



FINANCIAL STATEMENTS

by Mutual Fund (Details are shown in Annexure-B)
 1st Janata Bank Mutual fund
 EBL NRB 1st Mutual Fund
 1st Bangladesh Fixed Income Fund
 MBL 1st Mutual Fund
 EXIM Bank 1st Mutual Fund

c) Debentures

Beximco Denims Limited
 Beximco Textiles Limited

d) Bonds



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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Asia Limited and its subsidiaries (the "Group") as well as the separate financial statements of Bank Asia Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At year end the Group reported total gross loans and advances of BDT 264,999 million (2020: BDT 247,332 million) and provision for loans and advances of BDT 16,773 million (2020: BDT 14,523 million) including provision maintained by Bank Asia Securities Limited BDT 755 million (2020: BDT 562 million).</p> <p>In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 56 dated 10 December 2021 and 50 dated 14 December 2021 on the outstanding balance from clients who have taken the deferral facility due to COVID 19.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, loan disbursement procedures, monitoring and provisioning process; Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available; Identification of loss events, including early warning and default warning indicators; Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained

Description of key audit matters	Our response to key audit matters
	<p>Considering continuing adverse impact of COVID 19, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021 whereby Banks are allowed to keep a loan/customer as unclassified as long as the customer has paid 15% of the down payment due for the year 2021 by 31 December 2021.</p> <p>The Bank has calculated required provision as per Bangladesh Bank letter DBI-3/120/2022-404 dated 16 March 2022 considering total classified loans and advances of Tk 1,346.95 crore (5.14%).</p>
See note # 8 (a) and 13.2 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-off testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p> <p>However, due to the current uncertainty of the overall economic situation and depending on the pace of post COVID 19 recovery, there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2021.</p>
See note # 20 (a) to the financial statements	

Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 7 to the financial statements	

Description of key audit matters	Our response to key audit matters
Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2021 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 7.2 to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Description of key audit matters	Our response to key audit matters
Carrying value of investments in subsidiaries by the Bank	
<p>The Bank has invested in equity shares of 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). As at 31 December 2021 the carrying value of this investment is BDT 2,116 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> <p>We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.</p>
Revaluation of property, plant and equipment	
<p>The Bank in prior year has undertaken revaluation of its land and building. As a result of this revaluation exercise, an amount of BDT 1,930,642,171 is recognised as the fair value gain in revaluation reserve and resultant deferred tax liability. Determination of fair value in absence of any quoted price and active market require significant judgment</p>	<p>We assessed the process of revaluation previously taken by the Bank.</p> <p>We have discussed with management about any potential changes in revaluation assumptions since the last revaluation, in particular potential impact of COVID 19 and applied our judgment to see whether the fair value is still relevant.</p> <p>We checked related accounting treatments of fair value gain and associated deferred tax as recognized by the Bank.</p>

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include three subsidiaries, 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) reflect total assets of BDT 441,026.19 million as at 31 December 2021 and net interest income of BDT 5,694.25 million for the year ended 31 December 2021. Out of these three subsidiaries of the Bank two subsidiaries have been audited by other component auditors who have expressed unqualified audit opinion. However, Bank Asia Securities Limited has been audited by us. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616

Sabbir Ahmed.

Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2021

Amount in Taka

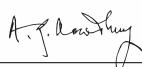
	Notes	31 Dec 2021	31 Dec 2020
PROPERTY AND ASSETS			
Cash		33,365,082,062	17,902,027,343
In hand (including foreign currencies)	4.1(a)	3,609,634,979	2,965,195,036
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	29,755,447,083	14,936,832,307
Balance with other banks and financial institutions	5(a)	41,288,613,589	32,103,518,897
In Bangladesh		39,659,087,772	29,965,987,826
Outside Bangladesh		1,629,525,817	2,137,531,071
Money at call and on short notice	6(a)	6,400,000,000	-
Investments	7(a)	77,951,433,954	94,906,810,728
Government		70,690,287,923	90,042,129,622
Others		7,261,146,031	4,864,681,106
Loans and advances/investments	8(a)	264,999,483,971	247,331,848,282
Loans, cash credits, overdrafts, etc/investments		236,976,500,176	231,157,148,714
Bills purchased and discounted		28,022,983,795	16,174,699,568
Fixed assets including premises, furniture and fixtures	9(a)	6,145,270,470	6,814,103,400
Other assets	10(a)	10,876,307,392	11,994,598,408
Non - banking assets		-	-
Total assets		441,026,191,438	411,052,907,058
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	47,836,151,368	35,971,854,941
Subordinated non-convertible bonds	11(aa)	8,600,000,000	10,200,000,000
Deposits and other accounts	12(a)	318,424,929,865	303,493,914,448
Current/AI-wadeeah current accounts and other accounts		64,292,866,731	59,823,653,764
Bills payable		3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings bank deposits		79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits		170,941,701,491	175,755,144,727
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	38,961,364,845	34,178,739,042
Total liabilities		413,822,446,078	383,844,508,431
Capital/shareholders' equity			
Total shareholders' equity		27,203,745,360	27,208,398,627
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	10,725,443,940	9,844,096,744
General and other reserve	15.1(a)	8,317,091	8,166,144
Revaluation reserve	16(a)	2,159,144,877	3,777,946,202
Retained earnings	17(a)	2,650,999,337	1,918,254,038
Foreign currency translation reserve		761,241	856,701
Non-controlling interest	17(b)	10,274	10,198
Total liabilities and shareholders' equity		441,026,191,438	411,052,907,058

Consolidated Balance Sheet

Amount in Taka

	Notes	31 Dec 2021	31 Dec 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	170,920,906,518	118,277,542,242
Acceptances and endorsements		62,539,512,475	36,015,850,212
Letters of guarantee		37,395,583,594	36,612,599,301
Irrevocable letters of credit		46,608,780,719	29,751,789,131
Bills for collection		24,377,029,730	15,897,303,598
Other contingent liabilities		-	-
Other commitments		3,044,625,874	3,912,885,538
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,044,625,874	3,912,885,538
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		173,965,532,392	122,190,427,780

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



Chairman



Director



Director



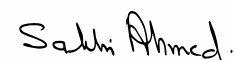
Director



President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616



Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Bank Asia Limited and its subsidiaries

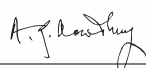
Consolidated Profit and Loss Account

for the year ended 31 December 2021

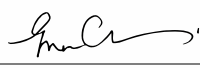
Amount in Taka

	Notes	31 Dec 2021	31 Dec 2020
OPERATING INCOME			
Interest income	20(a)	18,422,217,336	18,117,563,686
Interest paid on deposits and borrowings, etc	21(a)	12,727,962,811	14,926,706,536
Net interest income		5,694,254,525	3,190,857,150
Investment income	22(a)	6,848,834,433	6,484,398,100
Commission, exchange and brokerage	23(a)	3,562,596,602	2,653,972,061
Other operating income	24(a)	1,185,321,692	1,069,174,361
		11,596,752,727	10,207,544,522
Total operating income (A)		17,291,007,252	13,398,401,672
OPERATING EXPENSES			
Salaries and allowances	25(a)	3,995,021,349	3,638,898,248
Rent, taxes, insurance, electricity, etc	26(a)	505,031,922	463,933,944
Legal expenses	27(a)	17,558,765	13,751,716
Postage, stamp, telecommunication, etc	28(a)	121,249,030	128,312,780
Stationery, printing, advertisements, etc	29(a)	118,856,850	150,030,731
Managing Director's salary and fees	30	20,401,265	19,262,968
Directors' fees	31(a)	4,359,000	3,483,000
Auditors' fees	32(a)	3,397,350	2,978,246
Depreciation and repairs of Bank's assets	33(a)	888,405,435	875,119,333
Other expenses	34(a)	2,064,272,614	1,995,821,074
Total operating expenses (B)		7,738,553,580	7,291,592,040
Profit before provision (C=A-B)		9,552,453,672	6,106,809,632
Provision for loans and advances/investments			
General provision		(1,112,892,000)	2,166,139,871
Specific provision		5,456,131,734	(405,359,577)
	13.2(a)	4,343,239,734	1,760,780,294
Provision for off-balance sheet items	13.3	485,000,000	43,349,415
Provision for diminution in value of investments		51,208,223	180,000,000
Other provisions		150,000,000	137,000,000
Total provision (D)	34(c)	5,029,447,957	2,121,129,709
Total profit before tax (C-D)		4,523,005,715	3,985,679,923
Provision for taxation			
Current tax	13.5.1(a)	1,794,735,436	1,961,192,514
Deferred tax		-	-
		1,794,735,436	1,961,192,514
Net profit after tax		2,728,270,279	2,024,487,409
Appropriations			
Statutory reserve		881,347,196	791,541,337
General and other reserve		150,947	-
	15.1(a)	881,498,143	791,541,337
Retained surplus		1,846,772,136	1,232,946,072
Attributable to:			
Equity holders of Bank Asia Limited		1,846,772,060	1,232,946,070
Non-controlling interest		76	2
		1,846,772,136	1,232,946,072
Earnings Per Share (EPS)	37(a)	2.34	1.74

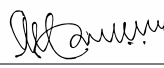
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Chairman



Director



Director



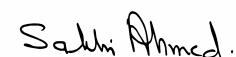
Director



President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616



Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

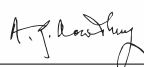
Bank Asia Limited and its subsidiaries

Consolidated Cash Flow Statement


for the year ended 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		22,884,554,255	23,359,993,236
Interest payments		(13,639,906,156)	(14,933,189,503)
Dividends receipts		136,087,793	15,280,460
Fees and commission receipts		3,562,596,602	2,653,972,061
Recoveries on loans previously written off		287,429,432	183,636,137
Cash payment to employees		(3,816,090,219)	(3,674,692,886)
Cash payment to suppliers		(214,258,327)	(225,693,469)
Income tax paid		(1,310,722,518)	(2,474,031,947)
Receipts from other operating activities	35 (a)	3,453,659,983	2,007,097,543
Payments for other operating activities	36 (a)	(2,736,269,946)	(2,627,543,728)
Operating profit before changes in operating assets & liabilities		8,607,080,899	4,284,827,904
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(17,667,635,689)	(15,516,163,259)
Other assets		298,862,909	541,735,042
Deposits from customers and banks		14,931,015,417	49,416,387,780
Trading liabilities		11,864,296,427	1,589,726,446
Other liabilities		(279,683,390)	424,381,282
Net Increase/(decrease) in operating assets and liabilities		9,146,855,674	36,456,067,291
Net cash flows from operating activities		17,753,936,573	40,740,895,195
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		19,351,841,699	(37,844,806,273)
Sale/(Purchase) of trading securities		(2,396,464,925)	(1,535,032,529)
(Purchase)/disposal of fixed assets including right-of-use assets		(474,428,366)	(457,571,585)
Net cash flows from/(used in) investing activities		16,480,948,408	(39,837,410,387)
Cash flows from financing activities (C)			
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(1,600,000,000)
Payments for lease liability		(419,543,010)	(353,868,024)
Dividend paid (cash dividend)		(1,165,906,860)	(1,165,906,860)
Net cash flows from/(used in) financing activities		(3,185,449,870)	(3,119,774,884)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		31,049,435,111	(2,216,290,076)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		50,007,474,740	52,223,764,816
Cash and cash equivalents at the end of the year		81,056,909,851	50,007,474,740
Cash and cash equivalents:			
Cash		3,609,634,979	2,965,195,036
Balance with Bangladesh Bank and its agent bank(s)		29,755,447,083	14,936,832,307
Balance with other banks and financial institutions		41,288,613,589	32,103,518,897
Money at call and on short notice		6,400,000,000	-
Prize bonds		3,214,200	1,928,500
		81,056,909,851	50,007,474,740

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



Chairman



Director



Director



Director



President and Managing Director

Bank Asia Limited and its subsidiaries

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 01 January 2020	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	836,486	1,800,257,979	24,586,568,251	10,196	24,586,578,448
Transferred during the year	-	791,541,337	-	-	-	(791,541,337)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	-	1,765,977,830	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(2,758,415)	(2,758,415)	-	(2,758,415)
Foreign currency translation for the year	-	-	-	-	20,215	-	20,215	-	20,215
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,024,487,407	2,024,487,407	2	2,024,487,409
Balance as at 31 December 2020	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	856,701	1,918,254,038	27,208,388,428	10,198	27,208,398,627
Transferred during the year	-	881,347,196	-	-	-	(881,347,196)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	-	(1,565,086,073)	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(1,835,153)	(1,835,153)	-	(1,835,153)
Foreign currency translation for the year	-	-	-	-	(95,460)	-	(95,460)	-	(95,460)
Transferred to General and other reserve	-	-	-	150,947	-	(150,947)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,728,270,203	2,728,270,203	76	2,728,270,279
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360

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



Chairman



Director



Director



Director



President and Managing Director

Bank Asia Limited

Balance Sheet

as at 31 December 2021

		Amount in Taka	
	Notes	31 Dec 2021	31 Dec 2020
PROPERTY AND ASSETS			
Cash		33,364,884,587	17,899,782,364
In hand (including foreign currencies)	4.1	3,609,437,504	2,962,950,057
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	29,755,447,083	14,936,832,307
Balance with other banks and financial institutions		40,361,469,795	31,480,907,697
In Bangladesh	5.1	38,950,215,157	29,455,358,540
Outside Bangladesh	5.2	1,411,254,638	2,025,549,157
Money at call and on short notice	6	6,400,000,000	-
Investments	7	77,021,190,521	94,251,183,584
Government		70,690,287,923	90,042,129,622
Others		6,330,902,598	4,209,053,962
Loans and advances/investments	8	262,266,701,765	244,642,030,073
Loans, cash credits, overdrafts, etc/investments		234,243,717,970	228,467,330,505
Bills purchased and discounted		28,022,983,795	16,174,699,568
Fixed assets including premises, furniture and fixtures	9	6,039,141,904	6,708,655,006
Other assets	10	12,839,899,861	13,978,128,282
Non - banking assets		-	-
Total assets		438,293,288,433	408,960,687,006
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	47,836,151,368	35,971,854,941
Subordinated non-convertible bonds	11 (aa)	8,600,000,000	10,200,000,000
Deposits and other accounts	12	317,782,434,902	303,028,106,360
Current/AI-wadeeah current accounts and other accounts		63,650,371,768	59,357,845,676
Bills payable		3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings bank deposits		79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits		170,941,701,491	175,755,144,727
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	36,718,063,544	32,379,830,134
Total liabilities		410,936,649,814	381,579,791,435
Capital/shareholders' equity			
Total shareholders' equity		27,356,638,619	27,380,895,571
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	10,725,443,940	9,844,096,744
General and other reserve	15.1	8,166,144	8,166,144
Revaluation reserve	16	2,159,144,877	3,777,946,202
Retained earnings	17	2,804,815,058	2,091,617,881
Total liabilities and shareholders' equity		438,293,288,433	408,960,687,006

Balance Sheet

Amount in Taka

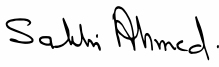
	Notes	31 Dec 2021	31 Dec 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	170,920,906,518	118,277,542,242
Acceptances and endorsements		62,539,512,475	36,015,850,212
Letters of guarantee		37,395,583,594	36,612,599,301
Irrevocable letters of credit		46,608,780,719	29,751,789,131
Bills for collection		24,377,029,730	15,897,303,598
Other contingent liabilities		-	-
Other commitments		3,044,625,874	3,912,885,538
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,044,625,874	3,912,885,538
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		173,965,532,392	122,190,427,780

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616


Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Bank Asia Limited

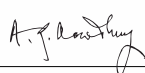
Profit and Loss Account

for the year ended 31 December 2021

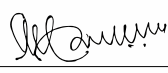
Amount in Taka

	Notes	31 Dec 2021	31 Dec 2020
OPERATING INCOME			
Interest income	20	18,340,772,912	18,112,098,828
Interest paid on deposits and borrowings, etc	21	12,700,889,562	14,926,677,328
Net interest income		5,639,883,350	3,185,421,500
Investment income	22	6,848,834,433	6,484,398,100
Commission, exchange and brokerage	23	3,168,386,253	2,474,977,494
Other operating income	24	1,036,304,780	1,034,090,923
		11,053,525,466	9,993,466,517
Total operating income (A)		16,693,408,816	13,178,888,017
OPERATING EXPENSES			
Salaries and allowances	25	3,870,113,954	3,536,708,226
Rent, taxes, insurance, electricity, etc	26	480,758,487	440,514,478
Legal expenses	27	16,556,291	13,111,596
Postage, stamp, telecommunication, etc	28	118,317,263	125,950,752
Stationery, printing, advertisements, etc	29	116,093,929	148,118,134
Managing Director's salary and fees	30	20,401,265	19,262,968
Directors' fees	31	4,040,000	3,208,000
Auditors' fees	32	977,625	853,000
Depreciation and repairs of Bank's assets	33	866,249,276	849,791,740
Other expenses	34	2,007,368,660	1,970,532,731
Total operating expenses (B)		7,500,876,750	7,108,051,625
Profit before provision (C=A-B)		9,192,532,066	6,070,836,392
Provision for loans and advances/investments			
General provision		(1,112,892,000)	2,166,139,871
Specific provision		5,263,688,085	(413,359,577)
	13.2	4,150,796,085	1,752,780,294
Provision for off-balance sheet items	13.3	485,000,000	43,349,415
Provision for diminution in value of investments	13.7	-	180,000,000
Other provisions	13.8	150,000,000	137,000,000
Total provision (D)	34(b)	4,785,796,085	2,113,129,709
Total profit before tax (C-D)		4,406,735,981	3,957,706,683
Provision for taxation			
Current tax	13.5.1	1,700,000,000	1,922,000,000
Deferred tax	13.5.2	-	-
		1,700,000,000	1,922,000,000
Net profit after tax		2,706,735,981	2,035,706,683
Appropriations			
Statutory reserve	15	881,347,196	791,541,337
General and other reserve		-	-
		881,347,196	791,541,337
Retained surplus		1,825,388,785	1,244,165,346
Earnings Per Share (EPS)	37	2.32	1.75

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


Chairman


Director

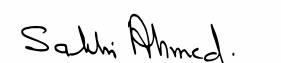

Director


Director


President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616


Sabbir Ahmed, FCA, Partner
Enrolment no: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

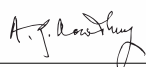
Bank Asia Limited

Cash Flow Statement

for the year ended 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		22,653,460,186	23,166,183,766
Interest payments		(13,463,183,262)	(14,744,815,683)
Dividends receipts		136,087,793	15,280,460
Fees and commission receipts		3,168,386,253	2,474,977,494
Recoveries on loans previously written off		287,429,432	183,636,137
Cash payment to employees		(3,691,182,824)	(3,572,502,864)
Cash payment to suppliers		(211,495,406)	(223,780,872)
Income tax paid		(1,215,831,944)	(2,429,453,826)
Receipts from other operating activities	35	3,304,643,071	1,972,014,105
Payments for other operating activities	36	(2,648,419,591)	(2,573,433,525)
Operating profit before changes in operating assets & liabilities		8,319,893,708	4,268,105,192
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(17,624,671,692)	(15,213,028,151)
Other assets		258,482,635	281,322,817
Deposits from customers and banks		14,754,328,542	49,318,531,745
Trading liabilities		11,864,296,427	1,589,726,446
Other liabilities		(406,708,893)	332,501,946
Net Increase/(decrease) in operating assets and liabilities		8,845,727,019	36,309,054,803
Net cash flows from operating activities		17,165,620,727	40,577,159,995
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		19,351,841,699	(37,844,806,273)
Sale/(Purchase) of trading securities		(2,121,848,636)	(1,473,797,375)
(Purchase)/disposal of fixed assets including right-of-use assets		(463,213,899)	(457,571,585)
Net cash flows from/(used in) investing activities		16,766,779,164	(39,776,175,233)
Cash flows from financing activities (C)			
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(1,600,000,000)
Payments for lease liability		(419,543,010)	(353,868,024)
Dividend paid (cash dividend)		(1,165,906,860)	(1,165,906,860)
Net cash flows from/(used in) financing activities		(3,185,449,870)	(3,119,774,884)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		30,746,950,021	(2,318,790,122)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		49,382,618,561	51,701,408,683
Cash and cash equivalents at the end of the year		80,129,568,582	49,382,618,561
Cash and cash equivalents:			
Cash		3,609,437,504	2,962,950,057
Balance with Bangladesh Bank and its agent bank(s)		29,755,447,083	14,936,832,307
Balance with other banks and financial institutions		40,361,469,795	31,480,907,697
Money at call and on short notice		6,400,000,000	-
Prize bonds		3,214,200	1,928,500
		80,129,568,582	49,382,618,561

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



Chairman



Director



Director



Director



President and Managing Director

Bank Asia Limited

Statement of Changes in Equity

for the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Retained earnings	Total
Balance at 01 January 2020	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	1,959,644,131	24,745,117,918
Transferred during the year	-	791,541,337	-	-	(791,541,337)	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,035,706,683	2,035,706,683
Balance as at 31 December 2020	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	2,091,617,881	27,380,895,571
Transferred during the year	-	881,347,196	-	-	(881,347,196)	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,706,735,981	2,706,735,981
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,166,144	2,804,815,058	27,356,638,619

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

A. J. Mondol

Chairman

Director

Director

Director

Director

Director

Director

President and Managing Director

President and Managing Director

Bank Asia Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2021

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	20,743,584,587	-	-	-	12,621,300,000	33,364,884,587
Balance with other banks and financial institutions	24,018,337,596	16,343,132,199	-	-	-	40,361,469,795
Money at call and on short notice	6,400,000,000	-	-	-	-	6,400,000,000
Investments	1,361,355,389	13,132,239,857	11,604,861,475	29,011,452,079	21,911,281,721	77,021,190,521
Loans and advances	36,115,079,761	38,829,780,750	95,411,314,079	75,254,834,804	16,655,692,371	262,266,701,765
Fixed assets including premises, furniture and fixtures	-	-	-	-	6,039,141,904	6,039,141,904
Other assets	252,500,000	1,610,000,000	2,548,500,000	6,312,026,862	2,116,873,000	12,839,899,861
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	88,890,857,333	69,915,152,806	109,564,675,553	110,578,313,745	59,344,288,996	438,293,288,433
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	9,556,600,000	20,385,600,000	13,585,300,000	6,000,000,000	6,908,651,368	56,436,151,368
Deposits	55,676,108,266	67,816,633,928	76,919,122,518	96,243,094,716	21,127,475,475	317,782,434,902
Provision and other liabilities	355,000,000	455,000,000	3,477,608,236	4,266,332,789	28,164,122,519	36,718,063,544
Total Liabilities (B)	65,587,708,266	88,657,233,928	93,982,030,754	106,509,427,505	56,200,249,362	410,936,649,814
Net Liquidity Excess/(Shortage) (A-B)	23,303,149,067	(18,742,081,122)	15,582,644,799	4,068,886,240	3,144,039,635	27,356,638,619

A. J. Hossain

Chairman

M. C. Hossain

Director

M. A. Hossain

Director

M. A. Hossain

Director

M. A. Hossain

President and Managing Director

Bank Asia Limited

Notes to the financial statements

as at and for the year ended 31 December 2021

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 (amended up to 2020), governed by the Bank Company Act 1991 (amended up to 2018). 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 129 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 5 Sub branches and 198 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 Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka

1.2 Principal activities

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

1.3 Islamic banking unit

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

1.4 Off-shore banking unit

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

1.5 Bank Asia Securities Limited

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

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

1.6 BA Exchange Company (UK) Limited

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

1.7 BA Express USA inc

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

Notes to the financial statements

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- i. Bank Company Act 1991 (amended upto 2018)
- ii. Companies Act 1994 (amended upto 2020)
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Ordinance 1969
- v. The Securities and Exchange Rules 1987
- vi. Bangladesh Securities and Exchange Commission Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

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

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

i) **Presentation of financial statements**

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

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

ii) **Investment in shares and Securities**

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision is made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

iii) **Revaluation gain/loss on Government securities**

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

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

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

iv) **Provision on loans and advances**

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

Notes to the financial statements

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November, 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, as per BRPD circular no. 14 dated September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision @ 1% should be provided for off-balance sheet exposures.

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

v) **Other comprehensive income**

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

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

vii) **Financial instruments – presentation and disclosure**

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

viii) **Repo transactions**

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

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

viii) **Financial guarantees**

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

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

ix) **Cash and cash equivalent**

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

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

x) **Non-banking asset**

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

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

Notes to the financial statements

xi) **Cash flow statement**

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

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

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

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

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

xiii) **Presentation of intangible asset**

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

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

xiv) **Off-balance sheet items**

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

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

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

xv) **Disclosure of appropriation of profit**

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

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

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

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

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

xvii) **Recognition of Interest in Suspense**

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

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

xviii) **Uniform Accounting Policy**

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation and measurement requirements of IFRS 10 cannot be made in financial statements.

(Also refer to note 3.20 Compliance of IFRSs)

2.2 Basis of measurement

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

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

Notes to the financial statements

2.3 Use of estimates and judgments

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

Key estimates include the following:

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

2.4 Foreign currency transactions

Functional and presentation currency

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

Foreign currency translation

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

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2021 have been converted into Taka currency at the revaluation rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2021 have been converted into Taka currency at the closing rate as on December 31, 2021 and profit and loss accounts have been converted into monthly average rate.

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

Commitment

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

Translation gain and losses

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

Foreign operations

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

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

2.5 Basis of consolidation

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

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

The consolidated financial statements have been prepared in accordance with International Accounting Standard 27: Separate Financial Statements and International Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31, 2021.

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

Notes to the financial statements

2.5.1 Subsidiaries of the Bank

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

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

2.6 Cash flow statement

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

2.7 Statement of changes in equity

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

Investment in securities

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

Held to maturity

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

Held for trading

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

Revaluation

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

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

Notes to the financial statements

3.1.3 Investment in listed securities

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

3.1.4 Investment in unquoted securities

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

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

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

3.1.5 Investment in subsidiary

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

3.1.6 Loans and advances/investments

- Loans and advances/investments are stated in the balance sheet on gross basis.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no. 52 dated 20 October 2020, Bangladesh Bank BRPD circular no. 56 dated 10 December 2020, BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021

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

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

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

- 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.

