses	1,276	3,628
Advertising and promotion	1,139	1,392
Legal and professional	1,928	8,664
Auditors' remuneration	3,000	3,000
Auditors' remuneration - non-audit	2,836	3,000
Rent - operating leases	42,000	42,000
Rates	13,985	2,365
Light and heat	2,340	2,596
Sub-total carried forward	<u>137,211</u>	<u>133,712</u>



BA EXCHANGE COMPANY (UK) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 £	2014 £
ADMINISTRATION EXPENSES (continued)		
Sub-total brought forward	137,211	133,712
Insurances	986	1,107
Repairs and maintenance	2,194	2,603
Depreciation - plant and machinery	-	4,856
Depreciation - leasehold property	12,285	12,285
Profit/loss on sale of tangible assets	-	2,119
	<u>152,676</u>	<u>156,682</u>

INTEREST PAYABLE

	2015 £	2014 £
Interest payable		
Bank overdraft interest payable	(8)	(46)
	<u>8</u>	<u>46</u>

BA EXPRESS USA INC.

FINANCIAL STATEMENTS
December 31, 2015
AUDITED



UNITED FINANCIAL CPA P.C.

Certified Public Accountants
122 East 42nd Street, Suite 2100
New York, NY 10168
Tel. (212) 661 2315; Fax (212) 983 5276

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors and
BA Express USA Inc.**

We have audited the accompanying balance sheet of BA Express USA Inc. (a New York Corporation) as of December 31, 2015, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BA Express USA Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.


New York, New York

January 15, 2016

BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

Balance sheet

For the Year Ended December 31, 2015
(See accompanying auditor's report)

<u>Assets:</u>	<u>2015</u>
Current Assets:	
Cash in Bank	\$ 676,522
Accounts Receivable	341,594
Other Current Assets	<u>1,900</u>
Total Current Assets	1,020,016
Fixed assets, net (note F)	111,918
Organizational Costs, net (note F)	12,406
Security deposits	<u>24,200</u>
Total Fixed Assets	<u>148,524</u>
Total assets	<u>1,168,540</u>
Liabilities and Stockholder's Equity	
Current Liabilities:	
Remittance payable to Bank Asia	698,500
Beneficiary	8,704
Accrued Taxes and other liabilities	23,435
Withholding Taxes	<u>3,095</u>
Total Current Liabilities	733,734
Total Liabilities	733,734
Total stockholder's equity	434,806
Total Liabilities & Stockholder's Equity	<u>1,168,540</u>

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



BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

STOCKHOLDER'S EQUITY

For the Year Ended December 31, 2015
(See accompanying auditor's report)

	<u>12/31/2015</u>
STOCKHOLDERS'S EQUITY:	\$
Paid in Capital	960,000
Retained Earnings beginning of the year	<u>(327,310)</u>
Net Income / (Loss) for the twelve months ended December 31, 2015.	<u>(197,884)</u>
Retained Earnings at the end of Dec. 31, 2015	<u>(525,194)</u>
Total Stockholder's Equity	<u>434,806</u>

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

BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

Statements of Income and Retained Earnings

For the Year Ended December 31, 2015

(See accompanying auditor's report)

<u>Revenue:</u>		<u>2015</u>
Agent Commission / Fees Income		193,196
Branch Income		25,227
Head Office Income		8,148
Interest Income		11,728
FX Commission / Gain		<u>310,142</u>
Total Revenue		<u>548,441</u>
 <u>Expenses:</u>		
 General and Administrative expenses:		
New York, office expenses		734,055
Depreciation and Amortization		<u>10,330</u>
Total		744,385
Operating income before taxes		(195,944)
 Income Taxes:		
NYS and NYC		(1,940)
Net Income (loss)		<u>(197,884)</u>
 Retained Earnings at the beginning of the period		(327,310)
Retained Earnings at the end of the year		<u>(525,194)</u>

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



BA EXPRESS USA INC.

(a wholly owned subsidiary of Bank Asia Ltd.)

Statements of Cash Flow

For the Year Ended December 31, 2015

(See accompanying auditor's report)

	<u>2015</u>
Cash flow from operating activities:	
Net Income	(197,884)
Adjustments to reconcile net income to net cash	
Provided by (used in) operating activities:	
Depreciation and Amortization	10,330
Employee cash advances	1,000
Receivable from Agents	(110,585)
Withholding Taxes Liabilities	(4,888)
Other Liabilities	22,868
Remittance payable	<u>30,549</u>
Net cash provided by operating activities	(248,610)
Cash flow from investing activities:	
Fixed Assets	(2,557)
Security Deposits	<u>(0)</u>
Net cash provided by investing activities	(2,557)
Cash flow from Financing Activities:	
Paid in Capital.	<u>0</u>
Net increase (decrease) in cash	(251,167)
Cash at beginning of the period	924,764
Adjustments:	2,925
Cash at the end of the year	<u>676,522</u>

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

BA EXPRESS USA INC
Notes to Financial Statements
 December 31, 2015

Note A. Nature of the Organization and reports:

These financial statements are prepared to the best of management's knowledge, belief and actual transactions as of December 31, 2015.

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

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

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

Related Party Transactions and Shareholders:

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

The Company's principal Shareholder is:

	Owner	Related Party	Correspondent
Bank Asia Ltd	100 %	Yes	Yes



BA EXPRESS USA INC.
Notes to Financial Statements
December 31, 2015

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

Note C. Summary of significant Accounting Policies

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

Revenue is primarily derived from two sources:

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

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

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

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

BA EXPRESS USA INC.
Notes to Financial Statements
 December 31, 2015

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

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

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

NOTE D: CASH BALANCE:

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

	<u>2015</u>
Cash at Bank	116,211
Branch Funds	48,583
Restricted CD	<u>511,728</u>
Total	<u>676,522</u>



BA EXPRESS USA INC
Notes to Financial Statements
December 31, 2015

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

	<u>2015</u>
Account Receivable	<u>341,594</u>
Total	<u>341,594</u>

NOTE F Property, Furniture and Equipment:

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

	<u>2015</u>
Furniture and Fixture	9,850
Equipment	15,271
Leasehold Improvements	<u>106,574</u>
Total	<u>131,695</u>
Less Accumulated Depreciation	<u>(19,777)</u>
Net Book Value	<u>111,918</u>

Company Organizational Costs:	13,355
Amortization	<u>(949)</u>
Net Book Value	<u>12,406</u>

BA EXPRESS USA INC
Notes to Financial Statements
December 31, 2015

Note I. Security Deposits:

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

	<u>2015</u>
Rent Security Deposits	<u>24,200.</u>

Board of Directors:

Mr. Abdur Rouf Chowdhury, Chairman
Md. Mehmood Husain, Director
Mr. Rume A Hossain, Director
Mrs. Romana R Chowdhury, Director