Notes to the financial statements

- f) The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited, Abdul Monem Sugar Refinery Limited and Shinepukur Ceramics Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2021 total outstanding amount was Tk.3,470.14 million as per the terms and conditions of the said circular. Out of these facilities M/s. Samannaz Super Oil Limited and S. A. Oil Refinery Limited is now under Solenama (Compromise Agreement submitted before the Court) as unclassified with outstanding amount Tk 3,143.64 million.
- g) In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 4,133.87 million which have not been reported under classification as at 31 December 2021 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 14,298 million has been kept as general provision against those customers.

3.1.7 Impairment of financial assets

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

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

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

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

3.1.8 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

- its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation 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%

Notes to the financial statements

Equipment	20%
Computers and accessories	20%
Motor vehicles	20%
Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16 "Property, Plant and Equipment".	

Construction work in progress/Building under Construction

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

Intangible Asset

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

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

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

3.1.9 Leased assets

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

3.1.10 Impairment of fixed assets

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

3.1.11 Investment properties

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

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

3.1.12 Other assets

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

3.1.13 Inventories

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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

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

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

Notes to the financial statements

3.2.3 Other liabilities

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

3.3 Capital/shareholders' equity

Authorised capital

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

Paid-up capital

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

Statutory reserve

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

Revaluation reserve

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

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

Non-controlling (minority) interest

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

3.4 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

3.5 Memorandum items

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

3.6 Revenue recognition

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

Interest income

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

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/suspense account instead of income account.

Notes to the financial statements

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 cease to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

Fees and commission income

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

Dividend income on shares

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

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

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

Other operating expenses

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

3.7 Employee benefits

3.7.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the approved provident fund rules. The fund is operated by a Board of Trustees. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund.

3.7.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank and actuarial valuation.

3.7.3 Superannuation Fund

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

3.7.4 Hospitalisation insurance

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

3.7.5 Worker's Profit Participation Fund

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

3.8 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items have been disclosed under contingent liabilities. As per BRPD circular no. 10 dated 18 September 2007, the Bank has maintained provision @ 1% against off-balance sheet exposures complying with BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018.

3.9 Provision for nostro accounts

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

3.10 Taxation

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

Current tax

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

Deferred tax

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

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

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

3.11 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as per International Accounting Standard (IAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share if issued. 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 IAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review. It is pertinent to mention that, potential ordinary shares is in convertible subordinate bond that may entitle their holders to ordinary shares.

3.12 Reconciliation of inter-bank/inter-branch account

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

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

3.13 Risk Management at Bank Asia Ltd.

Being a financial institution, in the ordinary course of business, the bank is sensitive to verities 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 the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

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 Division. For example adaptation of

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

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

Managing Information and communication Technology Risk : Bank Asia Limited follows the guideline stated in DFIM circular no. 6 dated 21 June 2010 regarding "Guideline on ICT Security for Banks and Financial Institutions, April 2010". IT management deals with IT policy documentation, internal IT audit, training etc. The core objective of IT management is to achieve the highest levels of technology service quality and minimize possible operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

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

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

3.14 Events after reporting period

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

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- 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:

- 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;

Notes to the financial statements

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

3.16 Directors' responsibilities on statement

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

3.17 Segment Reporting

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

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

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

3.18 Changes in Accounting Policies

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

3.19 IFRS 15 - Revenue from Contract with Customers

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

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

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS - 1	N/A
Share Based Payment	IFRS - 2	N/A
Business Combinations	IFRS - 3	Complied
Insurance Contracts	IFRS - 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Complied
Exploration for and Evaluation of Mineral Resources	IFRS - 6	N/A
Financial Instruments: Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial Instruments: Recognition and Measurement	IFRS - 9	Complied
Consolidated Financial Statements	IFRS-10	Complied
Joint Arrangements	IFRS-11	N/A
Disclosure of Interests in other entities	IFRS-12	N/A
Fair Value Measurement	IFRS-13	Complied
Revenue from Contract with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Presentation of Financial Statements	IAS - 1	Complied

Notes to the financial statements

Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Complied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Complied
Separate Financial Statements	IAS-27	Complied
Investments in Associates and Joint Ventures	IAS-28	Complied
Financial Instruments: Presentation	IAS-32	Complied
Earnings Per Share	IAS-33	Complied
Interim Financial Reporting	IAS-34	Complied
Impairment of Assets	IAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Complied
Intangible Assets	IAS-38	Complied
Investment property	IAS-40	Complied
Agriculture	IAS-41	N/A

3.21 New and amended standards and interpretations:

IFRS 16 Leases

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

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

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

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

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

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

3.22 Approval of financial statements

The financial statements were approved by the Board of Directors on March 16, 2022.

3.23 General

- 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.
- Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- These financial statements cover one calendar year from 01 January 2021 to 31 December 2021 .

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
4 Cash		
4.1 In hand (including foreign currencies)		
Conventional and Islamic banking		
Local currency	3,539,059,798	2,819,744,368
Foreign currencies	70,377,706	143,205,689
	3,609,437,504	2,962,950,057
Off-shore banking unit	-	-
	3,609,437,504	2,962,950,057
4.1(a) Consolidated Cash in hand		
Bank Asia Limited	3,609,437,504	2,962,950,057
Bank Asia Securities Limited	15,772	7,019
BA Exchange Company (UK) Limited	152,086	2,082,682
BA Express USA, Inc	29,617	155,278
	3,609,634,979	2,965,195,036
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)	28,539,674,106	13,723,650,450
Foreign currencies	177,295,618	397,715,443
	28,716,969,724	14,121,365,893
Balance with agent bank (Sonali Bank Limited)		
Local currency	1,038,477,359	815,466,414
Foreign currencies	-	-
	1,038,477,359	815,466,414
	29,755,447,083	14,936,832,307
Off-shore banking unit	-	-
	29,755,447,083	14,936,832,307
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bank Asia Limited	29,755,447,083	14,936,832,307
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	29,755,447,083	14,936,832,307

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 (amended upto 2018), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 4.0% (conventional and islamic) and offshore banking 2% has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio for conventional and offshore banking, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

4.3.1 Cash Reserve Ratio (CRR)

Conventional and Offshore Banking

As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, DOS Circular Letter No. 26 dated August 19, 2019 and MPD Circular No. 03 dated April 09, 2020 Bank has to maintain CRR @ 4.0% on fortnightly cumulative average basis and minimum @ 3.5% on daily basis for its Conventional banking. For off shore banking operation as per Bangladesh Bank BRPD Circular 31 dated June 18, 2020 Bank has to maintain minimum 2.0 (two) percent Cash Reserve Ratio (CRR) with Bangladesh Bank on bi-weekly average basis with a provision of minimum 1.5 (one and half) percent on daily basis of the average total demand and time liabilities (ATDTL) of Off Shore Banking Operation

Amount in Taka

	31 Dec 2021	31 Dec 2020
i. Daily Bank's CRR maintenance:		
Required reserve	10,142,225,000	9,838,487,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	9,827,488,000	9,608,789,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	314,737,000	229,698,000
Actual reserve maintained	26,879,283,300	13,202,579,092
Surplus	16,737,058,300	3,364,092,092
ii. Fortnightly Bank's CRR maintenance:		
Required reserve	11,651,064,000	11,287,737,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	11,231,415,000	10,981,473,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	419,649,000	306,264,000
Actual reserve maintained (average)	18,662,500,550	11,961,134,125
Surplus	7,011,436,550	673,397,125
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (3.5% Demand and Time Liabilities)	849,063,000	747,580,000
Actual reserve maintained	1,508,216,000	944,116,000
Surplus	659,153,000	196,536,000
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (4% of Demand and Time Liabilities)	970,357,000	854,377,000
Actual reserve maintained (Average)	1,427,809,880	889,974,820
Surplus	457,452,880	35,597,820
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities		
Required reserve	39,229,815,000	37,680,506,000
Domestic Banking Operation	36,502,098,000	35,689,789,000
Offshore Banking Operation	2,727,717,000	1,990,717,000
Actual reserve maintained	85,607,466,650	90,410,108,880
Surplus	46,377,651,650	52,729,602,880
Islamic Banking		
5.5% of Average Demand and Time Liabilities		
Required reserve	1,334,241,000	1,174,768,000
Actual reserve maintained	4,923,863,000	4,906,377,000
Surplus	3,589,622,000	3,731,609,000
	49,967,273,650	56,461,211,880
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	3,478,701,790	2,909,958,740
Excess of CRR - Balance with Bangladesh Bank	15,228,219,300	1,914,842,090
Balance with agent bank (Sonali Bank Limited)	528,007,630	326,888,420
Government securities	66,369,323,730	85,256,491,120
Other securities	3,214,200	1,928,500
	85,607,466,650	90,410,108,870

Amount in Taka

	31 Dec 2021	31 Dec 2020
Islamic Banking		
Cash in hand	68,254,000	32,928,000
Excess of CRR - Balance with Bangladesh Bank	537,859,000	89,739,000
Government securities	4,317,750,000	4,783,710,000
Other securities	-	-
	<u>4,923,863,000</u>	<u>4,906,377,000</u>
	<u>90,531,329,650</u>	<u>95,316,485,870</u>

5. Balance with other banks and financial institutions

In Bangladesh

Conventional and Islamic banking (Note 5.1)
Off-shore banking unit

38,950,215,157	29,455,358,540
-	-
<u>38,950,215,157</u>	<u>29,455,358,540</u>

Outside Bangladesh

Conventional and Islamic banking (Note 5.2)
Off-shore banking unit

1,322,092,346	1,948,061,993
89,162,292	77,487,164
<u>1,411,254,638</u>	<u>2,025,549,157</u>
<u>40,361,469,795</u>	<u>31,480,907,697</u>

5.1 Conventional and Islamic banking-In Bangladesh

Current accounts

AB Bank Limited
Agrani Bank Limited
Janata Bank Limited
Rupali Bank Limited
Pubali Bank Limited
Standard Chartered Bank
Sonali Bank Limited
Trust Bank Limited

-	41,480
1,093,613,262	387,920,880
76,408,660	65,066,340
223,274,915	222,804,900
465,688,094	290,734,265
12,343,207	8,732,858
254,638,756	505,204,561
(25,145,046)	885,766
<u>2,100,821,848</u>	<u>1,481,391,050</u>

Short- notice deposit accounts

AB Bank Limited
Bank Alfalah Limited
Islami Bank Bangladesh Limited

593,860	572,299
9,168	12,324
<u>190,281</u>	<u>182,867</u>
<u>793,309</u>	<u>767,490</u>

Fixed deposit accounts/ MTDR

Islamic Finance and Investment Limited
Hajj Finance Company Limited

-	100,000,000
-	100,000,000
-	200,000,000
<u>2,101,615,157</u>	<u>1,682,158,540</u>

Placements

With Banking companies (5.1.1)
With Non-banking financial institutions (5.1.2)

34,798,600,000	24,423,200,000
<u>2,050,000,000</u>	<u>3,350,000,000</u>
<u>36,848,600,000</u>	<u>27,773,200,000</u>
<u>38,950,215,157</u>	<u>29,455,358,540</u>

5.1.1 Details of Placement with Banking companies(Local Currency)

EXIM Bank Limited
Jamuna Bank Limited
AB Bank Limited

4,100,000,000	5,300,000,000
3,000,000,000	-
<u>5,000,000,000</u>	<u>-</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
NRB Commercial Bank Limited	800,000,000	-
Bengal Commercial Bank Limited	250,000,000	-
NCC Bank Limited	2,900,000,000	-
IFIC Bank Limited	2,500,000,000	-
NRB Bank Limited	500,000,000	300,000,000
United Commercial Bank Limited	3,500,000,000	-
Sonali Bank Limited	500,000,000	500,000,000
One Bank Limited	2,000,000,000	2,000,000,000
Dhaka Bank Limited	-	1,000,000,000
Social Islami Bank Limited	-	4,200,000,000
Southeast Bank Limited	-	2,000,000,000
Standard Bank Limited	4,000,000,000	2,000,000,000
	29,050,000,000	17,300,000,000

Details of Placement- with Banking companies (Foreign Currencies)

Mutual Trust Bank Limited	858,000,000	763,200,000
Islami Bank Bangladesh Limited	2,574,000,000	6,360,000,000
Modhumoti Bank Limited	343,200,000	-
Premier Bank Limited	858,000,000	-
Trust Bank Limited	257,400,000	-
Commercial Bank of Ceylon	858,000,000	-
	5,748,600,000	7,123,200,000
	34,798,600,000	24,423,200,000

5.1.2 Details of Placement with Non-banking financial institutions

Delta Brac Housing Finance Corporation Limited	500,000,000	500,000,000
Investment Corporation of Bangladesh	1,400,000,000	2,700,000,000
Union Capital Limited	150,000,000	150,000,000
	2,050,000,000	3,350,000,000

5.2 Conventional and Islamic banking- Outside Bangladesh

Current accounts

Interest bearing:

Citibank N.A., London (EURO)	-	55,820
Citibank N.A., London (GBP)	1,490,446	3,432,347
Citibank NA, New York (USD)	615,462,873	864,098,530
Habib American Bank, New York	21,465,934	373,748,309
Mashreqbank PSC, New York (USD)	177,616,158	71,208,735
Standard Chartered Bank, Mumbai	127,094,715	27,931,401
Standard Chartered Bank, New York	12,672,697	323,807,413
	955,802,823	1,664,282,555

Non-interest bearing:

AB Bank Limited, Mumbai	37,520,250	3,571,503
Al Rajhi Bank K.S.A	4,554,798	14,896,693
Bank of Sydney	945,640	1,027,704
Bhutan National Bank Limited, Thimphu	35,671,239	87,626
Axis Bank Ltd, Mumbai (ACU)	19,613,001	26,116,905
Commerzbank AG, Frankfurt (EURO)	8,386	1,211,062
Commerzbank AG, Frankfurt (USD)	4,442,535	6,056,939
Habib Metropolitan Bank Limited, Karachi	24,883,778	11,943,606
AKTIF Bank, Istanbul -Jpy	2,413,899	2,587,251
ICICI Bank Limited, Kowloon	4,755,562	2,022,848

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
ICICI Bank Limited, Mumbai	4,241,821	39,671,129
JP Morgan Chase Bank N.A New York, U.S.A	8,901,430	5,622,870
Mashreqbank PSC, Mumbai (EURO)	787,294	833,981
Mashreqbank PSC, Dubai	3,833,343	82,095,741
Muslim Commercial Bank Limited, Colombo	6,334,019	8,923,367
Nepal Bangladesh Bank Limited, Kathmandu	1,511,272	16,710,424
HDFC Bank, Mumbai	4,619,354	3,220,184
Bank Alfalah Limited, Karachi Pak (ACU)	4,415,603	31,577,935
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	6,061,530	99,202
Riyad Bank, Riyadh (SAR)	7,474	-
Wells Fargo Bank NA, New York, (USD)	188,027,096	22,200,036
Wells Fargo Bank NA, London, (EURO)	439,276	886,088
Zurcher Kantonal Bank, Switzerland	2,300,923	2,416,344
	<u>1,322,092,346</u>	<u>1,948,061,993</u>
Placement with Off-shore Banking Unit	6,256,185,000	4,258,953,750
Less: Inter company transaction with Off-shore Banking Unit	<u>(6,256,185,000)</u>	<u>(4,258,953,750)</u>
	<u>1,322,092,346</u>	<u>1,948,061,993</u>

5.3 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	24,018,337,596	8,274,907,697
More than 1 month but not more than 3 months	16,343,132,199	17,538,000,000
More than 3 months but not more than 6 months	-	5,668,000,000
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>40,361,469,795</u>	<u>31,480,907,697</u>

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

Bank Asia Limited	38,950,215,157	29,455,358,540
Bank Asia Securities Limited	787,729,362	563,887,306
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>39,737,944,519</u>	<u>30,019,245,846</u>
Less: Inter-company transactions	<u>78,856,747</u>	<u>53,258,020</u>
	<u>39,659,087,772</u>	<u>29,965,987,826</u>

Outside Bangladesh

Bank Asia Limited	1,411,254,638	2,025,549,157
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	21,446,588	15,828,898
BA Express USA, Inc	196,824,591	96,153,016
	<u>1,629,525,817</u>	<u>2,137,531,071</u>
	<u>41,288,613,589</u>	<u>32,103,518,897</u>

6. Money at call and on short notice

Call money Lending (Note 6.1)	6,400,000,000	-
	<u>6,400,000,000</u>	<u>-</u>

6.1 Call Money Lending- with Banking companies:

The City Bank Limited	3,000,000,000	-
Dhaka Bank Limited	2,000,000,000	-
Jamuna Bank Limited	1,010,000,000	-
Midland Bank Limited	200,000,000	-
NRB Commercial Bank Limited	190,000,000	-
	<u>6,400,000,000</u>	<u>-</u>

	31 Dec 2021	31 Dec 2020
6.2 Consolidated Money at call and on short notice		
Bank Asia Limited	6,400,000,000	-
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,400,000,000</u>	<u>-</u>
7. Investments		
Government (Note 7.1)	70,690,287,923	90,042,129,622
Others (Note 7.2)	6,330,902,598	4,209,053,962
	<u>77,021,190,521</u>	<u>94,251,183,584</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	70,690,287,923	90,042,129,622
Off-shore banking unit	-	-
	<u>70,690,287,923</u>	<u>90,042,129,622</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	15,758,002,455	23,102,022,464
Treasury bonds (Note 7.1.1.2)	54,929,071,268	66,938,178,658
Prize bonds	3,214,200	1,928,500
	<u>70,690,287,923</u>	<u>90,042,129,622</u>
7.1.1.1 Treasury bills		
91 days treasury bills	9,961,614,957	-
364 days treasury bills	5,796,387,498	23,102,022,464
	<u>15,758,002,455</u>	<u>23,102,022,464</u>
7.1.1.2 Treasury bonds		
Bangladesh Bank Govt Investment Sukuk	4,317,750,000	3,695,610,000
Bangladesh Bank Islamic bond	-	1,088,100,000
2 years Bangladesh Government treasury bonds	1,800,128,413	16,209,978,546
5 years Bangladesh Government treasury bonds	8,272,380,119	10,809,627,648
10 years Bangladesh Government treasury bonds	26,588,781,997	20,772,094,037
15 years Bangladesh Government treasury bonds	9,565,300,456	9,979,818,881
20 years Bangladesh Government treasury bonds	4,384,730,283	4,382,949,546
	<u>54,929,071,268</u>	<u>66,938,178,658</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	6,330,902,598	4,209,053,962
Off-shore banking unit	-	-
	<u>6,330,902,598</u>	<u>4,209,053,962</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	454,067,509	444,596,173
Unquoted share	173,948,594	226,732,948
	<u>628,016,103</u>	<u>671,329,121</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	119,221,495	158,076,866
	<u>618,886,495</u>	<u>657,741,866</u>

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
c) Debentures		
Beximco Denims Limited	-	9,537,605
Beximco Textiles Limited	-	6,445,370
	-	15,982,975
d) Bonds		
Non-Convertible Subordinated Bond - Premier Bank	500,000,000	500,000,000
Second Subordinated Bond - Mutual Trust Bank	80,000,000	160,000,000
Second Subordinated Bond - United Commercial Bank	60,000,000	120,000,000
Fourth Subordinated Bond - United Commercial Bank	1,000,000,000	1,000,000,000
Subordinated Mudaraba Bond - Social Islami Bank Limited	-	40,000,000
Second Subordinated Mudaraba Bond - Social Islami Bank Limited	40,000,000	60,000,000
5 Year Preference Share - Meghna Cement Mills Ltd	700,000,000	700,000,000
5 Year Preference Share - Kushiara Power Co. Ltd	80,000,000	100,000,000
5 Year Preference Share - Summit LNG Terminal Co (Pvt) Ltd	60,000,000	100,000,000
5 Year Preference Share - Summit Gazipur II Power Ltd	30,000,000	40,000,000
Perpetual Bond of Mutual Trust Bank Ltd	1,000,000,000	-
Perpetual Bond of United Commercial Bank	1,000,000,000	-
Perpetual Bond of Shahjalal Islamic Bank Ltd	500,000,000	-
7 Year Preference Share - Summit Barishal Power Ltd	34,000,000	44,000,000
	5,084,000,000	2,864,000,000
	6,330,902,598	4,209,053,962
7.3 Investments classified as per Bangladesh Bank circular		
Held for trading (HFT)	19,536,956,394	49,756,216,683
Held to maturity (HTM)	46,832,367,330	35,500,274,439
Other securities	10,651,866,797	8,994,692,462
	77,021,190,521	94,251,183,584
7.4 Maturity-wise grouping		
On demand	1,361,355,389	1,719,800,000
Up to 3 months	13,132,239,857	192,100,000
More than 3 months but not more than 1 year	11,604,861,475	30,208,900,000
More than 1 year but not more than 5 years	29,011,452,079	32,128,600,000
More than 5 years	21,911,281,721	30,001,783,584
	77,021,190,521	94,251,183,584
7(a) Consolidated Investments		
Government		
Bank Asia Limited	70,690,287,923	90,042,129,622
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	70,690,287,923	90,042,129,622
Others		
Bank Asia Limited	6,330,902,598	4,209,053,962
Bank Asia Securities Limited	930,243,433	655,627,144
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	7,261,146,031	4,864,681,106
	77,951,433,954	94,906,810,728

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
8 Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	234,243,717,970	228,467,330,505
Bills purchased and discounted (Note 8.2)	28,022,983,795	16,174,699,568
	<u>262,266,701,765</u>	<u>244,642,030,073</u>
8.1 Loans, cash credits, overdrafts, etc/investments		
Conventional and Islamic banking		
Inside Bangladesh		
Agricultural loan	4,214,162,268	2,652,039,116
Cash credit/Bai Murabaha (Muajjal)	6,078,813,107	6,475,321,470
Credit card	3,102,706,568	2,732,685,187
Credit for poverty alleviation scheme-micro credit	7,934,974	7,613,585
Consumer credit scheme	15,292,210,573	13,449,332,124
Demand loan	26,285,494,980	32,210,343,715
Export Development Fund (EDF)	23,507,498,252	15,130,653,340
House building loans	1,575,852,924	1,753,894,542
Loans (General)/ Musharaka	24,968,594,140	19,204,212,902
Loan against trust receipts/ Bai Murabaha post import	11,094,981,464	13,163,763,436
Overdrafts/ Quard against scheme	33,590,107,929	37,334,786,408
Packing credit	708,453,691	483,400,366
Payment against documents	518,606,158	99,931,390
Staff loan	1,722,495,464	1,551,039,312
Transport loan	2,142,778,993	2,032,418,741
Term loan- industrial/ Hire purchase under Shirkatul Melk	30,259,129,196	26,477,173,539
Term loan- others	37,349,511,472	34,484,219,425
Loan under Covit-19 stimulus package	8,120,879,445	15,450,815,316
	<u>230,540,211,598</u>	<u>224,693,643,914</u>
Outside Bangladesh	-	-
	<u>230,540,211,598</u>	<u>224,693,643,914</u>
Off-shore banking unit	<u>3,703,506,372</u>	<u>3,773,686,591</u>
	<u>234,243,717,970</u>	<u>228,467,330,505</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	2,176,572,072	1,450,361,346
Off-shore banking unit	25,846,411,723	14,724,338,222
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
8.3 Maturity-wise grouping		
Repayable on demand	36,115,079,761	48,573,100,000
Not more than 3 months	38,829,780,750	35,240,200,000
More than 3 months but not more than 1 year	95,411,314,079	65,016,400,000
More than 1 year but not more than 5 years	75,254,834,804	77,936,600,000
More than 5 years	16,655,692,371	17,875,730,073
	<u>262,266,701,765</u>	<u>244,642,030,073</u>
8.4 Net loans and advances/investments		
Gross loans and advances/investments	262,266,701,765	244,642,030,073
Less: Interest suspense (Note 13.4)	4,266,332,789	4,341,502,178
Provision for loans and advances/investments (Note 13.2 & 13.2.1)	16,017,708,000	13,960,800,000
	<u>20,284,040,789</u>	<u>18,302,302,178</u>
	<u>241,982,660,976</u>	<u>226,339,727,895</u>
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh		
Loans	194,574,796,934	184,657,222,627
Cash credits	6,078,813,107	6,475,321,470
Overdrafts	33,590,107,929	37,334,786,408
Bills purchased and discounted	27,256,319,759	15,815,626,813
	<u>261,500,037,729</u>	<u>244,282,957,318</u>
Outside Bangladesh		
Bills purchased and discounted	766,664,036	359,072,755
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

	31 Dec 2021	31 Dec 2020
8.6 Significant concentration wise grouping		
a) Directors	-	-
b) Chief Executive and other senior executives	209,931,000	199,516,566
i) Managing Director	1,329,000	1,689,000
ii) Other senior executives	208,602,000	197,827,566
c) Agriculture	5,936,200,000	9,523,200,000
d) Industry	136,528,970,765	117,769,413,507
Food Manufacturing	12,275,800,000	11,149,600,000
Beverage industry	227,100,000	467,400,000
RMG industry	38,369,200,000	27,559,500,000
Textile industry	29,541,500,000	21,329,800,000
Wood cork and allied products	49,600,000	40,200,000
Furniture and Fixture	383,400,000	199,800,000
Paper and paper products	4,939,500,000	6,734,300,000
Leather and leather products	2,036,100,000	2,195,000,000
Rubber products	2,409,600,000	2,206,500,000
Chemical and chemical products	1,122,400,000	585,300,000
Basic metal products	8,583,400,000	8,953,300,000
Electrical machinery and apparatus	3,519,800,000	6,269,900,000
Other manufacturing industries	22,980,970,765	21,787,113,507
Ship building	4,730,400,000	4,614,900,000
Ship breaking	1,749,200,000	1,386,600,000
Pharmaceutical	3,611,000,000	2,290,200,000
e) Constructions	9,489,200,000	5,359,200,000
f) Power, Gas, Water and Sanitary Services	9,459,500,000	6,558,800,000
g) Transport, Storage and Communication	1,964,100,000	1,423,900,000
h) Trade Services	46,140,100,000	48,065,200,000
i) Housing Services	19,312,400,000	16,706,000,000
j) Banking and Insurance	3,128,800,000	4,427,400,000
k) Professional and Misc. services	30,097,500,000	34,609,400,000
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

8.7 Geographical location-wise grouping

Inside Bangladesh

Urban

Dhaka Division	199,574,087,997	184,299,343,788
Chittagong Division	25,995,891,326	25,601,224,970
Khulna Division	3,907,097,310	5,278,083,549
Rajshahi Division	2,973,242,892	3,412,393,500
Barisal Division	1,384,207,178	906,438,871
Sylhet Division	2,725,813,399	2,305,852,626
Rangpur Division	1,679,419,316	1,580,361,092
Mymensingh Division	545,044,603	569,582,079
	<u>238,784,804,021</u>	<u>223,953,280,475</u>

Rural

Dhaka Division	15,542,314,547	13,434,981,758
Chattogram Division	4,735,961,665	4,217,241,743
Khulna Division	170,404,312	135,681,849
Rajshahi Division	2,683,938,724	2,588,170,747
Barisal Division	5,218,794	1,582,782
Sylhet Division	344,059,702	311,090,719
	<u>23,481,897,744</u>	<u>20,688,749,598</u>

Outside Bangladesh

	-	-
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
8.8 Loans/investments including bills purchased and discounted covered by securities		
Collateral of movable/immovable assets	153,004,170,809	156,286,050,696
Local banks and financial institutions' guarantee	577,367,412	359,800,219
Foreign banks' guarantee	74,724,364	125,550,000
Export documents	9,017,657,507	6,476,499,298
Cash and quasi cash	6,617,808,566	7,185,088,750
Personal guarantee	43,505,398,795	36,458,773,678
Other securities	49,469,574,312	37,750,267,432
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

8.9 Details of large loans/investments

As at 31 December 2021 there were thirteen (2020: six) 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 41,370.38 million as at 31 December 2021 (Taka 43,753.94 million in 2020).

Details are shown in Annex E.

8.10 Particulars of loans and advances/investments

i)	Loans/investments considered good in respect of which the Bank is fully secured	169,291,728,658	170,432,988,963
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	43,505,398,795	36,458,773,678
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	49,469,574,312	37,750,267,432
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<u>262,266,701,765</u>	<u>244,642,030,073</u>
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,722,495,464	1,551,039,312
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.	1,722,495,464	1,551,039,312
viii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from banking companies	<u>28,022,983,795</u>	<u>16,174,699,568</u>
x)	Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a)	Increase/(Decrease) of provision (specific)	3,169,800,000	(484,456,791)
	Amount of loan written off	2,907,147,407	301,241,605
	Amount realised against the loans previously written off	287,429,432	183,636,137
b)	Provision kept against loans/investments classified as bad debts	7,290,000,000	4,120,200,000
c)	Interest credited to interest suspense account	4,266,332,789	4,341,502,178

Amount in Taka

	31 Dec 2021	31 Dec 2020
xi) Cumulative amount of written off loans/investments		
Balance as at 1 January	12,417,406,149	12,299,800,681
Loans written off during the year	2,907,147,407	301,241,605
Recovery against written off loans during the year	(287,429,432)	(183,636,137)
The amount of written off loans/investments for which law suit has been filed	15,037,124,124	12,417,406,149

8.11 Grouping as per classification rules

Unclassified:

Standard including staff loan	244,193,251,512	229,709,034,174
Special mentioned account	4,603,908,000	7,002,067,597
	248,797,159,512	236,711,101,771

Classified:

Sub-standard	1,323,898,042	1,655,165,986
Doubtful	331,193,208	163,228,926
Bad/loss	11,814,451,003	6,112,533,390
	13,469,542,253	7,930,928,302
	262,266,701,765	244,642,030,073

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2021	Base for provision	Required provision		
			%	Amount	
For loans and advances/Investments:					
Unclassified - general provision					
(Other than - SME financing, House building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA)					
staff loan and SMA)	160,855,660,445	161,216,665,397	1% to 5%	7,170,568,307	8,269,900,000
Small and medium enterprise financing	32,212,422,000	32,212,422,000	0.25%	80,531,055	78,411,750
House building loan and loan for professional	13,816,322,000	13,816,323,000	1 to 2%	138,170,000	120,139,000
Loans to BH	1,522,020,000	1,522,019,000	2.00%	30,440,380	42,366,000
Consumer finance	4,832,072,000	2,005,374,000	2.00%	40,107,480	216,760,000
Special general provision COVID-19 (Note 13.2.1)				865,000,000	850,600,000
Staff loan	1,722,495,464	1,722,495,464	0%	-	-
				8,324,817,222	9,578,176,750
Special mentioned account	4,286,249,508	3,715,406,508	0.25% to 90%	32,274,415	68,600,000
Off-shore unit					
Unclassified loans (general)	29,232,259,603	29,232,259,603	1%	292,322,596	184,980,248
Special mentioned account	317,658,492	317,658,492	1%	3,176,585	-
Sub-standard	-	-		-	-
				295,499,181	184,980,248
Classified - specific provision					
Sub-standard	1,323,898,042	789,549,000	20% / 5%	145,760,650	222,200,000
Doubtful	331,193,208	235,381,000	50% / 5%	112,235,200	34,500,000
Bad/loss	11,814,451,003	7,027,830,150	100%	7,027,830,150	3,858,200,000
				7,285,826,000	4,114,900,000
Provision required for loans and advances				15,938,416,818	13,946,656,998
Total provision maintained (Note 13.2 & 13.2.1)					
Conventional and Islamic Banking				15,722,208,819	13,775,819,752
Off-shore Banking Unit				295,499,181	184,980,248
				16,017,708,000	13,960,800,000

	31 Dec 2021	31 Dec 2020
8.13 Suits filed by the Bank (Branch wise details)		
Aglabazar Branch	2,387,556	-
Agrabad Branch	2,853,481,656	2,774,258,008
Anderkilla Branch	2,195,895,747	2,147,195,492
Ashulia Branch	21,464,732	21,464,733
Bahadderhat Branch	111,845,930	93,140,778
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	311,255,111	304,667,551
Beanibazar Branch	5,584,770	5,584,770
Bhatiary Branch	642,665,261	235,415,552
Bogra Branch	110,554,742	170,554,742
BSMMU Branch	1,413,816	1,413,816
Credit Cards Department	94,264,014	58,986,988
CDA Avenue Branch	5,941,322,686	5,642,291,874
Chandragonj Branch	492,048	492,048
Chatkhil Branch	6,793,978	6,793,978
Corporate Branch	165,677,387	338,268,683
Cumilla Branch	83,894,849	86,486,898
Dhanmondi Branch	1,032,784,951	1,017,296,372
Donia Branch	46,946,884	46,946,884
Elephant Road	2,375,836	2,375,836
Gulshan Branch	2,310,582,804	1,394,306,248
Holy Family RCMCH Branch	83,100,828	83,100,828
Jaganathpur Branch	6,120,000	6,120,000
Jatrabari SME	1,185,818	1,185,818
Jessore Branch	84,479,555	89,881,449
Jurain SME Centre	-	941,349
Kamal Bazar Branch	315,335	481,668
Kazipara Branch	13,113,564	13,113,564
Khatunganj Branch	3,237,716,521	3,114,744,394
Khulna Branch	77,394,034	77,394,034
Konabari Branch	540,150	540,150
Lohagara Branch	-	20,729,905
Madhobdi Branch	136,591,859	136,591,869
Maijdee Court Branch	-	98,687,119
Malkhanagar Branch	77,943,667	77,943,669
MCB Banani Branch	78,077,429	92,011,564
MCB Dilkusha Branch	1,234,731,875	1,194,553,154
MCB Sk. Mujib Road Branch	2,051,685,324	2,066,385,324
Mirpur Branch	41,099,588	15,659,797
Mitford Branch	300,047,766	300,047,766
Moghbazar Branch	53,513,290	53,513,290
Mohakhali Branch	62,003,361	62,003,361
Moulavibazar Branch	52,108,011	52,108,011
Narayanganj Branch	164,074,196	163,562,826
North South Road Branch	1,275,659,883	1,707,685,466
Oxygen Moor Branch	8,088,886	7,882,263
Paltan Branch	70,216,500	70,216,500
Principal Office Branch	1,103,403,083	1,067,178,608
Progoti Sarani Branch	40,999,581	41,340,118
Rajshahi Branch	34,331,602	34,331,602
Ramgonj SME/Agri Branch	13,655,635	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	1,208,503	1,208,503
Savar Branch	345,501	25,273,708

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
Scotia Branch	495,980,035	718,085,871
Shantingar Branch	1,002,184,065	1,114,261,160
Shantingar IW	8,363,492	-
Station Road Branch	129,772,761	8,955,312
Strand Road Branch	24,059,970	16,264,367
Sylhet Main Branch	23,338,876	23,438,876
Sylhet Uposhahar Branch	5,351,679	5,351,680
Sylhet Uposhahar Islamic Window Branch	17,140,393	19,936,418
Tangail Branch	21,946,647	-
Tarail Branch	290,718	290,718
Tongi Branch	2,174,613	2,174,613
Uttara Branch	920,820,590	922,354,503
EPZ Branch	5,904,884	9,956,696
	<u>29,003,706,163</u>	<u>27,980,026,115</u>

8.14 Bills purchased and discounted

Payable in Bangladesh	27,256,319,759	15,815,626,813
Payable outside Bangladesh	766,664,036	359,072,755
	<u>28,022,983,795</u>	<u>16,174,699,568</u>

8.15 Maturity-wise grouping of bills purchased and discounted

Payable within 1 month	6,802,068,499	4,546,253,379
More than 1 month but less than 3 months	9,209,229,018	5,023,096,265
More than 3 months but less than 6 months	8,505,370,548	5,104,590,035
More than 6 months	3,506,315,730	1,500,759,889
	<u>28,022,983,795</u>	<u>16,174,699,568</u>

8(a) Consolidated Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments

Bank Asia Limited	234,243,717,970	228,467,330,505
Bank Asia Securities Limited	4,244,364,917	4,810,787,426
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>238,488,082,887</u>	<u>233,278,117,931</u>
Less: Inter- companies transactions	1,511,582,711	2,120,969,217
	<u>236,976,500,176</u>	<u>231,157,148,714</u>

Bills purchased and discounted

Bank Asia Limited	28,022,983,795	16,174,699,568
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
	<u>264,999,483,971</u>	<u>247,331,848,282</u>

9 Fixed assets including premises, furniture and fixtures

Conventional and Islamic banking (Note 9.1)	6,039,141,904	6,708,655,006
Off-shore banking unit	-	-
	<u>6,039,141,904</u>	<u>6,708,655,006</u>

9.1 Conventional and Islamic banking

Cost:

Land	2,646,764,306	2,646,764,306
Building	3,251,439,208	3,232,313,394
Furniture and fixtures	1,503,933,814	1,431,187,762

Amount in Taka

	31 Dec 2021	31 Dec 2020
Equipments	1,559,808,934	1,322,248,427
Computer and accessories	580,452,585	565,434,812
Motor vehicles	288,461,817	283,882,241
Intangible assets	24,000,000	24,000,000
Construction work in progress	359,745,396	444,741,638
Right-of-use assets	1,557,394,204	1,739,075,475
	11,772,000,264	11,689,648,055
Less: Accumulated depreciation	5,679,143,096	4,927,277,785
Adjustment of assets revaluation	53,715,264	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	6,039,141,904	6,708,655,006

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

Bank Asia Limited	6,039,141,904	6,708,655,006
Bank Asia Securities Limited	102,516,206	100,737,790
BA Exchange Company (UK) Limited	179,831	112
BA Express USA, Inc	3,432,529	4,710,492
	6,145,270,470	6,814,103,400

10 Other assets

Conventional and Islamic banking (Note 10.1)	12,811,253,032	13,936,217,023
Off-shore banking unit	28,646,829	455,426,291
Less : Inter transaction between OBU and Conventional Banking	-	(413,515,032)
	12,839,899,861	13,978,128,282

10.1 Conventional and Islamic banking

Income generating other assets

Investment in Bank Asia Securities Ltd - incorporated in Bangladesh	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited - incorporated in UK	34,515,000	34,470,000
Investment in BA Express USA Inc - incorporated in USA	82,368,000	81,408,000
	2,116,873,000	2,115,868,000

Non-income generating other assets

Income receivable (Note 10.2)	1,616,405,682	1,484,684,607
Stock of stamps	9,722,957	8,375,022
Stationery, printing materials, etc	73,675,553	72,829,560
Prepaid expenses	10,027,591	19,637,430
Deposits and advance rent	542,447,561	569,525,022
Advances, prepayments and others (Note 10.3)	300,712,301	199,702,197
Advance income tax (Note 10.4)	7,340,978,300	6,125,028,357
Receivable against government	117,546,150	83,180,897
Sundry debtors	38,424,481	41,540,814
Branch adjustment account (Note 10.5)	101,585,147	846,187,566
Protested bills	108,197,853	48,489,200
Receivable from BA Exchange Company (UK) Limited	60,497,753	94,676,053
Receivable from BA Express USA Inc	350,836,788	325,094,277
Excise duty recoverable	20,567,980	23,920,480
Profit Receivable from Govt Investment Sukuk	1,668,976	1,428,495
Interest receivable against Govt Subsidy - from client	917,831	1,682,351,785
Interest receivable against Govt Subsidy - from govt (Note 10.7)	167,128	193,697,261
	10,694,380,032	11,820,349,023
	12,811,253,032	13,936,217,023

10.2 income receivable

Income receivable consists of interest accrued on investment including interest for stimulus package.

31 Dec 2021

31 Dec 2020

10.3 Advances, prepayments and others

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

10.4 Advance income tax

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

10.5 Branch adjustment accounts

This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2021 are given below:

Periods of Reconciliation	Number of responded entries (Debit)	Amount of responded entries (Taka)	Number of responded entries (Credit)	Amount of responded entries (Taka)
Up to 3 months	61	105,744,994	59	40,419,827
More than 3 months but within 6 months	-	-	-	-
More than 6 months but within 1 year	-	-	-	-
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	1	23,515
	61	105,744,994	60	40,443,342

10.6 Receivable from Government in connection with Rangs Properties:

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

10.7 Interest receivable against Govt Subsidy - from govt

As per BRPD Circular letter no. 23 dated May 04, 2020 total claim to Bangladesh Bank was Tk. 255,737,851 out of which Bank has received Tk. 255,738,000 from Bangladesh Bank as of December 30, 2020. In the meantime receivable amount Tk. 255,570,723 was adjusted.

10 (a) Consolidated Other assets

Bank Asia Limited	12,839,899,861	13,978,128,282
Bank Asia Securities Limited	441,051,132	434,030,695
BA Exchange Company (UK) Limited	11,470	943,152
BA Express USA, Inc	122,035,610	115,533,509
	13,402,998,073	14,528,635,638
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	33,910,140	33,684,900
Investment in BA Express USA, Inc	81,456,000	80,592,000
Receivable from BA Exchange Company (UK) Limited	60,497,753	94,676,053
Receivable from BA Exchange USA, Inc.	350,836,788	325,094,277
	10,876,307,392	11,994,598,408

10(aa) Demutualization membership of Dhaka Stock Exchange

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

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

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

	31 Dec 2021	31 Dec 2020
11 Borrowings from other banks, financial institutions and agents		
Conventional and Islamic banking (Note 11.1)	25,054,077,570	21,526,054,526
Off-shore banking unit (Note 11.2)	29,038,258,798	18,704,754,165
Less: Adjustment with Head Office	(6,256,185,000)	(4,258,953,750)
	<u>47,836,151,368</u>	<u>35,971,854,941</u>
11.1 Conventional and Islamic banking		
In Bangladesh (Note 11.1.1)	25,054,077,570	21,526,054,526
Outside Bangladesh	-	-
	<u>25,054,077,570</u>	<u>21,526,054,526</u>
11.1.1 In Bangladesh		
Secured:	-	-
Un secured:		
Money at call and on short notice		
Uttara Bank Limited	-	3,000,000,000
IFIC Bank Limited	-	900,000,000
	-	<u>3,900,000,000</u>
Borrowings		
Bangladesh Bank Refinance	657,507,660	369,818,471
Covid-19 Stimulus PKG-Tk. 5000 Cr - Export	891,434,476	1,324,997,951
Refinance under Stimulus Package Tk. 5000 Cr - Agri	188,993,695	155,086,462
Refinance under Stimulus Package Tk. 3000 Cr - Agri	1,223,173,174	-
Bangladesh Bank Borrowing under IPPF- II Fund	951,128,000	458,728,000
Bangladesh Bank Borrowing under Long Term Financing Facilities (LTFF) scheme	337,150,038	428,626,641
SME Foundation Pre Finance	21,300,000	20,422,607
Bangladesh Bank Pre-Finance (SREUP)	32,501,823	15,000,000
Borrowing A/C (AGRI Taka 10)	193,857,516	64,303,992
Borrowing- Green finance refinance	-	10,000,000
Export development fund	20,164,807,885	14,779,070,402
Bangladesh Bank Refinance Scheme for Pre Shipment Loan	45,000,000	-
Bangladesh Bank Borrowing under Green Transformation Fund (GTF)	127,223,303	-
Borrowing From SMEF for Stimulus Loan	220,000,000	-
	<u>25,054,077,570</u>	<u>21,526,054,526</u>
11.2 Borrowing at Off-shore banking unit		
Secured:	-	-
Un secured:		
Conventional Banking	6,258,960,250	4,284,703,063
International Finance Corporation	2,828,333,390	5,456,750,000
Borrowing - ECA	1,850,552,942	2,045,806,201
Yes Bank, Mumbai	169,700,000	-
SCB Singapore	848,500,000	-
National Bank of RAK, UAE	1,272,750,000	-
Bank Muscat, Oman	678,800,000	-
Abu Dhabi Commercial bank	1,272,750,000	-
Mashreq Bank, UAE	848,500,000	-
Axis Bank Limited, Singapore	1,272,750,000	-
Caixa Bank, Barcelona	2,800,050,000	2,449,467,915
Standard Chartered Bank, Thailand	848,500,000	419,750,000
HDFC, Gift City, Mumbai	848,500,000	-
Nabil Bank Limited, Nepal	-	419,750,000
Indusind Bank Limited	424,250,000	-
Commercial Bank of Dubai	1,272,750,000	839,500,000
State Bank of India, Hong Kong	1,646,090,000	419,750,000
State Bank of India, Dubai	848,500,000	856,290,000
Nepal Bangladesh Bank Limited	-	419,750,000
The Commercial Bank, Qatar	424,250,000	671,600,000

Amount in Taka

	31 Dec 2021	31 Dec 2020
DBS Bank Singapore	2,621,865,000	419,750,000
Banca Valsabbina SCPA Vestone Italy	1,907,216	1,886,986
	<u>29,038,258,798</u>	<u>18,704,754,165</u>

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

Bank Asia Limited	47,836,151,368	35,971,854,941
Bank Asia Securities Limited	1,511,582,711	2,120,969,217
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>49,347,734,079</u>	<u>38,092,824,158</u>
Less: Inter-company transactions	<u>1,511,582,711</u>	<u>2,120,969,217</u>
	<u>47,836,151,368</u>	<u>35,971,854,941</u>

11(aa) Subordinated Non-Convertible Bonds

Subordinated Non-Convertible Zero Coupon Bond

Agrani Bank Limited	40,000,000	80,000,000
BRAC Bank Limited	20,000,000	40,000,000
Janata Bank Limited	50,000,000	100,000,000
Mercantile Bank Limited	100,000,000	200,000,000
One Bank Limited	120,000,000	240,000,000
Pubali Bank Limited	50,000,000	100,000,000
Rupali Bank Limited	120,000,000	240,000,000
Sonali Bank Limited	100,000,000	200,000,000
	<u>600,000,000</u>	<u>1,200,000,000</u>

Subordinated Non-Convertible floating rate bond - 2

Agrani Bank Limited	150,000,000	200,000,000
Dhaka Bank Limited	450,000,000	600,000,000
Janata Bank Limited	150,000,000	200,000,000
National Life Insurance Co	300,000,000	400,000,000
Pubali Bank Limited	600,000,000	800,000,000
Sabinco	90,000,000	120,000,000
Sadharan Bima Corporation	60,000,000	80,000,000
Sonali Bank Limited	600,000,000	800,000,000
Southeast Bank Limited	300,000,000	400,000,000
Uttara Bank Limited	300,000,000	400,000,000
	<u>3,000,000,000</u>	<u>4,000,000,000</u>

Subordinated Non-Convertible floating rate bond - 3

Agrani Bank Limited	2,500,000,000	2,500,000,000
Eastern Bank Limited	1,000,000,000	1,000,000,000
Trust Bank Limited	500,000,000	500,000,000
Dutch-Bangla Bank Limited	500,000,000	500,000,000
Pubali Bank Limited	500,000,000	500,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	<u>8,600,000,000</u>	<u>10,200,000,000</u>

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

Payable on demand	9,556,600,000	9,011,654,941
Up to 1 month	-	-
More than 1 month but within 3 months	20,385,600,000	14,297,800,000
More than 3 months but within 1 year	13,585,300,000	6,577,300,000
More than 1 year but within 5 years	6,000,000,000	12,707,300,000
More than 5 years	6,908,651,368	3,577,800,000
	<u>56,436,151,368</u>	<u>46,171,854,941</u>

	31 Dec 2021	31 Dec 2020
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11.4 Disclosure regarding REPO

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

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

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

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

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
		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)	317,156,734,094	302,702,491,449
Off-shore banking unit	625,700,808	325,614,911
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

Deposits and other accounts

Current/AI-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	63,079,802,314	59,077,355,292
Off-shore banking unit	570,569,454	280,490,384
	<u>63,650,371,768</u>	<u>59,357,845,676</u>

Bills payable

Deposits from banks	-	-
Deposits from customers	3,978,312,853	3,747,868,764
	<u>3,978,312,853</u>	<u>3,747,868,764</u>

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	79,212,048,790	64,167,247,193
	<u>79,212,048,790</u>	<u>64,167,247,193</u>

Fixed deposits/Mudaraba fixed deposits

Deposits from banks	4,400,007	5,101,696
Deposits from customers	170,882,170,130	175,704,918,504
Off-shore banking unit	55,131,354	45,124,527
	<u>170,941,701,491</u>	<u>175,755,144,727</u>
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

12.1 Conventional and Islamic banking

Deposits from banks (Note 12.1.1)	4,400,007	5,101,696
Deposits from customers (Note 12.1.2)	317,152,334,087	302,697,389,753
	<u>317,156,734,094</u>	<u>302,702,491,449</u>

	31 Dec 2021	31 Dec 2020
12.1.1 Deposits from banks		
Fixed deposit/SND		
AB Bank Limited	39,525	39,875
EXIM Bank Limited	3,168,780	3,885,861
Social Islami Bank Limited	594,714	586,859
Trust Bank Limited	596,988	589,101
	<u>4,400,007</u>	<u>5,101,696</u>
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	63,079,802,314	59,077,355,292
Bills payable (Note 12.1.2b)	3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings deposits	79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	170,882,170,130	175,704,918,504
	<u>317,152,334,087</u>	<u>302,697,389,753</u>
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	25,695,837,784	24,768,775,326
Other demand deposit - Local currency	25,236,668,844	25,468,837,980
Other demand deposit - Foreign currencies	9,037,394,275	6,708,270,720
Foreign currency deposits	3,089,917,288	2,495,726,018
Unclaimed cash dividend	19,984,123	49,260,280
Export retention quota	-	-
	<u>63,079,802,314</u>	<u>59,490,870,324</u>
Less : Inter transaction between OBU and Conventional Banking	-	(413,515,032)
	<u>63,079,802,314</u>	<u>59,077,355,292</u>
12.1.2b Bills payable		
Bills payable - local currency	3,948,826,436	3,723,901,591
Bills payable - foreign currencies	29,486,417	23,967,173
Demand draft	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	104,635,816,104	107,507,156,677
Special notice deposit	26,535,531,471	29,394,855,101
Foreign currency deposits (interest bearing)	3,408,303	3,371,973
Deposit under schemes	39,707,414,252	38,799,534,753
	<u>170,882,170,130</u>	<u>175,704,918,504</u>
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	26,286,391,361	24,685,010,958
Savings bank/Mudaraba savings deposits	7,129,084,391	5,775,052,247
Foreign currency deposits (non interest bearing)	12,127,311,563	9,203,996,738
Sundry deposits	25,236,668,844	25,468,837,980
Bills payable	3,978,312,853	3,747,868,764
	<u>74,757,769,012</u>	<u>68,880,766,687</u>
b) Time deposits		
Savings bank/Mudaraba savings deposits	72,082,964,399	58,392,194,946
Fixed deposits/Mudaraba fixed deposits	104,695,347,465	107,557,382,900
Foreign currency deposits (interest bearing)	3,408,303	3,371,973
Special notice deposit	26,535,531,471	29,394,855,101
Deposits under schemes	39,707,414,252	38,799,534,753
	<u>243,024,665,890</u>	<u>234,147,339,673</u>
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
12.3 Sector-wise break-up of deposits and other accounts		
Government	6,739,566,000	7,873,636,862
Deposit from banks	4,400,007	5,101,696
Other public	2,817,600,000	4,496,553,088
Foreign currencies	12,785,907,091	9,556,950,795
Private	295,434,961,804	281,095,863,919
	<u>317,782,434,902</u>	<u>303,028,106,360</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	4,400,007	5,101,696
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>4,400,007</u>	<u>5,101,696</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	2,450,300,000	2,292,300,000
Up to 1 month	51,472,508,259	44,119,515,163
Over 1 month but within 6 months	65,587,221,075	43,932,031,236
Over 6 months but within 1 year	76,919,122,518	80,552,500,000
Over 1 year but within 5 years	96,243,094,716	89,920,000,000
Over 5 years	21,127,475,475	38,458,789,501
	<u>313,799,722,042</u>	<u>299,275,135,900</u>
12.4.3 Bills payable		
Payable on demand	673,200,000	471,400,000
Up to 1 month	1,075,700,000	1,192,500,000
Over 1 month but within 6 months	2,229,412,853	2,083,968,764
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
	<u>317,782,434,902</u>	<u>303,028,106,360</u>
12(a) Consolidated Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Bank Asia Limited	63,650,371,768	59,357,845,676
Bank Asia Securities Limited	721,351,710	519,066,108
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>64,371,723,478</u>	<u>59,876,911,784</u>
Less: Inter-company transactions	<u>78,856,747</u>	<u>53,258,020</u>
	<u>64,292,866,731</u>	<u>59,823,653,764</u>
Bills payable		
Bank Asia Limited	3,978,312,853	3,747,868,764
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	79,212,048,790	64,167,247,193
Bank Asia Securities Limited	-	-

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	170,941,701,491	175,755,144,727
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	170,941,701,491	175,755,144,727
	318,424,929,865	303,493,914,448
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	36,714,295,934	32,379,260,942
Off-shore banking unit	3,767,610	569,192
	36,718,063,544	32,379,830,134
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.2)	15,152,708,000	13,110,200,000
Special general provision COVID-19 (Note 13.2.1)	865,000,000	850,600,000
Provision on off-balance sheet exposures (Note 13.3)	1,490,000,000	1,005,000,000
Interest suspense account (Note 13.4)	4,266,332,789	4,341,502,178
Provision for income tax including deferred tax (Note 13.5)	10,656,414,519	8,956,414,519
Provision for performance and festival bonus	431,563,479	252,632,349
Master card and Visa card payables	9,734,798	829,449
Expenditures and other payables	1,304,223,717	1,108,143,599
Provision for nostro accounts (Note 13.6)	-	-
Other payable	114,911,276	115,509,606
Provision for profit equalization	35,167,287	20,978,177
Provision for diminution in value of shares (Note 13.7)	363,383,553	363,383,553
Payable to Government	-	9,007,621
Provision for others (Note 13.8)	440,572,690	290,572,690
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	896,430,689	829,928,758
Interest payable on subordinated non-convertible zero coupon bond	151,321,370	181,861,645
Fraction Bonus Share	1,608,744	2,768,571
Lease liabilities (Note 13.9)	467,223,023	872,228,227
	36,714,295,934	32,379,260,942
13.2 Provision for loans and advances/investments		
General provision		
Conventional and Islamic:		
Balance as at 1 January	8,805,019,752	7,478,740,555
Add: Provision made during the year	-	1,326,279,197
Less: Provision no longer required	1,237,810,933	-
Balance as at 31 December	7,567,208,819	8,805,019,752
Off-shore Banking Unit (OBU):		
Balance as at 1 January	184,980,248	195,719,574
Add: Provision made during the year	110,518,933	-
Less: Provision no longer required	-	(10,739,326)
Balance as at 31 December	295,499,181	184,980,248
A. Total general provision on loans and advances/investments	7,862,708,000	8,990,000,000

Amount in Taka

	31 Dec 2021	31 Dec 2020
Specific provision		
Conventional and Islamic:		
Balance as at 1 January	4,120,200,000	4,604,656,791
Add/ Back: Recoveries of amounts previously written off	287,429,432	183,636,137
Specific provision made during the year	5,263,688,085	(413,359,577)
Less: Write off/amicable settlement during the year	(2,381,317,517)	(254,733,351)
Balance as at 31 December	7,290,000,000	4,120,200,000
Off-shore Banking Unit (OBU):		
Balance as at 1 January	-	-
Add: Provision made during the year	-	-
Less: Provision no longer required	-	-
Balance as at 31 December	-	-
B. Total Specific provision on loans and advances/investments	7,290,000,000	4,120,200,000
C. Total provision on loans and advances/investments (A+B)	15,152,708,000	13,110,200,000
13.2.1 Special general provision COVID-19		
Balance as at 1 January	850,600,000	-
Add: Provision made during the year	435,000,000	850,600,000
Less: Provision no longer required	420,600,000	-
Balance as at 31 December	865,000,000	850,600,000
13.3 Provision on off-balance sheet exposures		
Balance at 1 January	1,004,645,275	961,337,263
Add: Provision made during the year	485,188,869	43,308,012
	1,489,834,144	1,004,645,275
Less: Adjustments made during the year	-	-
Balance at the end of the year	1,489,834,144	1,004,645,275
Provision maintained for OBU as at 01 January	354,725	313,322
Add: Provision made during the year	-	41,403
Less: Adjustments made during the year	(188,869)	-
	165,856	354,725
Balance at the end of the year	1,490,000,000	1,005,000,000
As per BRPD Circular No. 07, dated 21 June 2018 and BRPD Circular No. 13, dated 18 October 2018 no no provision is required for bills for collection and for counter guarantee provision is maintained based on BB rating grade.		
13.4 Interest suspense account		
Balance at 1 January	4,341,502,178	2,014,114,905
Add: Amount transferred to interest suspense" account during the year	3,023,428,291	4,507,844,608
	7,364,930,469	6,521,959,513
Less: Amount of interest suspense recovered	2,749,605,348	2,119,471,298
Interest waiver during the year	348,992,332	60,986,037
	3,098,597,680	2,180,457,335
Balance as at 31 December	4,266,332,789	4,341,502,178

Amount in Taka

	31 Dec 2021	31 Dec 2020	
13.5 Provision for taxation			
Current tax (Note 13.5.1)	10,184,393,154	8,484,393,154	
Deferred tax (Note 13.5.2)	472,021,365	472,021,365	
	<u>10,656,414,519</u>	<u>8,956,414,519</u>	
13.5.1 Provision for current tax			
Balance at 1 January	8,484,393,154	10,103,853,086	
Add: Provision made during the year	1,700,000,000	1,922,000,000	
	<u>10,184,393,154</u>	<u>12,025,853,086</u>	
Less: Adjustments made during the year	-	3,541,459,932	
Balance as at 31 December	<u>10,184,393,154</u>	<u>8,484,393,154</u>	
13.5.1(a) Consolidated Provision for current tax			
Balance as at 1 January	8,726,745,036	10,307,012,454	
Add: Provision made during the year			
Bank Asia Limited	1,700,000,000	1,922,000,000	
Bank Asia Securities Limited	94,735,436	39,192,514	
BA Exchange Company (UK) Limited	-	-	
BA Express USA, Inc	-	-	
	<u>1,794,735,436</u>	<u>1,961,192,514</u>	
	<u>10,521,480,472</u>	<u>12,268,204,968</u>	
Less: Adjustments made during the year			
Bank Asia Limited	-	3,541,459,932	
Bank Asia Securities Limited	41,919,443	-	
BA Exchange Company (UK) Limited	-	-	
BA Express USA, Inc	-	-	
	<u>41,919,443</u>	<u>3,541,459,932</u>	
Balance as at 31 December	<u>10,479,561,029</u>	<u>8,726,745,036</u>	
13.5.2 Provision for deferred tax			
Balance at 1 January	472,021,365	472,021,365	
Provision made for deferred tax liabilities	-	-	
Provision made for deferred tax assets	-	-	
	<u>472,021,365</u>	<u>472,021,365</u>	
13.5.2 (a) Deferred Tax (asset)/liability			
Particulars	Book value	Tax Base	(Deductible)/ Taxable
Opening Balance			
Deferred Tax Asset			(1,158,806,250)
Deferred Tax Liability			593,437,897
Net Deferred Tax Asset			<u>(306,860,631)</u>
Net Deferred Tax Asset as of December 31, 2021			
Deferred Tax Asset:			
Loan loss provision	7,290,000,000	- (5,467,500,000)	(2,050,312,500)
Closing balance for the year (a)			<u>(1,158,806,250)</u>

				31 Dec 2021	31 Dec 2020
Particulars	Book value	Tax Base	(Deductible)/ Taxable		
Deferred Tax Liability:					
Interest receivable	1,616,405,682	-	1,616,405,682	606,152,131	556,756,728
Fixed assets	3,139,885,287	2,675,481,321	464,403,966	174,151,487	215,117,338
Right-of-use assets	117,646,039		117,646,039	44,117,265	80,071,553
Closing balance for the year (b)				824,420,883	851,945,619
Net Deferred Tax Asset as of December 31, 2021 (a+b)				(1,225,891,617)	(306,860,631)
Movement for the year					
Opening deferred tax assets				(1,158,806,250)	(970,232,060)
Closing deferred tax assets				(2,050,312,500)	(1,158,806,250)
Changes for the year				(891,506,250)	(188,574,190)
Opening deferred tax liabilities				851,945,619	593,437,897
Closing deferred tax liabilities				824,420,883	851,945,619
Changes for the year				(27,524,736)	258,507,722
Changes during the year				(919,030,986)	69,933,532

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

13.5.3 Reconciliation of effective tax rate

	2021		2020	
	%	Amount	%	Amount
Profit before provision		9,192,532,066		6,070,836,392
Income Tax as per applicable tax rate	37.50%	3,447,199,525	37.50%	2,276,563,647
Tax exempted income (on govt. treasury securities)	-24.41%	(2,244,157,120)	-15.19%	(922,110,090)
On probable deductible/non deductible expenses	5.41%	496,957,595	9.35%	567,546,443
	18.49%	1,700,000,000	31.66%	1,922,000,000

13.5.3(a) Consolidated Reconciliation of effective tax rate

	2021		2020	
	%	Amount	%	Amount
Profit before provision		9,552,453,672		6,106,809,632
Income Tax as per applicable tax rate	37.50%	3,582,170,127	37.50%	2,290,053,612
Tax exempted income (on govt. treasury securities)	-23.49%	(2,244,157,120)	-15.10%	(922,110,090)
On probable deductible/non deductible expenses	4.78%	456,722,429	9.71%	593,248,992
	18.79%	1,794,735,436	32.11%	1,961,192,514

13.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPP (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.

Amount in Taka

	31 Dec 2021	31 Dec 2020
13.7 Provision for diminution in value of shares		
Balance as at 1 January	363,383,553	183,383,553
Add: Provision made during the year	-	180,000,000
Adjustment during the year	-	-
Balance as at 31 December	363,383,553	363,383,553
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	66,121,146	68,265,317
Provision maintained	363,383,553	363,383,553
Surplus provision maintained	297,262,407	295,118,236
13.8 Provision for others		
Provision for other assets (Note 13.8.1)	393,106,522	290,572,690
Provision for start up fund (Note 13.8.2)	47,466,168	-
	440,572,690	290,572,690
13.8.1 Provision for other assets		
Balance as at 1 January	290,572,690	172,218,755
Add: Provision made during the year	102,533,832	137,000,000
Adjustment during the year	-	(18,646,065)
Balance as at 31 December	393,106,522	290,572,690
Provision requirement	327,728,000	219,886,000
Provision maintained	393,106,522	290,572,690
Surplus provision maintained	65,378,522	70,686,690
(Provision for others made for legal expenses, protested bills, expenditure related unreconciled entries and other assets that classified as bad and loss as per Bangladesh Bank BRPD Circular 14 dated June 25, 2001).		
13.8.2 Provision for start up fund		
Balance as at 1 January	-	-
Add: Provision made during the year		
For the year 2020 (1% of profit after tax)	20,357,067	-
For the year 2021 (1% of profit after tax)	27,109,101	-
Adjustment during the year	-	-
Balance as at 31 December	47,466,168	-
(As per Bangladesh Bank SMESPD Circular Letter no. 05 dated April 26, 2001 Provision for Start up Fund has been maintained against 1% net profit after tax starting from the year 2020).		
13.9 Lease liabilities		
Balance as at 1 January	872,228,227	1,108,769,389
Add: Interest charge during the year	104,658,196	108,474,522
Less: Payment made during the year	419,543,010	345,015,684
Less: Adjustment made during the year	90,120,390	-
Balance as at 31 December	467,223,023	872,228,227
The lease liabilities represents the present value of the lease payments discounting using the incremental borrowing rate as per IFRS 16 against which right-of- use assets has been arisen (ref: Annex C).		
13(a) Consolidated Other liabilities		
Bank Asia Limited	36,718,063,544	32,379,830,134
Bank Asia Securities Limited	2,218,069,633	1,885,520,215
BA Exchange Company (UK) Limited	68,483,295	62,316,859
BA Express USA, Inc	368,082,914	270,842,164
	39,372,699,386	34,598,509,372

Amount in Taka

	31 Dec 2021	31 Dec 2020
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	60,497,753	94,676,053
BA Express USA, Inc	350,836,788	325,094,277
	<u>38,961,364,845</u>	<u>34,178,739,042</u>

14 Share capital

14.1 Authorized capital

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

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

14.3 Initial public offer (IPO)

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

14.4 Capital to risk-weighted asset

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

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)		
Paid up capital	11,659,068,600	11,659,068,600
Statutory reserve (Note 15)	10,725,443,940	9,844,096,744
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	2,804,815,058	2,091,617,881
	<u>25,197,493,742</u>	<u>23,602,949,369</u>
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,820,000	44,010,000
Common Equity Tier -1 capital (Going-Concern Capital)	<u>25,152,673,742</u>	<u>23,558,939,369</u>
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	<u>25,152,673,742</u>	<u>23,558,939,369</u>
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,727,708,000	8,990,000,000
General provision on off-balance sheet exposure	1,490,000,000	1,005,000,000
Subordinated non-convertible zero coupon bonds	8,600,000,000	10,200,000,000
Total Tier- 2 Capital available	<u>18,817,708,000</u>	<u>20,195,000,000</u>
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	<u>18,011,759,076</u>	<u>20,195,000,000</u>
Adjustment as per RBCA Guideline	2,600,000,000	-
Total admissible Tier-2 Capital	<u>16,217,708,000</u>	<u>20,195,000,000</u>
A) Total capital	<u>41,370,381,742</u>	<u>43,753,939,369</u>
B) Total risk weighted assets (RWA)	263,153,198,992	254,905,151,741
C) Minimum total capital requirement 10%	26,315,319,899	25,490,515,174

Amount in Taka

	31 Dec 2021	31 Dec 2020
D) Capital surplus (A-C)	15,055,061,843	18,263,424,195
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,894,149,874	31,863,143,968
F) Capital surplus (A-E) with capital conservation buffer	8,476,231,868	11,890,795,401
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.56%	9.24%
Tier- 1 to RWA (minimum 6% under Basel III)	9.56%	9.24%
Capital to Risk Weighted Assets against minimum requirement 10%	15.72%	17.16%

14.4 (a) Consolidated capital to risk-weighted asset

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

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)	11,659,068,600	11,659,068,600
Paid up capital	10,274	10,198
Non-controlling (Minority) interest	10,725,443,940	9,844,096,744
Statutory reserve (Note 15)	8,166,144	8,166,144
General reserve	2,650,999,337	1,918,254,038
Retained earnings (Note 17)	25,043,688,295	23,429,595,724
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,820,000	44,010,000
Common Equity Tier -1 capital (Going-Concern Capital)	24,998,868,295	23,385,585,724
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	24,998,868,295	23,385,585,724

Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,727,708,000	8,990,000,000
General provision on off-balance sheet exposure	1,490,000,000	1,005,000,000
Subordinated non-convertible zero coupon bonds	8,600,000,000	10,200,000,000
Total Tier- 2 Capital available	18,817,708,000	20,195,000,000
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	17,815,600,656	20,195,000,000
Adjustment as per RBCA Guideline	2,600,000,000	-
Total admissible Tier-2 Capital	16,217,708,000	20,195,000,000

A) Total capital

B) Total risk weighted assets (RWA)	265,901,787,410	257,403,701,528
C) Minimum total capital requirement 10%	26,590,178,741	25,740,370,153
D) Capital surplus (A-C)	14,626,397,554	17,840,215,571
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	33,237,723,426	32,175,462,691
F) Capital surplus (A-E) with capital conservation buffer	7,978,852,869	11,405,123,033
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.40%	9.09%
Tier- 1 to RWA (minimum 6% under Basel III)	9.40%	9.09%
Capital to Risk Weighted Assets against minimum requirement 10%	15.50%	16.93%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2021		At 31 December 2020	
	No. of shares	%	No. of shares	%
Sponsors & Directors	624,484,380	53.56	600,698,621	51.52
General Public	154,104,666	13.22	161,113,132	13.82
Institutions	259,562,631	22.26	279,059,559	23.94
Investment Companies	124,005,748	10.64	120,806,182	10.36
Non-resident Bangladeshi	1,322,529	0.11	1,650,796	0.14
Foreign Investors	2,426,906	0.21	2,578,570	0.22
	1,165,906,860	100	1,165,906,860	100

31 Dec 2021

31 Dec 2020

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Less than 5,000	5,823	6,339	0.55	0.62
5,000 to 50,000	1,441	1,640	1.70	1.92
50,001 to 100,000	91	107	0.56	0.66
100,001 to 200,000	43	51	0.52	0.62
200,001 to 300,000	19	25	0.41	0.54
300,001 to 400,000	17	11	0.51	0.32
400,001 to 500,000	8	7	0.32	0.27
500,001 to 1,000,000	44	39	2.78	2.47
1,000,001 to 10,000,000	67	70	20.65	20.84
Over 10,000,000	30	30	72.00	71.74
	7,583	8,319	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2021

SI	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	23,350,148	23,350,148
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Mr. Romo Rouf Chowdhury	Vice Chairman	23,323,746	23,323,746
4	Mr. Rume A Hossain	Director	36,216,554	36,216,554
5	Mrs. Hosneara Sinha	Director	53,184,729	53,184,729
6	Ms. Naheed Akhter Sinha	Director	55,842,838	55,842,838
7	Ms. Romana Rouf Chowdhury (Representing MAYA Limited)	Director	41,679,196	41,679,196
8	Maj. Gen. Mohammad Matiur Rahman (Retd.) (Representing Sinha Fashions Limited)	Director	23,401,435	23,401,435
9	Ms. Farhana Haq	Director	58,230,519	56,907,244
10	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	25,959,122	25,959,122
11	Ms. Tania Nusrat Zaman (Representing Amiran Generations Limited)	Director	47,558,630	47,558,630
12	Mr. Nafees Khundker	Director	24,784,734	24,784,734
13	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
14	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-
15	Mr. Md. Abul Quasem (Independent Director)	Director	-	-
16	Mr. M. A. Baqui Khalily (Independent Director)	Director	-	-
17	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-	-

15 Statutory reserve

Balance at the beginning of the year	9,844,096,744	9,052,555,407
Add: Addition during the year (20% of pre-tax profit)	881,347,196	791,541,337
Balance at the end of the year	10,725,443,940	9,844,096,744

15.1 Statutory reserve

Bank Asia Limited	8,166,144	8,166,144
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15.1(a) Consolidated General and other reserve

Bank Asia Limited	8,166,144	8,166,144
Bank Asia Securities Limited	150,947	-
Opening Balance	-	-
Addition during the year	150,947	-
Adjustment made during the year	-	-
Closing Balance	150,947	-
	8,317,091	8,166,144

**Notes to the
financial statements**

Amount in Taka

	31 Dec 2021	31 Dec 2020
16 Revaluation reserve		
HTM securities (Note 16.1)	61,048,535	46,593,577
HFT securities (Note 16.2)	167,454,171	1,746,995,202
Fixed Assets revaluation (Note 16.3)	1,930,642,171	1,984,357,423
	<u>2,159,144,877</u>	<u>3,777,946,202</u>
16.1 Revaluation reserve on HTM securities		
Balance at 1 January	46,593,577	20,176,016
Gain from revaluation on investments	22,232,864	26,417,561
Adjustment for sale/maturity of securities	(7,777,906)	-
	<u>61,048,535</u>	<u>46,593,577</u>
16.2 Revaluation reserve on HFT securities		
Balance at 1 January	1,746,995,202	7,434,933
Gain from revaluation on investments	5,282,090,860	13,156,910,380
Adjustment for sale/maturity of securities	(6,861,631,891)	(11,417,350,111)
	<u>167,454,171</u>	<u>1,746,995,202</u>
16.3 Revaluation reserve on Fixed Assets		
Balance at 1 January	1,984,357,423	2,038,072,687
Depreciation charged during the year	(53,715,252)	(53,715,264)
	<u>1,930,642,171</u>	<u>1,984,357,423</u>
16 (a) Consolidated Revaluation reserve		
Bank Asia Limited	2,159,144,877	3,777,946,202
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,159,144,877</u>	<u>3,777,946,202</u>
17 Retained earnings		
Balance at 1 January	2,091,617,881	1,959,644,131
Add: Post - tax profit for the year	2,706,735,981	2,035,706,683
Revaluation reserve transferred to retained earnings	53,715,252	53,715,264
	<u>4,852,069,114</u>	<u>4,049,066,078</u>
Less: Issue of cash dividend for the year 2019	-	1,165,906,860
Issue of cash dividend for the year 2020	1,165,906,860	-
Transfer to statutory reserve	881,347,196	791,541,337
	<u>2,047,254,056</u>	<u>1,957,448,197</u>
	<u>2,804,815,058</u>	<u>2,091,617,881</u>
17(a) Consolidated Retained earnings		
Balance at 1 January	1,918,254,038	1,800,257,979
Add: Foreign exchange revaluation reserve for opening retained earnings	(1,835,153)	(2,758,415)
Revaluation reserve transferred to retained earnings	53,715,252	53,715,264
Post- tax profit for the year	2,728,270,279	2,024,487,409
Less: Non controlling interest	76	2
	<u>4,698,404,340</u>	<u>3,875,702,235</u>
Less: Issue of cash dividend for the year 2019	-	1,165,906,860
Issue of cash dividend for the year 2020	1,165,906,860	-
Transferred to statutory reserve	881,347,196	791,541,337
Transferred to General and other reserve	150,947	-
	<u>2,047,405,003</u>	<u>1,957,448,197</u>
	<u>2,650,999,337</u>	<u>1,918,254,038</u>
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,274	10,198
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>10,274</u>	<u>10,198</u>

Notes to the financial statements

	Amount in Taka	
	31 Dec 2021	31 Dec 2020
18 Contingent liabilities		
Conventional and Islamic banking	173,948,946,762	122,154,955,295
Off-shore banking unit	16,585,630	35,472,485
	<u>173,965,532,392</u>	<u>122,190,427,780</u>
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	62,539,512,475	36,011,691,917
Off-shore banking unit	-	4,158,295
	<u>62,539,512,475</u>	<u>36,015,850,212</u>
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	37,395,022,735	36,612,044,391
Off-shore banking unit	560,859	554,910
	<u>37,395,583,594</u>	<u>36,612,599,301</u>
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	46,592,755,948	29,721,029,851
Off-shore banking unit	16,024,771	30,759,280
	<u>46,608,780,719</u>	<u>29,751,789,131</u>
Bills for collection		
Conventional and Islamic banking (Note 18.4)	24,377,029,730	15,897,303,598
Off-shore banking unit	-	-
	<u>24,377,029,730</u>	<u>15,897,303,598</u>
Other commitments		
Conventional and Islamic banking (Note 18.5)	3,044,625,874	3,912,885,538
Off-shore banking unit	-	-
	<u>3,044,625,874</u>	<u>3,912,885,538</u>
	<u>173,965,532,392</u>	<u>122,190,427,780</u>
18.1 Acceptances and endorsements		
Conventional and Islamic banking	62,539,512,475	36,011,691,917
Off-shore banking unit	-	4,158,295
	<u>62,539,512,475</u>	<u>36,015,850,212</u>
18.2 Letters of guarantee		
Letters of guarantee (Local)	22,815,550,343	22,772,282,978
Letters of guarantee (Foreign)	14,579,472,392	13,839,761,413
	<u>37,395,022,735</u>	<u>36,612,044,391</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	26,675,385,012	27,616,831,056
Banks and other financial institutions	2,104,717,664	671,552,863
Others	8,614,920,059	8,323,660,472
	<u>37,395,022,735</u>	<u>36,612,044,391</u>
18.3 Irrevocable letters of credit		
Letters of credit Back to Back (Inland)	4,948,179,357	3,946,874,049
Letters of credit (General)	35,500,951,363	22,526,232,627
Back to back L/C	6,143,625,228	3,247,923,175
	<u>46,592,755,948</u>	<u>29,721,029,851</u>
18.4 Bills for collection		
Local bills for collection	17,066,924,015	9,788,723,716
Foreign bills for collection	7,310,105,715	6,108,579,882
	<u>24,377,029,730</u>	<u>15,897,303,598</u>
18.5 Other commitments		
Forward Assets Purchased and Forward Deposits Placed	<u>3,044,625,874</u>	<u>3,912,885,538</u>

31 Dec 2021

31 Dec 2020

18.6 Workers' profit participation fund (WPPF)

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

19 Income statement

Income:

Interest, discount and similar income (Note 19.1)	25,029,338,381	24,565,403,376
Dividend income (Note 22.1)	136,087,793	15,280,460
Fees, commission and brokerage (Note 19.2)	1,634,656,721	1,297,409,009
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	24,181,171	15,813,092
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	1,533,729,532	1,177,568,485
Income from non-banking assets	-	-
Other operating income (Note 24)	1,036,304,780	1,034,090,923
Profit/ less Losses on interest rate changes	-	-
	29,394,298,378	28,105,565,345

Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	12,700,889,562	14,926,677,328
Administrative expenses (Note 19.3)	4,722,660,291	4,363,389,892
Other expenses (Note 34)	2,007,368,660	1,970,532,731
Depreciation on banks assets (Note 33.1)	770,847,799	774,129,002
	20,201,766,312	22,034,728,953
	9,192,532,066	6,070,836,392

19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	18,340,772,912	18,112,098,828
Interest on treasury bills/reverse repo/bills	3,908,121,855	5,382,632,409
Interest income on corporate bonds	346,609,674	148,562,049
Interest on debentures	189,676,820	-
Capital gain on Government securities and assets	2,244,157,120	922,110,090
	25,029,338,381	24,565,403,376

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

19.2 Fees, commission and brokerage

Commission	1,634,656,721	1,297,409,009
Brokerage	-	-
	1,634,656,721	1,297,409,009

19.3 Administrative expenses

Salaries and allowances (Note 25)	3,870,113,954	3,536,708,226
Rent, taxes, insurance, electricity, etc (Note 26)	480,758,487	440,514,478
Legal expenses (Note 27)	16,556,291	13,111,596
Postage, stamp, telecommunication, etc (Note 28)	118,317,263	125,950,752
Stationery, printing, advertisement, etc (Note 29)	116,093,929	148,118,134
Managing Director's salary and fees (Note 30)	20,401,265	19,262,968
Directors' fees (Note 31)	4,040,000	3,208,000
Auditors' fees (Note 32)	977,625	853,000
Repair of Bank's assets (Note 33.1)	95,401,477	75,662,738
	4,722,660,291	4,363,389,892

20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	17,596,574,931	17,275,697,158
Off-shore banking unit	861,488,771	955,775,932
	18,458,063,702	18,231,473,090
Less: inter transaction between OBU and Conventional banking	117,290,790	119,374,262
	18,340,772,912	18,112,098,828

	31 Dec 2021	31 Dec 2020
20.1 Conventional and Islamic banking		
Agricultural loan	230,248,953	325,942,357
Cash credit/Bai Murabaha (Muajjal)	450,478,260	367,216,728
Credit card	396,593,918	438,461,771
Credit for poverty alleviation scheme-micro credit	63,645	108,275
Consumer credit scheme	1,287,781,175	1,192,278,999
Demand loan	2,293,343,863	2,856,384,771
Export Development Fund (EDF)	179,315,733	214,938,545
House building loan	146,408,154	107,309,917
Loans (General)/Musharaka	1,843,566,090	1,614,824,022
Loans against trust receipts/ Bai Murabaha post import	851,496,676	1,089,486,511
Overdrafts/ Quard against scheme	2,669,590,719	3,301,093,111
Packing credit	42,759,146	38,329,725
Payment against documents	10,033,865	13,197,564
Staff loan	74,902,706	74,613,492
Transport loan	184,755,553	185,298,757
Term loan- industrial	2,480,006,904	1,793,339,863
Term loan- others/ Hire purchase under Shirkatul Melk	1,983,400,312	1,668,931,114
Foreign bills purchased	7,535,041	17,880,833
Local bills purchased	102,772,448	124,658,095
Loan Under Covit-19 Stimulus Pkg	1,000,763,628	233,724,990
Total interest/profit on loans and advances/investments	16,235,816,789	15,658,019,440
Interest/profit on balance with other banks and financial institutions	1,359,097,512	1,573,778,490
Interest/profit received from foreign banks	1,660,630	43,899,228
	<u>17,596,574,931</u>	<u>17,275,697,158</u>
20(a) Consolidated Interest income/profit on investments		
Bank Asia limited	18,340,772,912	18,112,098,828
Bank Asia Securities Ltd	231,094,069	193,809,470
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>18,571,866,981</u>	<u>18,305,908,298</u>
Less: Inter-company transactions	149,649,645	188,344,612
	<u>18,422,217,336</u>	<u>18,117,563,686</u>
21 Interest paid/profit shared on deposits and borrowings etc.		
Conventional and Islamic banking (Note 21.1)	12,361,833,326	14,481,148,492
Off-shore banking unit	456,347,026	564,903,098
	<u>12,818,180,352</u>	<u>15,046,051,590</u>
Less: inter transaction with OBU	117,290,790	119,374,262
	<u>12,700,889,562</u>	<u>14,926,677,328</u>
21.1 Conventional and Islamic banking		
Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	4,335,521,237	5,863,126,655
Scheme deposits	5,431,369,895	5,163,617,535
Sanchaya plus	40,834,844	18,709,295
Savings deposits/ Mudaraba Savings bank	1,446,078,240	1,598,451,934
Special notice deposits	337,207,272	754,812,264
	<u>11,591,011,488</u>	<u>13,398,717,683</u>
Interest on borrowings and others		
Local banks including Bangladesh Bank	38,813,775	36,871,103
Interest on subordinated non-convertible bond	731,753,425	1,045,236,439
Foreign banks	254,638	323,267
	<u>770,821,838</u>	<u>1,082,430,809</u>
	<u>12,361,833,326</u>	<u>14,481,148,492</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	12,700,889,562	14,926,677,328
Bank Asia Securities Limited	176,722,894	188,373,820
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	<u>12,877,612,456</u>	<u>15,115,051,148</u>
Less: Inter-company transactions	<u>149,649,645</u>	<u>188,344,612</u>
	<u>12,727,962,811</u>	<u>14,926,706,536</u>
22 Investment income		
Conventional and Islamic banking (Note 22.1)	6,848,834,433	6,484,398,100
Off-shore banking unit	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
22.1 Conventional and Islamic Banking		
Interest on treasury bills	387,232,252	1,577,293,512
Interest on treasury bonds	3,514,386,015	3,736,329,121
Interest income on corporate bonds	346,609,674	148,562,049
Interest on Islamic bonds	6,226,273	52,458,317
Capital gain from investment in shares	24,181,171	15,813,092
Dividend on shares	136,087,793	15,280,460
Profit on Govt Investment SUKUK	189,676,820	-
Capital gain on Government securities	2,244,157,120	922,110,090
Interest on reverse repo	277,315	16,551,459
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
22(a) Consolidated investment income		
Bank Asia Limited	6,848,834,433	6,484,398,100
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
Less: Inter-company transactions	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	3,156,545,125	2,465,167,276
Off-shore banking unit	11,841,128	9,810,218
	<u>3,168,386,253</u>	<u>2,474,977,494</u>
23.1 Conventional and Islamic Banking		
Commission on L/C	280,239,889	20,178,329
Commission on back to back L/C against Export	764,754,486	749,153,916
Fees and commission including Export	211,398,936	185,343,012
Commission on L/G	276,648,417	284,159,063
Commission on export	5,366,953	3,394,820
Commission on PO, DD, TT, TC, etc	35,724,045	26,963,175
Other commission	48,682,867	18,406,476
	<u>1,622,815,593</u>	<u>1,287,598,791</u>
Foreign exchange gain	<u>1,533,729,532</u>	<u>1,177,568,485</u>
	<u>3,156,545,125</u>	<u>2,465,167,276</u>
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia limited	3,168,386,253	2,474,977,494
Bank Asia Securities Ltd	294,493,388	119,829,921
BA Exchange Company (UK) Limited	23,534,818	27,302,925
BA Express USA, Inc	76,182,143	31,861,721
	<u>3,562,596,602</u>	<u>2,653,972,061</u>

	31 Dec 2021	31 Dec 2020
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	1,019,374,422	1,017,564,704
Off-shore banking unit	16,930,358	16,526,219
	<u>1,036,304,780</u>	<u>1,034,090,923</u>
24.1 Conventional and Islamic banking		
Locker charge	12,159,700	11,985,800
Service and other charges	507,502,894	580,548,021
Master/Visa card fees and charges	310,674,269	263,525,475
Postage/telex/SWIFT/fax recoveries	129,699,133	111,366,654
Profit on sale of fixed assets	15,800	538,805
Non-operating income	10,949,554	9,815,312
Rebate on nostro account	48,373,072	39,784,637
	<u>1,019,374,422</u>	<u>1,017,564,704</u>
24 (a) Consolidated other operating income		
Bank Asia Limited	1,036,304,780	1,034,090,923
Bank Asia Securities Ltd	148,131,302	30,881,002
BA Exchange Company (UK) Limited	631,997	2,698,444
BA Express USA, Inc	253,613	1,503,992
	<u>1,185,321,692</u>	<u>1,069,174,361</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	3,867,432,687	3,536,708,226
Off-shore banking unit	2,681,267	-
	<u>3,870,113,954</u>	<u>3,536,708,226</u>
25.1 Conventional and Islamic banking		
Basic salary	1,380,984,008	1,261,496,066
Allowances	1,455,910,304	1,464,541,775
Festival bonus	234,384,584	210,564,011
Gratuity	362,400,000	267,400,000
Provident fund contribution	133,753,791	122,706,374
Performance bonus	300,000,000	210,000,000
	<u>3,867,432,687</u>	<u>3,536,708,226</u>
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	3,870,113,954	3,536,708,226
Bank Asia Securities Ltd	86,960,433	69,044,948
BA Exchange Company (UK) Limited	13,337,732	14,207,933
BA Express USA, Inc	24,609,230	18,937,141
	<u>3,995,021,349</u>	<u>3,638,898,248</u>
26 Rent, taxes, insurance, electricity etc.		
Conventional and Islamic banking (Note 26.1)	480,499,296	440,255,344
Off-shore banking unit	259,191	259,134
	<u>480,758,487</u>	<u>440,514,478</u>
26.1 Conventional and Islamic banking		
Rent, rate and taxes (Note 26.1.1)	44,861,279	30,810,105
Insurance	209,962,041	188,345,849
Power and electricity	121,017,780	112,624,868
Interest portion on lease liabilities (Note 26.1.1)	104,658,196	108,474,522
	<u>480,499,296</u>	<u>440,255,344</u>

26.1.1 Total rent expenses for the year 2021 was Tk 465,584,528 as per IAS 17. To implement "IFRS 16: Lease" this rent expense has been adjusted with depreciation Tk 319,202,036 arises against right-of-use assets (ref: Annex C) and interest expenses Tk 104,658,196 arises against lease liabilities.

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	480,758,487	440,514,478
Bank Asia Securities Ltd	8,075,242	7,636,189
BA Exchange Company (UK) Limited	2,215,594	4,139,354
BA Express USA, Inc	13,982,599	11,643,923
	<u>505,031,922</u>	<u>463,933,944</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	16,556,291	11,698,219
Off-shore banking unit	-	1,413,377
	<u>16,556,291</u>	<u>13,111,596</u>
27.1 Conventional and Islamic Banking		
Legal expenses	16,556,291	11,698,219
Other professional charges	-	-
	<u>16,556,291</u>	<u>11,698,219</u>
27(a) Consolidated Legal expenses		
Bank Asia Limited	16,556,291	13,111,596
Bank Asia Securities Ltd	461,598	93,408
BA Exchange Company (UK) Limited	71,519	194,458
BA Express USA, Inc	469,357	352,254
	<u>17,558,765</u>	<u>13,751,716</u>
28 Postage, stamps, telecommunication etc.		
Conventional and Islamic banking (Note 28.1)	117,729,891	125,257,906
Off-shore banking unit	587,372	692,846
	<u>118,317,263</u>	<u>125,950,752</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	70,479,084	82,149,863
Master/VISA card process fee	18,804,255	21,108,755
ATM charge	2,291,285	1,780,260
SWIFT and Reuter charge	23,037,929	17,917,695
Internet	3,117,338	2,301,333
	<u>117,729,891</u>	<u>125,257,906</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	118,317,263	125,950,752
Bank Asia Securities Ltd	2,166,306	1,511,559
BA Exchange Company (UK) Limited	385,400	550,877
BA Express USA, Inc	380,061	299,592
	<u>121,249,030</u>	<u>128,312,780</u>
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	116,060,261	148,068,470
Off-shore banking unit	33,668	49,664
	<u>116,093,929</u>	<u>148,118,134</u>
29.1 Conventional and Islamic banking		
Office and security stationery	49,046,627	78,044,292
Calendar, diary, souvenir, etc	19,271,249	15,353,500
ATM card /Supplies And Stationeries	18,939,363	25,482,834
Books and periodicals	1,335,646	1,245,115
Publicity and advertisement	27,467,376	27,942,729
	<u>116,060,261</u>	<u>148,068,470</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	116,093,929	148,118,134
Bank Asia Securities Ltd	743,405	374,971
BA Exchange Company (UK) Limited	1,241,108	988,808
BA Express USA, Inc	778,408	548,818
	<u>118,856,850</u>	<u>150,030,731</u>
30 Managing Director's salary and fees		
Basic salary	10,982,968	9,984,516
House rent allowance	2,400,000	2,400,000
Entertainment allowances	600,000	600,000
Incentive bonus	880,000	1,000,000
Festival bonus	1,760,000	1,680,000
Utility allowance and others	1,200,000	1,200,000
House maintenance allowance	600,000	600,000
Provident fund	1,098,297	998,452
Leave fare assistance	880,000	800,000
	<u>20,401,265</u>	<u>19,262,968</u>
31 Directors' fees		
Directors' fees	<u>4,040,000</u>	<u>3,208,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	4,040,000	3,208,000
Bank Asia Securities Ltd.	319,000	275,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,359,000</u>	<u>3,483,000</u>
32 Auditors' fees		
Audit fees	977,625	853,000
Others	-	-
	<u>977,625</u>	<u>853,000</u>
32(a) Consolidated Auditors fees		
Bank Asia Limited	977,625	853,000
Bank Asia Securities Ltd	76,667	76,667
BA Exchange Company (UK) Limited	720,909	639,315
BA Express USA, Inc	1,622,149	1,409,264
	<u>3,397,350</u>	<u>2,978,246</u>
33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	866,249,276	849,791,740
Off-shore banking unit	-	-
	<u>866,249,276</u>	<u>849,791,740</u>
33.1 Conventional and Islamic banking		
Depreciation	770,847,799	774,129,002
Repairs:		
Building	9,344,331	8,757,327
Furniture and fixtures	3,606,055	2,760,890
Equipments	21,210,990	16,872,809
	<u>34,161,376</u>	<u>28,391,026</u>
Maintenance	61,240,101	47,271,712
	<u>866,249,276</u>	<u>849,791,740</u>

Amount in Taka

	31 Dec 2021	31 Dec 2020
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	866,249,276	849,791,740
Bank Asia Securities Ltd	20,197,492	21,253,736
BA Exchange Company (UK) Limited	292,598	2,414,908
BA Express USA, Inc	1,666,069	1,658,949
	<u>888,405,435</u>	<u>875,119,333</u>
34 Other expenses		
Conventional and Islamic banking (Note 34.1)	1,980,749,343	1,949,674,894
Off-shore banking unit	26,619,317	20,857,837
	<u>2,007,368,660</u>	<u>1,970,532,731</u>
34.1 Conventional and Islamic banking		
Car expenses	326,270,935	315,645,246
Contractual service expenses	761,415,548	713,057,229
Computer expenses	158,856,357	169,616,591
Other management and administrative expenses	460,661,173	266,773,187
Commission paid to agents	71,035	108,392,050
Entertainment	41,354,916	32,724,397
AGM/EGM expenses	500,000	32,765
Payment to superannuation fund	7,320,000	7,320,000
Donation and subscription to institutions	208,151,353	317,003,301
Travelling expenses	9,939,328	12,953,915
Training and internship	5,708,698	5,641,913
Directors' travelling expenses	-	14,300
Sharia council fees	500,000	500,000
	<u>1,980,749,343</u>	<u>1,949,674,894</u>
34(a) Consolidated other expenses		
Bank Asia Limited	2,007,368,660	1,970,532,731
Bank Asia Securities Ltd	24,213,486	8,289,048
BA Exchange Company (UK) Limited	8,807,334	6,304,396
BA Express USA, Inc	23,883,134	10,694,899
	<u>2,064,272,614</u>	<u>1,995,821,074</u>
34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	4,675,466,021	2,123,827,632
Off-shore banking unit	110,330,064	(10,697,923)
	<u>4,785,796,085</u>	<u>2,113,129,709</u>
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	(1,223,410,933)	2,176,879,197
Off-shore banking unit	110,518,933	(10,739,326)
	<u>(1,112,892,000)</u>	<u>2,166,139,871</u>
Specific provision		
Conventional and Islamic banking	5,263,688,085	(413,359,577)
Off-shore banking unit	-	-
	<u>5,263,688,085</u>	<u>(413,359,577)</u>
Provision for off-balance sheet items		
Conventional and Islamic banking	485,188,869	43,308,012
Off-shore banking unit	(188,869)	41,403
	<u>485,000,000</u>	<u>43,349,415</u>

Notes to the financial statements

	Amount in Taka	
	31 Dec 2021	31 Dec 2020
Provision for diminution in value of investments	-	180,000,000
Other provisions	150,000,000	137,000,000
	<u>4,785,796,085</u>	<u>2,113,129,709</u>
34(c) Consolidated Provision for loans and advances/investments		
Bank Asia Limited	4,785,796,085	2,113,129,709
Bank Asia Securites Limited:		
Specific Provision	192,443,649	8,000,000
Provision for diminution in value of investments	51,208,223	-
Other provisions	-	-
	<u>243,651,872</u>	<u>8,000,000</u>
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>5,029,447,957</u>	<u>2,121,129,709</u>
35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	3,287,712,713	1,955,487,886
Off-shore banking unit	16,930,358	16,526,219
	<u>3,304,643,071</u>	<u>1,972,014,105</u>
35.1 Conventional and Islamic banking		
Locker charge	12,159,700	11,985,800
Service and other charges	507,502,894	580,548,021
Master card fees and charges	310,674,269	263,525,475
Postage/telex/SWIFT/ fax recoveries	129,699,133	111,366,654
Non-operating income	2,327,676,717	988,061,936
	<u>3,287,712,713</u>	<u>1,955,487,886</u>
35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	3,304,643,071	1,972,014,105
Bank Asia Securities Ltd	148,131,302	30,881,002
BA Exchange Company (UK) Limited	631,997	2,698,444
BA Express USA, Inc	253,613	1,503,992
	<u>3,453,659,983</u>	<u>2,007,097,543</u>
Less: inter- companies transactions	-	-
	<u>3,453,659,983</u>	<u>2,007,097,543</u>
36 Payments for other operating activities		
Conventional and Islamic banking (Note 36.1)	2,621,541,083	2,552,316,554
Off-shore banking unit	26,878,508	21,116,971
	<u>2,648,419,591</u>	<u>2,573,433,525</u>
36.1 Conventional and Islamic banking		
Rent, rates and taxes	480,499,296	440,255,344
Legal expenses	16,556,291	13,111,596
Directors' fees	4,040,000	3,208,000
Postage, stamp, telecommunication, etc	118,317,263	125,950,752
Other expenses	1,980,749,343	1,949,674,894
Managing Director's salary	20,401,265	19,262,968
Auditors' fee	977,625	853,000
	<u>2,621,541,083</u>	<u>2,552,316,554</u>
36(a) Payments for other operating activities		
Bank Asia Limited	2,648,419,591	2,573,433,525
Bank Asia Securities Ltd	35,312,299	17,881,871
BA Exchange Company (UK) Limited	12,200,756	11,828,400
BA Express USA, Inc	40,337,300	24,399,932
	<u>2,736,269,946</u>	<u>2,627,543,728</u>

Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
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37 Earnings per share (EPS)

Net profit after tax (Numerator)	2,706,735,981	2,035,706,683
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	2.32	1.75

37(a) Consolidated Earnings per share (EPS)

Net profit after tax (Numerator)	2,728,270,279	2,024,487,409
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	2.34	1.74

38 Reconciliation of net profit with cash flows from operating activities (Solo basis)

Profit before tax as per profit and loss account	4,406,735,981	3,957,706,683
Adjustment for non-cash items:		
Provision for Loans and advances	4,150,796,085	1,752,780,294
Provision for Off balance sheet items	485,000,000	43,349,415
Provision for Diminution in value of investments	-	180,000,000
Provision for other assets	150,000,000	137,000,000
Depreciation of Property plant and equipment	866,249,276	849,791,740
Foreign exchange gain/(loss)		
Profit on sale of fixed assets	(15,800)	(538,805)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(17,624,671,692)	(15,213,028,151)
Other operating assets	258,482,635	281,322,817
Deposits from customers and banks	14,754,328,542	49,318,531,745
Other operating liabilities	11,341,256,537	1,367,196,137
Trading liabilities	(406,708,893)	332,501,946
Income tax paid	(1,215,831,944)	(2,429,453,826)
Cash flows from operating activities as per cash flow statement	17,165,620,727	40,577,159,995

38(a) Reconciliation of net profit with cash flows from operating activities (Consolidated basis)

Profit before tax as per profit and loss account	4,523,005,715	3,985,679,923
Adjustment for non-cash items:		
Provision for Loans and advances	4,343,239,734	1,760,780,294
Provision for Off balance sheet items	485,000,000	43,349,415
Provision for Diminution in value of investments	51,208,223	180,000,000
Provision for other assets	150,000,000	137,000,000
Depreciation of Property plant and equipment	888,405,435	875,119,333
Foreign exchange gain/(loss)		
Profit on sale of fixed assets	(15,800)	(538,805)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(17,667,635,689)	(15,516,163,259)
Other operating assets	298,862,909	541,735,042
Deposits from customers and banks	14,931,015,417	49,416,387,780
Other operating liabilities	11,341,256,537	1,367,196,137
Trading liabilities	(279,683,390)	424,381,282
Income tax paid	(1,310,722,518)	(2,474,031,947)
Cash flows from operating activities as per cash flow statement	17,753,936,573	40,740,895,195

39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,547 (2020: 2,463).

40 Audit committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in the 432th meeting held on 12th July 2020 consisting of the following members:

Name	Status with the Audit Committee	Educational qualification
Mr. Dilwar H Choudhury	Chairman	BA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA
Mr. Ashraful Haq Chowdhury	Member	M.Sc.
Major General Mohammad Matiur Rahman (retd.)	Member	M. Com
Mr. M. A. Baqui Khalily	Member	Ph.D

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

No. of meeting	Date	No. of meeting	Date
214 th Audit	28 th January, 2021	219 th Audit	26 th August, 2021
215 th Audit	18 th March, 2021	220 th Audit	27 th September, 2021
216 th Audit	27 th April, 2021	221 st Audit	10 th October, 2021
217 th Audit	23 rd June, 2021	222 nd Audit	31 th October, 2021
218 th Audit	29 th July, 2021		

In the year 2021, 9 (nine) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- 1 External Audit Report of the Bank and the recommendations made therein.
- 2 Bangladesh Bank comprehensive inspection report and the recommendations made therein.
- 3 Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- 4 Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank.
- 5 The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
- 6 The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
- 7 Management Report on Accounts of the Bank for the year ended on 31.12.2020.
- 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- 9 Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL).

The Audit Committee has further satisfied that

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

41 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 2021 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	74,349,281
Romask Ltd	-do-	Printing	32,602,219
Garda Shield Security Service Ltd.	-do-	Maintenance	5,985,980
Rangs workshop Ltd	-do-	Car repair and Services	797,299
Ranks ITT Ltd.	-do-	Network Connectivity fees	28,454,476
DHS Motors	-do-	Car providers & Car repair and Services	8,868,753
Shield Security Service	-do-	Security Service providers	381,497,956
Green Bangla	-do-	Tree Plantation	937,442
Reliance Insurance	-do-	Insurance Service	49,149,741
The Daily Star	-do-	Advertising	5,759,830
Ali Estates Limited	-do-	Office Rent	94,810,860
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	360,000
Opex Fashions Limited	-do-	Office Rent	4,702,052
Ranks Telecom Limited	-do-	Phone operator	6,000,000
Rangs Industries Ltd.	-do-	Electronic items supplier	599,680
Rangs Power Tech Limited	-do-	Machinery Equipments provider	350,695
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	5,458,287
Rancon British Motors Ltd	-do-	Car Supplier	2,975,000
Clean-X International Ltd.	-do-	Cleaning Material	284,359
Rangs Limited	-do-	Car Supplier	3,328,464
Rancon car Hub	-do-	Car supplier	2,664,058
ERA Infotech	Associate Company	Software vendor	91,431,988

During the year 2021, Directors and their interest in different entities are given in Annexure F:

40.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2021 is given below:

Particulars	Amount Tk
Short-term employee benefit	98,129,113

Key Management personnel includes President and Managing Director, 06 nos. Deputy Managing Director, 04 nos Senior Executive Vice President, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

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

42 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 7,050 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

43 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2021 was Tk. 21.80 (2020: Tk. 18.20) at DSE and Tk. 20.90 at CSE (2020: 18.00).

43 EVENTS AFTER THE REPORTING PERIOD

The Bangladesh Securities and Exchange Commission (BSEC) has accorded approval vide letter no. BSEC/CI/DS-151/2021/756 dated March 02, 2022 for raising Additional Tire-I regulatory capital through issuance of Coupon Bearing Conditional Convertible Perpetual Bond namely Bank Asia 1st Perpetual Bond of Tk. 5,000,000,000 at Tk. 5,000 per unit.

The Board of Directors in its 470th meeting held on March 16, 2022 has recommended 15% Cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

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

Bank Asia Limited

Highlights on the overall activities

as at and for the year ended 31 December 2021

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2021	2020	2021	2020
1	Paid-up Capital	11,659,068,600	11,659,068,600	137,407,997.64	137,407,997.64
2	Total Capital	41,370,381,742	43,753,939,369	487,570,792.48	515,662,220.02
3	Capital (deficient)/surplus	15,055,061,843	18,263,424,195	177,431,489.01	215,243,655.80
4	Total Asset	438,293,288,433	408,960,687,006	5,165,507,229.62	4,816,937,546.95
5	Total Deposit	317,782,434,902	303,028,106,360	3,745,226,103.74	3,571,338,908.19
6	Total loans and advances / investments	262,266,701,765	244,642,030,073	3,090,945,218.21	2,883,229,582.47
7	Total contingent liabilities and commitments	173,965,532,392	122,190,427,780	2,050,271,448.34	1,440,075,754.63
8	Credit deposit ratio	65.58%	69.42%	65.58%	69.42%
9	Percentage of classified loans / investments against total loans and advances / investments	5.14%	3.24%	5.14%	3.24%
10	Profit after tax and provision	2,706,735,981	2,035,706,683	31,900,247.27	23,991,828.91
11	Amount of classified loans/investments during current year	13,469,542,253	7,930,928,302	158,745,341.81	93,469,985.88
12	Provisions kept against classified loans / investments	7,290,000,000	4,120,200,000	85,916,322.92	48,558,632.88
13	Provision surplus against classified loans / investments	4,174,000	5,300,000	49,192.69	62,463.17
14	Cost of fund	5.96%	7.23%	5.96%	7.23%
15	Interest earning assets	388,166,235,081	372,489,989,354	4,574,734,650.34	4,389,982,196.28
16	Non-interest earning assets	50,127,053,352	36,470,697,652	590,772,579.28	426,955,350.68
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	3.23%	2.77%	3.23%	2.77%
18	Return on assets (ROA) [PAT/ Average assets]	0.64%	0.53%	0.53%	0.59%
19	Income from investment	6,848,834,433	6,484,398,100	80,716,964.44	76,421,898.64
20	Capital adequacy	15.72%	17.16%	17.10%	17.93%
21	Earnings per share	2.32	1.75	1.75	1.68
22	Net income per share	2.32	1.75	2.32	1.75
23	Price earning ratio	9.4	10.4	9.4	10.4

Exchange rate used 1 USD equivalent to BDT 84.85 to BDT (2020:83.95)

Bank Asia Limited

Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2021

Annex A

Name of the Bank	Account type	Currency type	2021		2020		Equivalent Taka	Exchange rate	Equivalent Taka
			FC amount	Exchange rate	FC amount	Exchange rate			
Conventional and Islamic banking:									
Interest bearing									
Citibank N.A., London	CD	EURO	-	-	539	103.55	55,820		
Citibank N.A., London	CD	GBP	12,955	115.05	29,872	114.90	3,432,347		
Citibank NA, New York	CD	USD	7,173,227	85.80	10,189,841	84.80	864,098,530		
Habib American Bank, New York	CD	USD	250,186	85.80	4,407,409	84.80	373,748,309		
Mashreqbank psc, New York	CD	USD	2,070,118	85.80	839,726	84.80	71,208,735		
Standard Chartered Bank, Mumbai	CD	ACU	1,481,290	85.80	329,380	84.80	27,931,401		
Standard Chartered Bank, New York	CD	USD	147,700	85.80	3,818,484	84.80	323,807,413		
					955,802,823		1,664,282,555		
Non-interest bearing :									
AB Bank Ltd, Mumbai	CD	ACU	437,299	85.80	42,117	84.80	3,571,503		
AI Rajhi Bank, KSA	CD	SAR	199,335	22.85	659,146	22.60	14,896,693		
AXIS Bank Ltd	CD	ACU	228,590	85.80	307,982	84.80	26,116,905		
HDFC Bank Limited, Mumbai, India	CD	ACU	53,839	85.80	37,974	84.80	3,220,184		
AKTIF Bank, Istanbul -JPY	CD	JPY	3,176,183	0.76	3,234,064	0.80	2,587,251		
Bank of Sydney	CD	AUD	15,228	62.10	15,921	64.55	1,027,704		
Bhutan National Bank Ltd, Thimphu	CD	USD	415,749	85.80	1,033	84.80	87,626		
Commerzbank AG, Frankfurt	CD	USD	51,667	85.80	14,281	84.80	1,211,062		
Mashreqbank PSC (Dubai AE)	CD	AED	164,169	23.35	3,553,928	23.10	82,095,741		
Commerzbank AG, Frankfurt	CD	EURO	86	97.15	58,493	103.55	6,056,939		
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	290,021	85.80	140,844	84.80	11,943,606		
ICICI Bank Ltd, Hongkong	CD	USD	55,426	85.80	23,854	84.80	2,022,848		
ICICI Bank Ltd, Mumbai	CD	ACU	49,438	85.80	467,820	84.80	39,671,129		
JP Morgan Chase Bank, New York	CD	USD	103,746	85.80	66,307	84.80	5,622,870		
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,104	97.15	8,054	103.55	833,981		
Muslim Commercial Bank Ltd, Colombo	CD	ACU	73,823	85.80	105,228	84.80	8,923,367		
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	17,614	85.80	197,057	84.80	16,710,424		
Bank Alfalah Limited - Karachi PAK (ACU)	CD	ACU	51,464	85.80	372,381	84.80	31,577,935		
Unicredit Bank AG Munich	CD	EURO	62,394	97.15	958	103.55	99,202		
Wells Fargo Bank N.A, New York	CD	USD	2,191,458	85.80	10,449	84.80	886,088		
Wells Fargo Bank N.A, London	CD	EURO	4,522	97.15	214,390	103.55	22,200,036		
Zurcher Kantonal Bank, Switzerland	CD	CHF	24,662	93.30	25,355	95.30	2,416,344		
Riyadh Bank, Riyadh (SAR)	CD	SAR	327	22.85	-	-	-		
					366,289,523		283,779,438		
Off-shore banking unit:									
Commerzbank AG, Frankfurt	CD	EURO	7,589	114.54	37,720	113.33	4,274,883		
Habib American Bank, New York	CD	USD	1,040,573	84.85	872,089	83.95	73,211,840		
Sonali Bank, London	CD	GBP	3	135.67	3	134.45	441		
					89,162,292		77,487,164		
					1,411,254,638		2,025,549,157		

Bank Asia Limited

Investment in Shares

as at 31 December 2021

Annex B

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Cost of Per Share	Quoted rate per share as at 31 Dec 2021	Total market value as at 31 Dec 2021	Unrealized profit/(loss) as at 31 Dec 2021
Quoted Shares								
1	AB Bank Limited	10	156,457	9,720,673	62.13	13.50	2,112,170	(7,608,503)
2	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	86.50	86,500,000	28,850,000
3	Dhaka Bank Limited	10	621,272	15,811,372	25.45	14.00	8,697,808	(7,113,564)
4	Exim Bank Limited	10	1,924,051	38,577,223	20.05	12.70	24,435,448	(14,141,775)
5	Golden Son Limited	10	119,185	8,586,791	72.05	19.10	2,276,434	(6,310,357)
6	Lanka Bangla Finance Limited	10	1,310,017	59,762,976	45.62	37.30	48,863,634	(10,899,342)
7	Mercantile Bank Limited	10	532,507	10,495,713	19.71	17.10	9,105,870	(1,389,843)
8	Phoenix Finance and Investments Limited	10	1,323,342	49,440,057	37.36	24.80	32,818,882	(16,621,175)
9	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	15.80	1,146,701	(10,855,120)
10	Prime Insurance Company Limited	10	60,564	5,466,943	90.27	81.40	4,929,910	(537,033)
11	Southeast Bank Limited	10	1,390,215	34,741,473	24.99	15.50	21,548,333	(13,193,140)
12	United Commercial Bank Limited	10	2,755,600	63,764,584	23.14	15.30	42,160,680	(21,603,904)
13	Energypac Power Generation Limited	10	1,192,800	49,978,320	41.90	39.60	47,234,880	(2,743,440)
A. Provision requirement for quoted shares				415,997,946			331,830,750	(84,167,196)
Available cash balance				38,069,563				
				454,067,509				
Mutual Fund								
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,000	6.90	6.20	44,938,108	-
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	7.90	39,500,000	-
16	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	6.00	134,256,246	-
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.20	201,798,210	-
18	EXIM Bank 1st Mutual Fund	10	17,078,783	119,209,905	6.98	6.20	105,888,455	-
B. Provision requirement for Mutual Fund as per BB Circular				90,510,254			526,381,019	-

Sl. No.	Name of the company	Face value	No. of Shares including bonus Share	Cost of holding	Per Unit cost	Unquoted Rate		
						Per share (NAV)	Total book value	Unrealized profit (loss)
Unquoted Shares								
1	Industrial & Infrastructure Development Finance Co. Ltd.	10	13,380,903	59,000,260	4.41	12.67	169,536,041	110,535,781
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	37.27	42,575,794	39,436,904
3	Era-InfoTech Limited	100	195,650	383,700	1.96	275.43	53,887,880	53,504,180
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	30.91	989,584	(2,211,928)
5	Universal Financial Solutions Limited (UFS)	10	10,000,000	100,000,000	10.00	12.46	124,600,000	24,600,000
6	Investment in SWIFT share	357,575	23	8,224,232	357,575	357,575	8,224,232	-
C. Unrealized profit of unquoted stocks							399,813,531	225,864,937
7	Provision required for subsidiaries							(207,818,887)
D. Provision for unquoted stock								18,046,050
E. Total Provision Requirement (A+B+D)								(66,121,146)
F. Provision maintained								363,383,553
G. Provision Excess / (Shortfall) for quoted and unquoted share								297,262,407

Bank Asia Limited

Annex C-1

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

as at 31 December 2021

Particulars	Cost			Rate of dep. %	Depreciation			Balance as at 31 Dec 2021	Written down value as at 31 Dec 2021
	Balance as at 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year		
Own assets									
Land	2,646,764,306	-	-	-	-	-	-	-	2,646,764,306
Building	3,232,313,394	19,125,814	-	5	120,504,077	53,715,264	-	1,573,094,461	1,678,344,747
Furniture and fixtures	1,264,024,914	74,271,052	(1,525,000)	20	68,914,505	-	(1,102,493)	1,182,405,353	154,365,613
Machinery & Equipments	1,216,047,288	237,560,507	-	20	135,964,963	-	-	1,016,971,883	436,635,912
Computer and accessories	493,230,712	15,017,773	-	20	37,978,956	-	-	451,704,683	56,543,802
Motor vehicles	274,882,241	22,459,576	(17,880,000)	20	34,567,998	-	(17,879,995)	181,588,751	97,873,066
Sub-total	9,127,262,855	368,434,722	(19,405,000)	3,973,101,856	397,930,499	53,715,264	(18,982,488)	4,405,765,131	5,070,527,446
Leased assets									
Furniture and fixtures	167,162,848	-	-	20	-	-	-	167,162,848	-
Machinery & Equipments	106,201,139	-	-	20	-	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	20	-	-	-	72,204,100	-
Motor vehicles	9,000,000	-	-	20	-	-	-	9,000,000	-
Sub-total	354,568,087	-	-	354,568,087	-	-	-	354,568,087	-
Total	9,481,830,942	368,434,722	(19,405,000)	4,327,669,943	397,930,499	53,715,264	(18,982,488)	4,760,333,218	5,070,527,446
Intangible assets									
Corporate Membership ¹	24,000,000	-	-	-	-	-	-	-	24,000,000
Work in progress -building									
Kawran bazar building ⁽²⁾	380,881,206	67,246,048	(109,216,471)	338,910,783	-	-	-	-	338,910,783
Sukrabad building ⁽²⁾	42,912,507	26,453,129	(69,365,636)	-	-	-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613	-	-	-	-	20,834,613
	444,741,638	94,779,177	(179,775,419)	359,745,396	-	-	-	-	359,745,396
Right-of-use assets									
Office space ⁽³⁾	1,739,075,475	-	(202,555,677)	1,536,519,798	314,884,814	-	-	968,207,920	568,311,878
ATM	-	20,874,406	-	20,874,406	4,317,222	-	-	4,317,222	16,557,184
Sub-total	1,739,075,475	20,874,406	(202,555,677)	1,557,394,204	319,202,036	-	-	972,525,142	584,869,062
Grand Total	11,689,648,055	484,088,305	(401,736,096)	4,980,993,049	717,132,535	53,715,264	(18,982,488)	5,732,858,360	6,039,141,904

¹. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

². For construction of 12 storied commercial building with 22 stored foundation

³. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

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

as at 31 December 2020

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2020
	Balance as at 01 Jan 2020	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2020		Balance as at 01 Jan 2020	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	2,646,764,306
Building	2,752,485,492	-	479,827,902	3,232,313,394	5	1,247,776,786	97,383,070	53,715,264	-	1,398,875,120
Furniture and fixtures	1,225,349,124	40,375,790	(1,700,000)	1,264,024,914	20	1,037,906,960	77,996,097	-	(1,309,716)	1,114,593,341
Machinery & Equipments	1,154,664,848	61,382,440	-	1,216,047,288	20	741,893,172	139,113,748	-	-	881,006,920
Computer and accessories	474,790,166	18,440,546	-	493,230,712	20	364,925,570	48,800,157	-	-	335,040,368
Motor vehicles	203,785,296	80,738,577	(9,641,632)	274,882,241	20	144,083,267	30,459,113	-	(9,641,632)	164,900,748
Sub-total	8,457,839,232	200,937,353	468,486,270	9,127,262,855	3	3,536,585,755	393,752,185	53,715,264	(10,951,348)	5,154,160,999
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	-	72,204,100
Motor vehicles	18,900,000	-	(9,900,000)	9,000,000	20	18,900,000	-	-	(9,900,000)	9,000,000
Sub-total	364,468,087	-	(9,900,000)	354,568,087	-	364,468,087	-	-	(9,900,000)	354,568,087
Total	8,822,307,319	200,937,353	458,586,270	9,481,830,942	3	3,901,053,842	393,752,185	53,715,264	(20,851,348)	5,154,160,999
Intangible assets										
Corporate Membership ¹	24,000,000	-	-	24,000,000	-	-	-	-	-	24,000,000
Work in progress -building										
Kawran bazar building ⁽²⁾	572,445,844	217,326,531	(408,891,169)	380,881,206	-	-	-	-	-	380,881,206
Sukrabad building ⁽²⁾	82,469,264	31,379,976	(70,936,733)	42,912,507	-	-	-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-	20,947,925	-	-	-	-	-	20,947,925
Right-of-use assets	667,935,308	256,634,232	(479,827,902)	444,741,638	-	-	-	-	-	444,741,638
Office space ⁽³⁾	1,739,075,475	-	-	1,739,075,475	-	326,661,553	326,661,553	-	-	653,323,106
Grand Total	11,253,318,102	457,571,585	(21,241,632)	11,689,648,055	-	653,323,106	720,413,738	53,715,264	(20,851,348)	4,980,993,049
										6,708,655,006

¹. Membership fees to Baridhara Cosmopolitan Club Limited (BCCCL)

². For construction of 12 stored commercial building with 22 stored foundation

³. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

Bank Asia Limited and its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2021

Annex C-3

Particulars	Cost			Rate of dep. %	Depreciation				Written down value as at 31 Dec 2021
	Balance as at 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year		Balance as at 31 Dec 2021	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	
Own assets									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,244,920,333	19,475,684	135,155	3,264,531,172	5	1,408,530,839	122,011,794	53,715,264	1,584,372,511
Furniture and fixtures	1,292,023,558	81,403,107	(1,513,695)	1,371,912,970	20	1,123,100,426	74,537,836	-	1,102,493)
Machinery & Equipments	1,230,249,358	240,118,623	34,692	1,470,402,673	20	888,630,079	138,182,907	-	30,880
Computer and accessories	503,278,813	16,766,773	-	520,045,586	20	420,815,049	39,371,752	-	-
Motor vehicles	274,882,241	22,459,576	(17,880,000)	279,461,817	20	164,900,748	34,567,998	-	(17,879,995)
Sub-total	9,192,118,609	380,223,763	(19,223,848)	9,553,118,524		4,005,977,141	408,672,287	53,715,264	(18,836,994)
Leased assets									
Furniture and fixtures	167,162,848			167,162,848	20	167,162,848			167,162,848
Machinery & Equipments	106,201,139			106,201,139	20	106,201,139			106,201,139
Computer and accessories	72,204,100			72,204,100	20	72,204,100			72,204,100
Motor vehicles	9,000,000			9,000,000	20	9,000,000			9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	354,568,087
Total	9,546,686,696	380,223,763	(19,223,848)	9,907,686,611		4,360,545,228	408,672,287	53,715,264	(18,836,994)
Intangible assets									
Corporate Membership ¹	24,000,000	-	-	24,000,000		-	-	-	-
Work in progress -building									
Kawran bazar building ⁽²⁾	380,881,206	67,246,048	(109,216,471)	338,910,783		-	-	-	-
Sukrabad building ⁽²⁾	42,912,507	26,453,129	(69,365,636)	-		-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613		-	-	-	-
	444,741,638	94,779,177	(179,775,419)	359,745,396		-	-	-	-
Right-of-use assets									
Office space ⁽³⁾	1,825,332,260	13,075,282	(204,869,517)	1,633,538,025		666,111,966	326,048,995	-	-
ATM	-	20,874,406	-	20,874,406		-	4,317,222	-	-
Sub-total	1,825,332,260	33,949,688	(204,869,517)	1,654,412,431		666,111,966	330,366,217	-	-
Grand Total	11,840,760,594	508,952,628	(403,868,784)	11,945,844,438		5,026,657,194	739,038,504	53,715,264	(18,836,994)
						5,800,573,968	5,800,573,968	5,800,573,968	5,800,573,968
						6,145,270,470	6,145,270,470	6,145,270,470	6,145,270,470

¹. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

². For construction of 12 storied commercial building with 22 stored foundation

³. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

Bank Asia Limited and its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2020

Annex C-4

Particulars	Cost			Rate of dep. %	Depreciation				Written down value as at 31 Dec 2020
	Balance as at 01 Jan 2020	Addition during the year	Disposal/ adjustment during the year		Balance as at 31 Dec 2020	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	
Own assets									
Land	2,646,764,306	-	-	0	-	-	-	-	2,646,764,306
Building	2,774,364,124	3,297,052	467,259,157	5	1,267,278,775	101,307,774	53,715,264	(13,770,974)	1,408,530,839
Furniture and fixtures	1,253,332,695	40,375,790	(1,684,927)	20	1,041,057,806	83,352,336	-	(1,309,716)	1,123,100,426
Machinery & Equipments	1,168,355,274	61,694,563	199,521	20	746,858,054	141,095,200	-	676,825	888,630,079
Computer and accessories	484,838,267	18,440,546	-	20	370,738,554	50,076,495	-	-	420,815,049
Motor vehicles	203,785,296	80,738,577	(9,641,632)	20	144,083,267	30,459,113	-	(9,641,632)	164,900,748
Sub-total	8,531,439,962	204,546,528	456,132,119		3,570,016,456	406,290,918	53,715,264	(24,045,497)	4,005,977,141
Leased assets									
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	-	167,162,848
Machinery & 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	-	(9,900,000)	20	18,900,000	-	-	(9,900,000)	9,000,000
Sub-total	364,468,087	-	(9,900,000)		354,568,087	-	-	(9,900,000)	354,568,087
Total	8,895,908,049	204,546,528	446,232,119		3,934,484,543	406,290,918	53,715,264	(33,945,497)	4,360,545,228
Intangible assets									
Corporate Membership ¹	24,000,000	-	-		24,000,000	-	-	-	24,000,000
Work in progress -building									
Kawran bazar building ²	572,445,844	217,326,531	(408,891,169)		380,881,206	-	-	-	380,881,206
Sukrabad building ²	82,469,264	31,379,976	(70,936,733)		42,912,507	-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-		20,947,925	-	-	-	20,947,925
	667,935,308	256,634,232	(479,827,902)		444,741,638	-	-	-	444,741,638
Right-of-use assets									
Office space ³	1,739,075,475	86,256,785	-		1,825,332,260	339,450,413	-	-	666,111,966
Grand Total	11,326,918,832	547,437,545	(33,595,783)		4,261,146,096	745,741,331	53,715,264	(33,945,497)	5,026,657,194
									6,814,103,400

¹ Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

² For construction of 12 storied commercial building with 22 stored foundation

³ Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

Bank Asia Limited

Statement of tax position

Annex D

as at 31 December 2021

Accounting year	Assessment year	Status
2000	2001-2002	Assessment finalized
2001	2002-2003	Assessment finalized
2002	2003-2004	Assessment finalized
2003	2004-2005	Assessment finalized
2004	2005-2006	Assessment finalized
2005	2006-2007	Assessment finalized
2006	2007-2008	Assessment finalized
2007	2008-2009	Assessment finalized
2008	2009-2010	Assessment finalized
2009	2010-2011	Assessment finalized
2010	2011-2012	At Honorable High Court stage
2011	2012-2013	At Honorable High Court stage
2012	2013-2014	Assessment finalized
2013	2014-2015	Assessment finalized
2014	2015-2016	Assessment finalized
2015	2016-2017	Assessment finalized
2016	2017-2018	Assessment finalized
2017	2018-2019	Assessment finalized
2018	2019-2020	Assessment finalized
2019	2020-2021	Assessment Under DCT Level
2020	2021-2022	Return Submitted

Bank Asia Limited

Details of Large Loan

Annex E

as at 31 December 2021

	2021	2020
Number of clients	13	6
Amount of outstanding advances (Taka)	68,681	33,712
Amount of classified advances (Taka)	4,457	NIL
Measures taken for recovery (Taka)	4,457	NIL

Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2021			Outstanding (Taka) 2020		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Meghna Group	493	7,241	7,733	-	-	-
2	Bashundhara Group	4,770	2,119	6,889	3,986	2,806	6,792
3	CITY Group	404	5,557	5,961	-	-	-
4	Ahmed Group	-	5,865	5,865	82	5,133	5,215
5	Pran Group	2,463	2,646	5,109	-	-	-
6	Echotex Group	1,228	3,809	5,038	2,072	2,733	4,806
7	MAX Group	3,333	1,539	4,873	-	-	-
8	Saiham Group	3,020	1,768	4,787	1,449	3,436	4,885
9	Spectra Group	2,076	2,708	4,784	2,680	2,951	5,631
10	AA Group	2,147	2,542	4,689	-	-	-
11	Western Marine Group	4,351	106	4,457	-	-	-
12	Bulk Trade International Ltd	82	4,227	4,309	-	-	-
13	Gemcon Group	3,116	1,073	4,188	-	-	-
14	BRAC	-	-	-	6,373	11	6,383
Total		27,483	41,198	68,681	16,642	17,070	33,712

Bank Asia Limited

Names of Directors and their interest in different entities

Annex F

as at 31 December 2021

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	Agro Food Services Ltd.
			Ranks Motorbikes Ltd.
			Bank Asia Limited
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Mavis Ispat Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Holdings Limited
			Rancon Motor Bikes Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Appliances Limited
			Ranks Commercial Vehicles Ltd.
			Ranks Dolonchapa Express Ltd
			Ranks FC Properties Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Seamans Dockyard & Fish Meal Ltd.
			Shield Security Services Limited
			Softex Communication Limited
			The Daily Star
			Ranks Electrode & Electronics Ind. Limited
			Ranks Food & Beverage Ltd.

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
2.	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	Anandaniketan Ltd.
			Bank Asia Limited
			FIVDB
			JVS Ltd.
			M. Ahmed Cold Storage Ltd.
			M. Ahmed Food & Spices Ltd.
			M. Ahmed Real Estates Ltd.
			M. Ahmed Tea & Lands Co. Ltd.
			Phulbari Tea Estates Ltd.
			Premier Dyeing & Calendaring Ltd.
3	Mr. Romo Rouf Chowdhury	Vice Chairman	Agro Food Services Ltd
			Bank Asia Limited
			Deep Sea Fishers Limited
			Fishers Shipyard Ltd.
			Inspace Architects Limited
			Metro Foils Limited
			Rancon Auto Industries Ltd.
			Rancon Automobiles Limited
			Rancon Car Hubs Limited
			Rancon Eccessories Limited
			Rancon Electronics Limited
			Rancon Engineering Limited
			Rancon FC Properties Limited
			Rancon Holdings Ltd.
			Rancon Hospitality Limited
			Rancon Industrial Solutions Ltd
			Rancon Infrastructures and Engineering Limited
			Rancon Motor Bikes Ltd.
			Rancon Motors Limited
			Rancon Oceana Limited
			Rancon Sea Fishing Limited
			Rancon Trucks & Buses Ltd
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Telecom Limited
			Sea Fishers Limited
			Sea Resources Agencies Ltd.
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Seamans Dockyard and Fish Meal Ltd
			Shield Security Services Limited
			Softex Communication Limited
4.	Mr. Rume A Hossain	Director	Bank Asia Limited
			Rangs Industries Ltd.
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Petroleum Ltd.
5.	Ms. Hosnara Sinha	Director	Ranks Telecom Limited
			Romask Limited
			Bank Asia Limited
			Pritha Fashions Ltd.
			Sattar Jute Mills Ltd.
			Sinha Auto Spinning Mills Ltd.

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. Naheed Akhter Sinha	Director	Bank Asia Limited
			Cluster World Pte. Ltd. (Singapore)
			Enterprise Cluster Pte. Ltd. (Singapore)
			Lafarge Holcim Bangladesh Limited
7.	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	Agro Food Services Ltd
			Amiran Romana Limited
			Amreen Romana Limited
			Bank Asia Limited
			Deep Sea Fishers Limited
			Fishers Shipyard Ltd.
			Mavis Ispat Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Romask Limited
			Sea Fishers Limited
			Sea Natural Food Limited
			Sea Natural Limited
			Sea Resources Agencies Ltd.
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Seamans Dockyard and Fish Meal Ltd
			Shield Security Services Limited
			SRL Marine Products Ltd.
8.	Major General Mohammad Matiur Rahman (retd.) (Representing Sinha Fashions Ltd.)	Director	Bank Asia Limited
			Venture Properties Limited
			Jenphar Bangladesh Ltd.
9.	Ms. Farhana Haq	Director	Ali Estates Limited
			Bank Asia Limited
			DHS Automobiles Limited
			DHS Motors Limited
			FAR Limited
			Platform Services Limited
			Platform Solutions Limited
			Surja Soft Limited

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
10.	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	Agro Food Services Ltd.
			ASAP Healthy Food Limited
			Bank Asia Limited
			Deep Sea Fishers Limited
			Nessbit Technologie Limited
			Rangs Pharmaceuticals Limited
			SEAMUMS Cold Storage Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Tiger Digital Ventures Limited
11.	Ms. Tania Nusrat Zaman (Representing Amiran Generations Limited)	Director	Bank Asia Limited
			General Advisory Services Limited
12.	Mr. Nafees Khundker	Director	Ranks Telecom Limited
			Rangs Pharmaceuticals Limited
			Sash Limited
			Ranks Interiors Limited
			Rangs Motors Workshop Limited
			DHS Motors Limited
			Ranks Commercial Vehicles Ltd.
			Truck Lond Limited
			SRK Limited
			Streat Limited
			Bank Asia Limited
			Premier Dyeing & Calendaring Ltd.
13.	Mr. Dilwar H Choudhury (Independent Director)	Director	Bank Asia Limited
			Golden Harvest Fintech Ltd.
			Jubilant Golden Harvest Ltd.
			Latif Center
14.	Mr. Ashraful Haq Chowdhuryz (Independent Director)	Director	Bank Asia Limited
			Star Allied Venture Limited
15.	Mr. Md. Abul Quasem (Independent Director)	Director	Bank Asia Limited
15.	Mr. M. A. Baqui Khalily (Independent Director)	Director	Bank Asia Limited
17.	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	Bank Asia Limited
			Baraka Patenga Power Ltd.
			Baraka Power Ltd.
			PKSF (Palli Karma-Sahayak Fundation)

Bank Asia Limited

Islamic Banking Operations

Annex G

as at and for the year ended 31 December 2021

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

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

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

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

The ISR declared on Mudaraba deposits for the year 2021

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.12.2021	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	40%	60%
2. Mudaraba Term Deposit Account (MTDA) 2 months	40%	60%
3. Mudaraba Term Deposit Account (MTDA) 3 months (Individual)	90%	10%
4. Mudaraba Term Deposit Account (MTDA) 3 months (Institutional)	65%	35%
5. Mudaraba Term Deposit Account (MTDA) 6 months (Individual)	90%	10%
6. Mudaraba Term Deposit Account (MTDA) 6 months (Institutional)	82%	18%
7. Mudaraba Term Deposit Account (MTDA) 12 months (Individual)	90%	10%
8. Mudaraba Term Deposit Account (MTDA) 12 months (Institutional)	90%	10%
9. Mudaraba Term Deposit Account (MTDA) 24 months (Individual)	90%	10%
10. Mudaraba Term Deposit Account (MTDA) 24 months (Institutional)	90%	10%
11. Mudaraba Term Deposit Account (MTDA) 36 months (Individual)	90%	10%
12. Mudaraba Term Deposit Account (MTDA) 36 months (Institutional)	90%	10%
13. Mudaraba Term Deposit Account (MTDA) 60 months (Individual)	90%	10%
14. Mudaraba Term Deposit Account (MTDA) 60 months (Institutional)	90%	10%
15. Corporate Term Deposit Account (CTDA) 3 months	65%	35%
16. Corporate Term Deposit Account (CTDA) 6 months	82%	18%
17. Corporate Term Deposit Account (CTDA) 12 months	90%	10%
18. Mudaraba Savings Account (MSA)	45%	55%
19. Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
20. Smart Junior Saver (School Banking) Account	50%	50%
21. Mudaraba Special Notice Deposit Account (MSND)	40%	60%

22. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 year	80%	20%
23. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 2 years	82%	18%
24. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
25. Mudaraba Deposit Pension Scheme (MDPS) 3-12 Years	85%	15%
26. Mudaraba Hajj Savings Scheme (MHSA) 1- 10 Years	90%	10%
27. Cash Waqf	90%	10%

2. Investment Operation and Return Thereon

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

- Fixed return based investment
- Variable return based investment

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

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

3. Income/ Revenue Recognition Principle

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

For Bai-Murabaha Muajjal Investment

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

For Hire Purchase Shirkatul Melk (HPSM) Investment

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

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

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

For Musharaka Investment

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

4. Cost Recognition Principle

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

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

Bank Asia Limited

Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2021

Amount in Taka

	31 Dec 2021	31 Dec 2020
PROPERTY AND ASSETS		
Cash	1,576,470,464	977,044,058
Cash in hand (including foreign currencies)	68,253,888	32,928,013
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	1,508,216,576	944,116,045
Balance with other banks and financial institutions	1,600,531,809	200,611,490
In Bangladesh	1,600,531,809	200,611,490
Outside Bangladesh	-	-
Placement with other banks and financial institutions	-	-
Investments in shares and securities	4,817,750,000	4,823,710,000
Government	4,317,750,000	4,783,710,000
Others	500,000,000	40,000,000
Investments	17,338,653,338	16,409,426,612
General Investment	17,333,027,938	16,408,036,612
Bills purchased and discounted	5,625,400	1,390,000
Fixed assets including premises, furniture and fixtures	3,569,921	3,484,699
Other assets	2,044,544,763	1,549,634,621
Non - banking assets	-	-
Total assets	<u>27,381,520,295</u>	<u>23,963,911,480</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts		
Al-wadeeah current and other deposits accounts, etc.	897,305,856	1,023,697,578
Bills payable	132,400,064	130,359,220
Mudaraba savings deposits	4,486,939,825	3,553,025,320
Mudaraba term deposits	19,544,150,991	17,655,569,247
	25,060,796,736	22,362,651,365
Other liabilities	2,320,723,559	1,601,260,115
Total liabilities	<u>27,381,520,295</u>	<u>23,963,911,480</u>
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	407,396,858	571,286,809
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	<u>407,396,858</u>	<u>571,286,809</u>

Bank Asia Limited

Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2021

	Amount in Taka	
	31 Dec 2021	31 Dec 2020
Operating income		
Investment income	987,456,843	874,546,219
Profit paid on deposits, borrowings, etc.	929,506,372	918,307,146
Net investment income	57,950,471	(53,760,927)
Profit on Investment with bank and financial institutions	204,920,737	52,458,317
Commission, exchange and brokerage	61,606,578	51,644,010
Other operating income	11,997,587	10,529,155
Total operating income	336,475,373	60,870,555
Salaries and allowances	92,785,684	91,293,218
Rent, taxes, insurance, electricity, etc.	11,579,114	9,598,412
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	1,274,997	1,064,244
Stationery, printing, advertisement, etc.	1,462,096	1,432,590
Depreciation and repair of Bank's assets	2,225,126	3,261,650
Other expenses	29,971,739	39,268,512
Total operating expenses	139,298,756	145,918,626
Profit before provision	197,176,617	(85,048,071)

Bank Asia Limited

Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2021

	Notes	31 Dec 2021		31 Dec 2020	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions					
	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		1,050,823	89,162,292	923,016	77,487,164
		1,050,823	89,162,292	923,016	77,487,164
Investments					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loans and advances					
	4				
Loans, cash credits, overdrafts, etc.		43,647,689	3,703,506,372	44,951,597	3,773,686,591
Bills purchased and discounted		304,612,984	25,846,411,723	175,394,142	14,724,338,222
		348,260,673	29,549,918,095	220,345,739	18,498,024,813
Fixed assets including premises, furniture & fixtures					
		-	-	-	-
Other assets					
	5	337,617	28,646,829	5,424,971	455,426,291
Non - banking assets					
		-	-	-	-
Total assets					
		349,649,113	29,667,727,216	226,693,726	19,030,938,268
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
	6	342,230,510	29,038,258,798	222,808,269	18,704,754,165
Deposits and other accounts					
	7				
Current deposits		6,724,448	570,569,454	3,341,160	280,490,384
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		649,751	55,131,354	537,732	45,142,618
Bearer certificate of deposit		-	-	-	-
		7,374,199	625,700,808	3,878,677	325,614,911
Other liabilities					
	8	44,403	3,767,610	6,780	569,192
Total liabilities					
		349,649,113	29,667,727,216	226,693,726	19,030,938,268
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements	9	-	-	49,533	4,158,295
Letters of guarantee		6,610	560,859	6,610	554,910
Irrevocable letters of credit	10	188,860	16,024,771	366,400	30,759,280
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		195,470	16,585,630	422,543	35,472,485
Other commitments		-	-	-	-
Total Off-Balance Sheet items including contingent liabilities					
		195,470	16,585,630	422,543	35,472,485

Bank Asia Limited

Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2021

	Notes	31 Dec 2021		31 Dec 2020	
		USD	Taka	USD	Taka
Operating Income					
Interest income	11	10,227,814	861,488,771	11,395,921	955,775,932
Interest paid on deposits and borrowings, etc.	12	5,417,868	456,347,026	6,735,461	564,903,098
Net interest/net profit on investments		4,809,946	405,141,745	4,660,461	390,872,834
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	52,873	11,841,128	65,458	9,810,218
Other operating income	14	201,002	16,930,358	197,046	16,526,219
Total operating income (A)		5,063,820	433,913,231	4,922,964	417,209,271
		-	-	-	-
Salaries and allowances		31,833	2,681,267	-	-
Rent, taxes, insurance, electricity, etc.		3,077	259,191	3,090	259,134
Legal expenses		-	-	16,852	1,413,377
Postage, stamp, telecommunication, etc.		6,973	587,372	8,261	692,846
Stationery, printing, advertisements, etc.		400	33,668	592	49,664
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		316,031	26,619,317	248,692	20,857,837
Total operating expenses (B)		358,314	30,180,815	277,487	23,272,858
Profit before provision (C=A-B)		4,705,506	403,732,416	4,645,477	393,936,413

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

Annex H-2

as at and for the year ended 31 December 2021

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 under Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985. The Bank commenced the operation of its Off-shore Banking Unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong.

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, Bangladesh Bank BRPD Circular No. 02 dated 25 February 2019 & subsequent amendment circulars, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

2.2 Foreign currency

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

2.3 Loans and advances

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

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

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

2.4 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 84.85 (2020 : BDT 83.95). Income and expenses are translated at an average rate @ USD 1 = BDT 84.23 (2020 : BDT 83.87). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 85.80

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh				
Commerzbank A.G, Frankfurt	10,244	869,242	50,922	4,274,883
Habib American Bank, New York	1,040,573	88,292,605	872,089	73,211,840
Sonali Bank (UK) Limited, London	5	445	5	441
	<u>1,050,823</u>	<u>89,162,292</u>	<u>923,016</u>	<u>77,487,164</u>
4 Loans and advances				
Loans, cash credit, overdrafts etc. (Note 4.1)	43,647,689	3,703,506,372	44,951,597	3,773,686,591
Bills purchased and discounted (Note 4.2)	304,612,984	25,846,411,723	175,394,142	14,724,338,222
	<u>348,260,673</u>	<u>29,549,918,095</u>	<u>220,345,739</u>	<u>18,498,024,813</u>

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
4.1 Loans, cash credit, overdrafts etc.				
Term loan industrial	43,213,399	3,666,656,897	44,571,237	3,741,755,387
Loan against trust receipts	130,996	11,115,043	-	-
Demand loan	100,994	8,569,315	380,360	31,931,204
Overdraft	202,300	17,165,117	-	-
	<u>43,647,689</u>	<u>3,703,506,372</u>	<u>44,951,597</u>	<u>3,773,686,591</u>
4.2 Bills purchased and discounted				
Payable in Bangladesh	304,612,984	25,846,411,723	175,394,142	14,724,338,222
Payable outside Bangladesh	-	-	-	-
	<u>304,612,984</u>	<u>25,846,411,723</u>	<u>175,394,142</u>	<u>14,724,338,222</u>
5 Other assets				
Branch adjustment account	169,698	14,398,875	169,698	14,246,142
Prepaid expenses	167,919	14,247,954	329,543	27,665,117
Receivable From DBO	-	-	4,925,730	413,515,032
	<u>337,617</u>	<u>28,646,829</u>	<u>5,424,971</u>	<u>455,426,291</u>
6 Borrowings from other banks, financial institutions and agents				
Borrowing from other banks (Note 6.1)	213,322,478	18,100,412,216	82,400,177	6,917,494,901
Borrowing from Bank Asia Treasury Division	73,765,000	6,258,960,250	51,038,750	4,284,703,063
Borrowing - ECA	21,809,699	1,850,552,942	24,369,341	2,045,806,201
Borrowing from IFC	33,333,334	2,828,333,390	65,000,000	5,456,750,000
	<u>342,230,510</u>	<u>29,038,258,798</u>	<u>222,808,269</u>	<u>18,704,754,165</u>
6.1 Borrowing from other banks				
Yes Bank, Mumbai	2,000,000	169,700,000	-	-
SCB Singapore	10,000,000	848,500,000	-	-
National Bank of RAK, UAE	15,000,000	1,272,750,000	-	-
Bank Muscat, Oman	8,000,000	678,800,000	-	-
Abu Dhabi Commercial bank	15,000,000	1,272,750,000	-	-
Mashreq Bank, UAE	10,000,000	848,500,000	-	-
Axis Bank Limited, Singapore	15,000,000	1,272,750,000	-	-
Caixa Bank, Barcelona	33,000,000	2,800,050,000	29,177,700	2,449,467,915
Standard Chartered Bank, Thailand	10,000,000	848,500,000	5,000,000	419,750,000
HDFC, Gift City, Mumbai	10,000,000	848,500,000	-	-
Nabil Bank Limited, Nepal	-	-	5,000,000	419,750,000
Indusind Bank Limited	5,000,000	424,250,000	-	-
Commercial Bank of Dubai	15,000,000	1,272,750,000	10,000,000	839,500,000
State Bank of India, Hongkong	19,400,000	1,646,090,000	5,000,000	419,750,000
State Bank of India, Dubai	10,000,000	848,500,000	10,200,000	856,290,000
Nepal Bangladesh Bank Limited	-	-	5,000,000	419,750,000
The Commercial Bank, Qatar	5,000,000	424,250,000	8,000,000	671,600,000
DBS Bank Singapore	30,900,000	2,621,865,000	5,000,000	419,750,000
Banca Valsabbina SCPA Vestone Italy	22,478	1,907,216	22,477	1,886,986
	<u>213,322,478</u>	<u>18,100,412,216</u>	<u>82,400,177</u>	<u>6,917,494,901</u>
7 Deposits and other accounts				
Customer deposits and other accounts (Note 7.1)	<u>7,374,199</u>	<u>625,700,808</u>	<u>3,878,677</u>	<u>325,614,911</u>
7.1 Customer deposits and other accounts				
Foreign currency (Current)	5,373,244	455,919,766	2,590,556	217,477,204
Other demand deposits(Current)	1,351,204	114,649,688	750,604	63,013,180
Fixed deposit	649,751	55,131,354	537,517	45,124,527
	<u>7,374,199</u>	<u>625,700,808</u>	<u>3,878,677</u>	<u>325,614,911</u>

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

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
8 Other liabilities				
Provision for loans and advances	1,302,521	110,518,933	(127,925)	(10,739,326)
Provision for off balance sheet items	(2,226)	(188,869)	493	41,403
Due to Head Office	(1,300,295)	(110,330,064)	127,432	10,697,923
FDR on Export Bill	27,877	2,365,363	6,780	569,192
Interest suspense account	16,526	1,402,247	-	-
	<u>44,403</u>	<u>3,767,610</u>	<u>6,780</u>	<u>569,192</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	-	-	49,533	4,158,295
	<u>-</u>	<u>-</u>	<u>49,533</u>	<u>4,158,295</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	188,860	16,024,771	366,400	30,759,280
	<u>188,860</u>	<u>16,024,771</u>	<u>366,400</u>	<u>30,759,280</u>
11 Interest income				
Demand loan	22,119	1,863,085	30,684	2,573,430
Loan against trust receipt	16,281	1,371,338	8,743	733,274
Term loan - industrial	920,353	77,521,295	1,320,685	110,765,831
Foreign bill purchased	9,264,367	780,337,605	10,002,227	838,886,771
Lease finance	-	-	33,583	2,816,626
Payment against documents	95	8,028	-	-
Overdraft	4,600	387,420	-	-
	<u>10,227,814</u>	<u>861,488,771</u>	<u>11,395,921</u>	<u>955,775,932</u>
12 Interest paid on deposits and borrowings etc.				
Interest on deposit	10,218	860,681	15,967	1,339,137
Interest on borrowings	5,407,650	455,486,345	6,719,494	563,563,961
	<u>5,417,868</u>	<u>456,347,026</u>	<u>6,735,461</u>	<u>564,903,098</u>
13 Commission, exchange and brokerage				
Commission on L/C	5,991	504,623	5,154	432,300
Commission on L/G	-	-	26	2,181
Commission on export	35,984	3,030,920	51,595	4,327,286
Commission on PO, DD, TT, TC, etc	10,898	917,938	8,682	728,160
Foreign exchange gain and charges	-	7,387,647	-	4,320,291
	<u>52,873</u>	<u>11,841,128</u>	<u>65,458</u>	<u>9,810,218</u>
14 Other operating income				
SWIFT charge recovery	4,530	381,562	5,615	470,913
Other	196,472	16,548,796	191,431	16,055,306
	<u>201,002</u>	<u>16,930,358</u>	<u>197,046</u>	<u>16,526,219</u>

Bank Asia Limited

Statement of outstanding unreconciled entries (nostro account)

as at 31 December 2021

Annex I

Amount in USD

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	USD	No.	USD	No.	USD	No.	USD
1	Less than 1 month	23	3,893,001	240	11,723,618	168	15,002,285	574	24,846,773
2	More than 1 month but less than 3 months	-	-	-	-	1	50	2	33,107
3	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
4	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
5	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
6	More than 12 months	-	-	-	-	-	-	-	-
	Total	23	3,893,001	240	11,723,618	169	15,002,335	576	24,879,881

Bank Asia Limited

Reconciliation between Bangladesh Bank statement and Bank's book

Annex J

as at 31 December 2021

The reconciling items relates to clearing of the following:

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

Local currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	26,465,511,264.11	26,617,685,495.43	(152,174,231.32)
Bangladesh Bank, Dhaka (Al-wadeeah current account)	1,508,216,575.98	1,508,216,575.98	-
Bangladesh Bank, Chittagong	265,418,574.49	265,418,574.49	-
Bangladesh Bank, Sylhet	23,698,180.52	23,698,180.52	-
Bangladesh Bank, Khulna	51,974,350.16	51,974,350.16	-
Bangladesh Bank, Rajshahi	27,983,209.55	27,983,209.55	-
Bangladesh Bank, Bogra	21,823,757.01	21,823,757.01	-
Bangladesh Bank, Barishal	20,351,956.54	20,351,956.54	-
Bangladesh Bank, Rangpur	2,522,006.41	2,522,006.41	-
Total	28,387,499,874.77	28,539,674,106.09	(152,174,231.32)

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

-
33,516,644.80
37,468,453.80
156,126,040.32
(152,174,231.32)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	6,542,236.66	2,039,984.07	175,030,633.21	4,502,252.59
Total	6,542,236.66	2,039,984.07	175,030,633.21	4,502,252.59

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

3,417,535.56
437.57
1,096,671.06
11,516.46
4,502,252.59

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	14,564.70	14,564.70	1,675,668.74	-
	14,564.70	14,564.70	1,675,668.74	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	5,796.70	5,796.70	554,935.39	-
	5,796.70	5,796.70	554,935.39	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	34,380.88	-
	45,238.00	45,238.00	34,380.88	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-
Total (BDT)			28,716,969,724	

Bank Asia Limited Segment Reporting

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

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				Total	Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Bank Asia Securities Ltd		BA Exchange Company (Uk) Ltd	BA Express USA Inc.		
Interest income	16,491,827,298	987,456,843	861,488,771	18,340,772,912	231,094,069	-	-	(149,649,645)	18,422,217,336
Interest paid on deposits and borrowings, etc	11,315,036,164	929,506,372	456,347,026	12,700,889,562	176,722,894	-	-	(149,649,645)	12,727,962,811
Net interest income	5,176,791,134	57,950,471	405,141,745	5,639,883,350	54,371,175	-	-	-	5,694,254,525
Investment income	6,643,913,696	204,920,737	-	6,848,834,433	-	-	-	-	6,848,834,433
Commission, exchange and brokerage	3,094,938,547	61,606,578	11,841,128	3,168,386,253	294,493,388	23,534,818	76,182,143	-	3,562,596,602
Other operating income	1,007,376,835	11,997,587	16,930,358	1,036,304,780	148,131,302	631,997	253,613	-	1,185,321,692
Total operating income (A)	15,923,020,212	336,475,373	433,913,231	16,693,408,816	496,995,865	24,166,815	76,435,756	-	11,596,752,727
Salaries and allowances	3,774,647,003	92,785,684	2,681,267	3,870,113,954	86,960,433	13,337,732	24,609,230	-	3,995,021,349
Rent, taxes, insurance, electricity, etc	468,920,182	11,579,114	259,191	480,758,487	8,075,242	2,215,594	13,982,599	-	505,031,922
Legal expenses	16,556,291	-	-	16,556,291	461,598	71,519	469,357	-	17,558,765
Postage, stamp, telecommunication, etc	116,454,894	1,274,997	587,372	118,317,263	2,166,306	385,400	380,061	-	121,249,030
Stationery, printing, advertisements, etc	114,598,165	1,462,096	33,668	116,093,929	743,405	1,241,108	778,408	-	118,856,850
Managing Director's salary and fees	20,401,265	-	-	20,401,265	-	-	-	-	20,401,265
Directors' fees	4,040,000	-	-	4,040,000	319,000	-	-	-	4,359,000
Auditors' fees	977,625	-	-	977,625	76,667	720,909	1,622,149	-	3,397,350
Depreciation and repairs of Bank's assets	864,024,150	2,225,126	-	866,249,276	20,197,492	292,598	1,666,069	-	888,405,435
Other expenses	1,950,777,604	29,971,739	26,619,317	2,007,368,660	24,213,486	8,807,334	23,883,134	-	2,064,272,614
Total operating expenses (B)	7,331,397,179	139,298,756	30,180,815	7,500,876,750	143,213,629	27,072,194	67,391,007	-	7,738,553,580
Profit before provision (C=A-B)	8,591,623,033	197,176,617	403,732,416	9,192,532,066	353,782,236	(2,905,379)	9,044,749	-	9,552,453,672
Provision:									
Provision for loans and advances/investments				4,150,796,085	192,443,649	-	-	-	4,343,239,734
Provision for off-balance sheet items				485,000,000	-	-	-	-	485,000,000
Provision for diminution in value of investments				-	51,208,223	-	-	-	51,208,223
Other provisions				150,000,000	-	-	-	-	150,000,000
Total provision (D)				4,785,796,085	243,651,872	-	-	-	5,029,447,957
Profit before tax provision (E=C-D)				4,406,735,981	110,130,364	(2,905,379)	9,044,749	-	4,523,005,715
Provision for taxation				1,700,000,000	94,735,436	-	-	-	1,794,735,436
Profit after tax provision				2,706,735,981	15,394,928	(2,905,379)	9,044,749	-	2,728,270,279

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				Total	Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	In side Bangladesh		BA Exchange Company (UK) Ltd			
				Bank Asia Securities Ltd		BA Express USA Inc.			
PROPERTY AND ASSETS									
Cash	31,788,414,123	1,576,470,464	-	33,364,884,587	15,772	152,086	29,617	-	33,365,082,062
Balance with other banks and financial institutions	38,671,775,694	1,600,531,809	89,162,292	40,361,469,795	787,729,362	21,446,588	196,824,591	(78,856,747)	41,288,613,589
Money at call and on short notice	6,400,000,000	-	-	6,400,000,000	-	-	-	-	6,400,000,000
Investments	72,203,440,521	4,817,750,000	-	77,021,190,521	930,243,433	-	-	-	77,951,433,954
Loans and advances/investments	215,378,130,332	17,338,653,338	29,549,918,095	262,266,701,765	4,244,364,917	-	-	(1,511,582,711)	264,999,483,971
Fixed assets including premises, furniture and fixtures	6,035,571,983	3,569,921	-	6,039,141,904	102,516,206	179,831	3,432,529	-	6,145,270,470
Other assets	10,766,708,269	2,044,544,763	28,646,829	12,839,899,861	441,051,132	11,470	122,035,610	(2,526,690,681)	10,876,307,392
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	381,244,040,922	27,381,520,295	29,667,727,216	438,293,288,433	6,505,920,822	21,789,975	322,322,347	(4,117,130,139)	441,026,191,438
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, financial institutions and agents									
Subordinated Non-Convertible Zero Coupon Bond	8,600,000,000	-	-	8,600,000,000	-	-	-	-	8,600,000,000
Deposits and other accounts	292,095,937,358	25,060,796,736	625,700,808	317,782,434,902	721,351,710	-	-	(78,856,747)	318,424,929,865
Other liabilities	34,341,753,905	2,320,723,559	3,767,610	36,718,063,544	2,218,069,633	68,483,295	368,082,914	(411,334,541)	38,961,364,845
Total liabilities	353,835,583,834	27,381,520,295	29,667,727,216	410,936,649,814	4,451,004,054	68,483,295	368,082,914	(2,001,773,999)	413,822,446,078
Total shareholders' equity	27,356,638,619	-	-	27,356,638,619	2,054,916,768	(46,693,320)	(45,760,567)	(2,115,356,140)	27,203,745,360
Total liabilities and shareholders' equity	381,192,222,451	27,381,520,295	29,667,727,216	438,293,288,433	6,505,920,822	21,789,975	322,322,347	(4,117,130,139)	441,026,191,438

Bank Asia Securities Limited

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

Opinion

We have audited the financial statements of Bank Asia Securities Limited (the "Company") which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respect, of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 3, 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

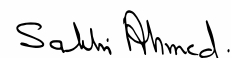
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report that:

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

Dhaka, 15 March 2022
DVC No: 2203150770AS878459



Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Bank Asia Securities Limited

Statement of Financial Position

as at 31 December 2021

		Amount in Taka	
	Notes	31 Dec 2021	31 Dec 2020
Non-current assets			
Property, plant and equipment	4	102,516,205	100,737,789
Demutualization membership of DSE	5	114,839,239	114,839,239
Total non- current assets		217,355,444	215,577,028
Current Assets			
Advances, deposits and prepayments	6	98,661,790	102,247,249
Investment in shares	7	815,404,194	540,787,905
Margin loans	8	4,244,364,917	4,810,787,426
Accounts receivable	9	3,495,881	45,861,115
Advance income tax	10	338,893,462	285,922,331
Deferred tax assets	23	3,596,494	2,746,078
Cash and cash equivalents	11	787,745,134	563,894,325
Total current assets		6,292,161,872	6,352,246,429
Total assets		6,509,517,316	6,567,823,456
Shareholders' equity and liabilities			
Share capital	12	2,000,000,000	2,000,000,000
Capital reserve	12.1	150,947	-
Retained earnings	13	58,362,315	42,267,918
Shareholders' equity		2,058,513,262	2,042,267,918
Non-current liabilities			
Financial lease obligation	14	56,158,627	55,506,820
Total non- current liabilities		56,158,627	55,506,820
Current Liabilities			
Customer deposits	15	721,351,710	519,066,108
Loans and borrowings	16	1,511,582,711	2,120,969,217
Accounts payable	17	105,665,304	72,410,677
Other liabilities	18	30,429,024	28,253,904
Interest suspense account	19	890,799,214	890,799,214
Provision for diminution in value of investments	20	84,911,772	33,703,549
Provision for client margin loan	21	754,937,818	562,494,169
Provision for corporate income tax	22	295,167,874	242,351,881
Total current liabilities		4,394,845,426	4,470,048,719
Total liabilities		4,451,004,054	4,525,555,538
Total equity and liabilities		6,509,517,316	6,567,823,456

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

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Sabbir Ahmed.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 15 March 2022
DVC No: 2203150770AS878459

Bank Asia Securities Limited

Statement of Profit or loss and Other Comprehensive Income

for the year ended 31 December 2021

		Amount in Taka	
	Notes	31 Dec 2021	31 Dec 2020
Brokerage commission	24	294,493,388	119,829,921
Interest income	25	231,094,069	193,809,470
Interest expense	26	(176,722,894)	(188,373,820)
Net interest income		54,371,175	5,435,650
Other operating income/(loss)	27	148,131,302	30,881,002
Total operating income		496,995,865	156,146,573
Operating expenses	28	(143,213,629)	(108,555,526)
Profit before provision		353,782,236	47,591,047
Provision for diminution in value of investments	20	(51,208,223)	-
Provision for client margin loan	21	(192,443,649)	(8,000,000)
Profit /(Loss) before tax		110,130,364	39,591,047
Current tax expense	22	(94,735,436)	(39,192,514)
Deferred tax Income/(expense)	23	850,416	1,110,938
Income tax expense		(93,885,020)	(38,081,576)
Profit/ (Loss) after tax		16,245,344	1,509,471
Appropriation			
Capital reserve		(150,947)	-
Total comprehensive income		16,094,397	1,509,471
Earnings per share	29	0.81	0.08

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

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Chairman	Director	Chief Executive Officer

Dhaka, 15 March 2022
DVC No: 2203150770AS878459

Sabbir Ahmed.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Bank Asia Securities Limited

Statement of Cash Flows

for the year ended 31 December 2021

	Amount in Taka	
	31-Dec-21	31-Dec-20
A. Cash flows from operating activities		
Cash received from		
Interest income	231,094,069	193,809,470
Brokerage commission	294,493,388	119,829,921
Cash payment for		
Interest expenses	(149,649,645)	(158,386,429)
Operating expenses	(120,841,017)	(99,482,269)
Customers' deposits	202,285,602	144,057,403
Margin loan to customers	677,370,928	(159,913,524)
Other assets	45,950,693	(99,367,962)
Accounts Payable	33,254,627	71,707,490
Income tax paid	(94,890,574)	(44,578,121)
Net cash flows from/ (used in) operating activities	1,119,068,071	(32,324,020)
B. Cash flows from investing activities		
Investment in shares	(274,616,289)	(61,235,154)
Acquisition of property, plant and equipment	(11,214,467)	-
Net cash from/ (used in) investing activities	(285,830,756)	(61,235,154)
C. Cash flows from financing activities		
Loans and borrowings	(609,386,506)	267,244,749
Net cash from financing activities	(609,386,506)	267,244,749
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	223,850,809	173,685,575
E. Opening cash and cash equivalents	563,894,325	390,208,750
F. Closing cash and cash equivalents	787,745,134	563,894,325

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

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Chairman

-sd-

Director

-sd-

Chief Executive Officer

Bank Asia Securities Limited

Statement of Changes in Equity

for the year ended 31 December 2021

Amount in Taka

Particulars	Share capital	Capital reserve	Retained earnings/ (Accumulated Losses)	Total
Year ended 31 Dec 2020				
Opening balance	2,000,000,000	-	40,758,447	2,040,758,447
Net profit for the period	-	-	1,509,471	1,509,471
Closing balance	2,000,000,000	-	42,267,918	2,042,267,918
Year ended 31 Dec 2021				
Opening balance	2,000,000,000	-	42,267,918	2,042,267,918
Net profit for the period	-	-	16,245,344	16,245,344
Transfer during the period		150,947	150,947	-
Closing balance	2,000,000,000	150,947	58,362,315	2,058,513,262

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

-sd-
Chairman

-sd-
Director

-sd-
Chief Executive Officer

Bank Asia Securities Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2021

1. REPORTING ENTITY

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Components of the financial statements

The financial statements referred to here comprise:

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

2.3 Use of estimates and judgments

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

Key estimates include the following:

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

2.4 Statement of cash flows

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

2.5 Reporting period

These financial statements cover period from 1 January 2021 to 31 December 2021.

2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 15 March, 2022.

2.7 Functional and presentational currency

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

2.8 Share capital

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

2.9 Going concern

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

2.10 Investment in securities

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

2.11 Provision, Contingent asset and contingent liabilities

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

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognised because:

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- * the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

2.12 Taxation Current tax

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

Deferred Tax

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

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

2.13 Branch Details

The Company has a total five number of Branch offices, One Extension Office (excluding Head Office), with no overseas branch as on December 31, 2021.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue Recognition

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

Brokerage commission

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

Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity

clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

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

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

3.2 Interest paid and other expenses

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

3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2021 as per International Accounting Standard IAS- 33 "Earnings Per Share".

3.4 Property, plant and equipment

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

Bank Asia Securities Limited

Notes to the Financial Statements

Subsequent costs

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

Depreciation

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

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

3.5 Intangible assets

Computer software

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

Subsequent costs

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

Amortisation of intangible assets

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

3.6 Lease assets

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

3.7 Advance, deposits and prepayments

- Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment etc.
- Deposits are measured at payment value.
- Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Comprehensive Income.

3.8 Advance income tax

The amount of advance income tax are mainly deduction at sources by DSE on daily transaction of broker & dealer operation. Tax deduction on interest income and dividend income are also included.

3.9 Related party

As per International Accounting Standards IAS-24 "Related Party Disclosures", A party is related to the company if:

- 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;
- the party is an associate;
- the party is a joint venture;
- the party is a member of the key management personnel of the Company or its parent;
- the party is a close member of the family of any individual referred to in (i) or (iv);
- 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
- 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.

3.10 Events after reporting period

As per IAS-10 "Events after Reporting Period" are those events, favorable and unfavorable, 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:

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

3.11 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

3.12 Departures from IFRS

The Financial Reporting Council (FRC) has been formed, but no financial reporting standards have yet been issued as per the provisions of the Financial Reporting Act (FRA), 2015. Hence, the financial statements of the Company as at and for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and as per the requirements of the provisions, circulars, rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and The Income Tax Ordinance 1984. In case any requirements of the BSEC provisions, circulars, rules and regulations differ from those of IFRS, the requirements of BSEC provisions, circulars rules and regulations shall prevail, and such departures from IFRS have been followed accordingly. In addition, there has been a departure from the provisions of IFRS-9 with regard to interest income. Material departures from the requirements of IFRS are as follows

i) Provision for impairment of client margin loan

IFRS: In accordance with IFRS-9, an entity should recognize a loss allowance for expected credit losses on a financial asset and shall not reduce the carrying amount of the financial asset in the statement of financial position. The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis considering all reasonable and supportable information, including that which is forward-looking. An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

BSEC: As per BSEC press release #BSEC/Mukhopatro(5th Khondo)/2019/159 dated January 07, 2020, provision has been made for impairment of margin loan arising out of year-end (31.12.2019) revaluation of shares purchased through margin loan complying with the relevant instruction. Bank Asia Securities Limited has opted for the option to maintain minimum 20% of total impairment of margin loan arising from diminution in value of investments as provision as on 31.12.2019 in accordance with the aforesaid press release.

ii) Recognition of interest income from margin loan

IFRS: In accordance with IFRS-9, interest revenue should be calculated by using the effective interest method by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income should be recognized when the financial asset is no longer credit-impaired and the improvement can be related objectively.

Departure: The Company recognized interest from margin loan when the loan is no longer credit-impaired. However, some margin loan interest was recognized as income from credit-impaired when the account become positive.

iii) Valuation of shares of DSE

IFRS: As per para-5.2.2 of IFRS-9, an entity shall apply the impairment requirements to financial assets that are measured at amortized cost in accordance with paragraph 4.1.2 of IFRS-9 and to financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS-9.

Departure: There is no active market for shares in DSE and the sale price to Strategic Investor, Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), has been determined through negotiation. The sale had to be made within the time limit as given in the Exchange Demutualization Act-2013 and approved by the Bangladesh Securities and Exchange Commission (BSEC). This was not a transaction in active market. And we strongly believe that with the involvement of the strategic partners and the development of capital market under the guidance of the BSEC, the share price of the exchanges will increase significantly.

3.13 Others

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

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

3.14 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following International Accounting Standards (IASs) are applicable for the financial statements for the period under review:

- IAS- 1 Presentation of Financial Statements
- IAS- 7 Statements of Cash Flows
- IAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS- 10 Events after the Reporting Period
- IAS- 12 Income Taxes
- IAS- 16 Properties, Plant and Equipment
- IAS- 19 Employees Benefit
- IAS- 24 Related Party Disclosure
- IAS- 32 Financial Instruments Presentation
- IAS- 33 Earning Per shares
- IAS- 37 Provisions, Contingent Liabilities and Contingent Assets

**Bank Asia
Securities Limited
Notes to the Financial Statements**

IAS- 38 Intangible Assets
IFRS- 7 Financial Instruments : Disclosures;
IFRS- 9 Financial Instruments
IFRS- 13 Fair Value Measurement
IFRS- 15 Revenue from Contracts with Customers

**3.15 New and amended standards and interpretations:
IFRS 16 Leases**

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

Leases previously classified as operating leases

- a) Bank Asia Securities Limited recognize a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17 and measure that lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate at 9% at the date of initial application i.e. January 01, 2020.
- b) Recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17 and choose, on a lease-by-lease basis, to measure that right-of-use asset; an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

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

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

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

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

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

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

4. Property, plant and equipment

	31 Dec 2021	31 Dec 2020
Opening balance	27,269,864	35,734,740
Add: Addition during the period	11,214,467	-
Less: Depreciation charge for the period	9,033,312	8,464,876
A. Closing balance	29,451,019	27,269,864

4.1 Right of use of assets

Opening balance	73,467,925	-
Add: Addition during the year	13,075,282	86,256,785
	86,543,206	86,256,785

	31 Dec 2021	31 Dec 2020
Less: Depreciation charge for right of use of assets	11,164,181	12,788,860
B. Closing balance	73,065,185	73,467,925
Grand Total (A+B)	102,516,205	100,737,789

Details are given in Annex I

5. Demutualization membership of Dhaka Stock Exchange

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

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

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

6. Advances, deposits and prepayments

Advance for DSE Nikunjo office	-	850,000
Advance for Renovation of New Branch	-	841,525
Security Deposit for CSE TREC	30,000,000	-
Advance for Legal Advice	84,290	127,590
Advance for NFLP	-	232,909
Own subscription in IPOs but not yet allotted	22,037,500	
Subscription in IPOs but not yet allotted for Client	46,540,000	
Member Margin Deposit to DSE	-	100,000,000
Advance for Software	-	195,225
	98,661,790	102,247,249

7. Investment in shares (Details are given in Note 7.1, 7.2 & 7.3)

	815,404,194	540,787,905
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7.1 Investment in shares in Dealer Account

	459,548,598	502,165,195
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All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Sufficient provision has maintained as per BSEC guidelines against this unrealized loss. Please see note 20.00 for details.

7.2 Investment In share Under SFCM

	355,855,596	38,622,709
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All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Investment made under Bangladesh Bank DOS circular No. 01 dated February 10, 2020

7.3 Proprietary positions in securities and specified investments (Investments in shares)

Proprietary positions in Equity securities		
Value of "A" category instruments	733,646,328	-
Value of "B/G/N/..." category instruments	30,026,552	-
Value of "Z" category instruments		-

**Bank Asia
Securities Limited
Notes to the Financial Statements**

	31 Dec 2021	31 Dec 2020
Value of Non-Listed Instruments	46,400	-
Proprietary positions in MFs & CISs	-	-
Value of listed funds	51,684,914	-
Value of non-listed funds	-	-
Value of AIFs	-	-
	815,404,194	-

8. Margin loans to customers

Opening balance	4,810,787,426	4,649,980,291
Add: Interest charged during the period	200,593,893	171,916,746
	5,011,381,319	4,821,897,037
Less: Repayment of Margin Loan during the period/(addition)	767,016,402	11,109,611
Closing balance	4,244,364,917	4,810,787,426

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.

8.1 Margin loans to customers (Account receivable from margin clients)

Receivable to Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)	3,141,687,584	-
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	5,441,988	-
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	119,762,579	-
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	977,472,766	-
Total margin loan	4,244,364,917	-

9. Accounts receivable

Receivable from Dhaka Stock Exchange Ltd (Broker)	3,482,812	7,230,805
Receivable from Dhaka Stock Exchange Ltd (Dealer)	-	-
Receivable Dividend (Dealer)	13,069	7,317,310
Cheques in transit (Consolidated Customer A/C)	-	31,313,000
	3,495,881	45,861,115

10. Advance income tax

Opening balance	285,922,331	241,344,210
Tax deducted at source from brokerage commission	66,108,703	25,930,755
Tax deducted at source from dividend income	5,044,490	3,141,165
Advance Tax as per Section 64 & 74	11,068,309	13,341,052
Advance Tax on sales of Fixed Assets	3,000	-
Advance Tax for Appeal to Appellate Tribunal/High Court	9,610,964	-
Tax deducted at source from bank interest	3,055,108	2,165,148
	94,890,574	44,578,121
Less: Adjusted during the period	41,919,443	-
Closing balance	338,893,462	285,922,331

11. Cash and cash equivalents

	31 Dec 2021	31 Dec 2020
Cash in hand (note 11.1)	15,772	7,019
Cash at Bank (note 11.2)	787,729,362	563,887,306
	<u>787,745,134</u>	<u>563,894,325</u>

11.1 Cash in hand

Head-office	15,772	7,019
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11.2 Cash at Bank

Bank Asia Limited (Consolidated Customer A/C-00836000674)	78,791,998	33,823,840
ONE Bank Limited (Consolidated Customer A/C-0015025406003)	613,819,302	339,266,992
Midland Bank Ltd (Consolidated Customer A/C-0001-1060000011)	93,883,863	171,153,302
Bank Asia Limited (Current Deposit Account-00833007917)	64,749	42,587
Bank Asia Limited (IPO-00836000676)	-	19,391,593
ONE Bank Limited (Dealer Account-0015025405007)	1,169,450	203,314
NRB Bank Limited (A/C-1081030004752)	-	5,678
	<u>787,729,362</u>	<u>563,887,306</u>

12. Share capital

Authorized capital :

20,000,000 ordinary shares of Taka 100 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
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Issued, subscribed and paid up capital:

20,000,000 ordinary shares of Taka 100 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
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The Company's shareholding position as at 31 December 2020 was as under:

Name of shareholder	No. of shares	% of holding	Value/Taka
Bank Asia Limited	19,999,300	99.997%	1,999,930,000
Mr. Anisur Rahman Sinha	100	0.0005%	10,000
Mr. A. Rouf Chowdhury	100	0.0005%	10,000
Ms. Romana Rouf Chowdhury	100	0.0005%	10,000
Mr. Md. Nuzrul Huda	100	0.0005%	10,000
Mr. Md. Arfan Ali	100	0.0005%	10,000
Mr. Md. Sazzad Hossain	100	0.0005%	10,000
Mr. Mohammad Ibrahim Khalil	100	0.0005%	10,000
	<u>20,000,000</u>	<u>100.00%</u>	<u>2,000,000,000</u>

12.1 Capital reserve)

Opening balance	-	-
Add: Addition during the year	150,947	-
Less: Adjusted during the period	150,947	-
Closing balance	-	-
	<u>150,947</u>	<u>-</u>

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company maintained a capital reserve by 10% on profit after tax of last year.

**Bank Asia
Securities Limited**
Notes to the Financial Statements

13. Retained earnings

	31 Dec 2021	31 Dec 2020
Opening balance	42,267,918	40,758,447
Less: Dividend paid	-	-
	42,267,918	40,758,447
Add: Total comprehensive income during the period	16,245,344	1,509,471
Less: Transfer to capital reserve	(150,947)	
Closing balance	58,362,315	42,267,918

14. Financial lease obligation

Opening balance	55,506,820	-
Add: Addition during the year	13,075,282	71,132,984
	68,582,101	71,132,984
Less: Conversion to short term	12,423,474	15,626,164
Closing balance	56,158,627	55,506,820

15. Customer deposits

	721,351,710	519,066,108
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Customer deposits represent uninvest funds lying with the Company's account at the reporting date.

16. Loans and borrowings

Bank Asia Limited	1,152,611,494	2,082,302,300
Bank Asia Limited-(SFCM)	358,971,217	38,666,918
	1,511,582,711	2,120,969,217

17. Accounts payable

Payable for IPO Application Process	69,395,000	37,934,400
Interest Payable	27,073,249	29,987,391
Dhaka Stock Exchange Ltd (Broker)	9,197,055	4,488,885
	105,665,304	72,410,677

18. Other liabilities

	30,429,024	28,253,904
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18.1 Liabilities for expenses

	18,715,491	18,307,065
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The amount represents provisions against operating expenses during the period.

18.2 Current portion of lease obligation

Opening balance	9,946,839	-
Add: Interest charge during the year	5,617,075	
Add: Conversion from long term	12,423,474	15,626,164
	27,987,388	15,626,164
Less: Paid during the period	16,273,855	5,679,325
Closing balance	11,713,533	9,946,839

19. Interest suspense account

	31 Dec 2021	31 Dec 2020
Opening balance	890,799,214	890,799,214
Add: Interest suspense during the year	-	-
Closing Balance	890,799,214	890,799,214

The amount represents interest income from loan accounts of the clients who have negative equity with Bank Asia Securities Limited. The amount will be recognized as income when client equity become positive balance.

20. Provision for diminution in value of investments

Opening Balance	33,703,549	33,703,549
Add: Provision made during the period	51,208,223	-
Closing balance	84,911,772	33,703,549

21. Provision for Client Margin Loan (Note 21.1 & 21.2)

Opening Balance	562,494,169	554,494,169
Add: Provision made during the period for unrealized loss arising for client margin loan	150,000,000	-
Add: Provision made during the period for outstanding margin loan	42,443,649	8,000,000
Closing Balance	754,937,818	562,494,169

21.1 Provision for unrealized loss arising for client margin loan

Opening Balance	562,494,169	554,494,169
Add: Provision made during the period	150,000,000	8,000,000
Closing Balance	712,494,169	562,494,169

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent press release no. BSEC/Surveillance/Mukhopatro(5th Khondo)/2019/196; Date: 16 July 2020 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss arising from provision for client margin loan within 2023.

21.2 Provision for outstanding margin exposure

Opening balance	-	-
Add: Provision made during the period	42,443,649	-
	42,443,649	-
Less: Adjusted during the period	-	-
Closing balance	42,443,649	-

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company also maintained a mandatory provision by 1% on outstanding margin exposures. Add or adjustment will depend on size of outstanding margin loan for the respective year.

22 Provision for corporate income tax

Opening balance	242,351,881	203,159,368
Add: Provision made during the period	94,735,436	39,192,514
Less: Adjusted during the period	41,919,443	-
Closing balance	295,167,874	242,351,881

**Bank Asia
Securities Limited**
Notes to the Financial Statements

23. Deferred Tax

	31 Dec 2021	31 Dec 2020
Opening balance	2,746,078	1,635,140
Add: Provision for the during year	-	-
Less: Adjustment during the year	(850,416)	(1,110,938)
Closing balance	3,596,494	2,746,078
WDV of fixed assets as per accounts	29,451,020	27,269,865
WDV of fixed assets as per tax base	41,439,335	35,719,337
Temporary difference	(11,988,315)	(8,449,472)
Applicable tax rate	30.00%	32.50%
Deferred tax liabilities/(assets)	(3,596,494)	(2,746,078)

24. Brokerage commission

Brokerage commission	346,524,345	140,655,224
Less: Hawla charges	2,900	11,850
Laga charges	33,018,108	12,940,895
Service charge from clients for CDBL	19,009,950	7,872,557
	294,493,388	119,829,921

25. Interest income

Income from bank deposits	30,500,176	21,892,724
Income from margin loan	200,593,893	171,916,746
	231,094,069	193,809,470

26. Interest expense

Interest on loan	149,649,645	188,373,820
Interest expense agnt. customer deposit	27,073,249	-
	176,722,894	188,373,820

27. Others operating income

BO account opening fees	1,908,500	1,761,500
Margin account renewal fees	764,000	618,000
Income from transfer/transmission/corporate action	1,084,369	275,367
Margin account opening fees	192,000	134,000
BO account maintenance fees	978,300	624,000
Other income	347,555	153,205
Capital gain from sales of fixed assets	6,547	411,192
Dividend Income	18,205,048	17,061,241
Capital gain from investment in shares (Note # 27.01)	124,644,983	9,842,498
	148,131,302	30,881,002

27.1. Capital gain from investment in shares

Sales price of shares	569,461,907	85,904,436
Less: Cost Price of Shares	(444,816,924)	(76,061,939)
Capital gain from shares investment	124,644,983	9,842,498

28. Operating expenses

	31 Dec 2021	31 Dec 2020
Audit fees	76,667	76,667
Bank charges	354,803	297,225
Bank guarantee commission	2,239,567	935,333
Business and promotional expenses	473,700	236,253
Cleaning expenses	444,359	318,554
Computer accessories	389,863	72,190
Traveling & Conveyance	1,182,885	156,647
Depreciation	20,197,492	21,253,736
Directors' remuneration	319,000	275,000
Entertainment	1,967,781	750,944
Fuel and oil	33,100	11,900
Insurance premium	490,386	378,134
Internet charges	1,750,918	1,392,696
Internship Allowance	105,000	90,000
License and renewal fees	12,745,362	2,381,342
Newspaper	177,252	26,605
Rent & others (Note: 28.1)	5,617,075	6,507,111
Others	288,850	49,205
Postage and courier	18,348	12,400
Printing and stationery	743,405	374,971
Legal expenses	461,598	93,408
Repair and maintenance	1,299,631	931,480
Salaries and allowances	86,960,433	69,044,948
Telephone & Mobile Bill	397,040	106,463
Training Expenses	66,900	51,111
Utilities	4,412,215	2,731,205
Closing balance	143,213,629	108,555,526

28.1 Rent & others

	31 Dec 2021	31 Dec 2020
Office rent	-	809,038
Interest portion on lease liabilities	5,617,075	5,698,073
	<u>5,617,075</u>	<u>6,507,111</u>

Total rent expenses for the period was Tk. 16,273,854.54 as per IAS 17. To implement “IFRS16: Lease” this rent expense has been adjusted with depreciation arises against right of use of assets (ref: Annex I) and interest expenses arises against lease liabilities.

29. Earning per share

Profit After Tax	16,245,344	1,509,471
Number of Ordinary Shares	20,000,000	20,000,000
Earning per shares	<u>0.81</u>	<u>0.08</u>

30. Disclosure on Payments/ Perquisites to Directors and Key Management Personnel (As per requirement of Companies Act 1994, Schedule-XI, part-II)

30.1 Paid to Directors

Board Meeting Attendance Fees	319,000	275,000
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30.2 Paid to Key Management Personnel

Key management Personnel are those Persons having authority and responsibility for Planning, Directions and Controlling the activities of the Company.

- i) No Compensation/ Other allowance/ commission was allowed to Directors including Managing Director, Managing Agent or manager of the company except as stated above.
- ii) There is no amount payable to Directors including Managing Director, Managing Agent or manager of the Company for any sort of commission on purchases, profit or guarantee.
- iii) BOD Meeting attendance fee for attending each Board Meeting was Tk. 10,000 for each director.

31. Number of Employee:

The number of employees receiving remuneration of Tk. 36,000 or above per employee per year were 64 in 2021. (2020: 62)

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

Opinion

We have audited the financial statements of BA Exchange Company (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the financial reporting framework, the Companies Act 2006 and the relevant tax compliance regulations.

We considered the provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which may be fundamental to the ability of the Company to operate and hence may affect the Company's ability to continue as a going concern. These include compliance with Regulation (EU) 2015/847 on information accompanying transfers of funds (the Payments Regulation), Payment Services Regulations 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Proceeds of Crime Act 2002. In addition there are other laws in relation to Terrorism Finance and Anti Bribery and Corruption which are relevant.

We understood how the Company is complying with those frameworks by making enquiries of management, staff and consultants and those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquires through our review of minutes and papers provided by the Company and in during the review of the Company's reporting the the Financial Conduct Authority.

We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur, by discussing with the local director, where he considered there was a susceptibility to fraud.

Our audit planning identified fraud risks in relation to management override. We considered the processes and controls the Company had established to address risks identified or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.

We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business, together with enquires of the local directors and staff.

Our audit procedures were designed to respond to risks of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

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

Forhad Ahmed (Senior Statutory Auditor)

For and on behalf of AGP Consulting Date: March 10, 2022

Chartered Accountants
Statutory Auditor
Q West
Great West Road Brentford
TW8 0GP

BA EXCHANGE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	211,193	281,564
Cost of sales		(76,165)	(57,405)
Gross profit		135,028	224,159
Administrative expenses		(160,418)	(218,891)
(Loss)/Profit before taxation		(25,390)	5,268
Tax on(Loss)/profit		-	-
(Loss)/Profit for the financial year		<u>(25,390)</u>	<u>5,268</u>

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		1,591		1
CURRENT ASSETS	9				
Debtors		101		8,400	
Cash at bank and in hand		187,530		159,526	
		<u>187,631</u>		<u>167,926</u>	
Creditors: amounts falling due within one year	10	(601,698)		(555,013)	
NET CURRENT LIABILITIES			(414,067)		(387,087)
TOTAL ASSET LESS CURRENT LIABILITIES			<u>(412,476)</u>		<u>(387,086)</u>
CAPITAL AND RESERVES					
Called up share capital			300,000		300,000
Profit and loss reserves			(712,476)		(687,086)
Total equity			<u>(412,476)</u>		<u>(387,086)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on March 10, 2022 and are signed on its behalf by:

Mr A K H Azad
Director

Company Registration No. 7314397

BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

BA Exchange Company (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 131 Whitechapel Road (First Floor), London, England, E1 1DT.

1.1 Accounting convention

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

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bank Asia Limited. These consolidated financial statements are available from its registered office. Head Office Bank Asia Corporate Office, Rangs Tower 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1000, Bangladesh

1.2 Going concern

The Company reported a loss during the year in an ongoing competitive market, and the company is carrying accumulated losses. The results 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 months or by arranging funds through 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 2021

1.3 Turnover

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

Commission income

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

1.4 Tangible fixed assets

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

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

Fixtures and fittings 25% Reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash at bank and in hand

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1.6 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of comprehensive income.

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 of the recoverable amount, 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

1.9 Foreign exchange

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non - monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.10 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.

1.11 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.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological advances. Residual value consider such things as projected disposal values.

3 Turnover and other revenue

100% Turnover of the company for the year ended 31 December 2021 (2020 - 100%) have arisen from within the United Kingdom.

4 Operating (loss)/profit

	2021 £	2020 £
Operating (Loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	398	16,562
Operating lease charges	16,800	35,283

5 Auditor's remuneration

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the company	3,000	3,000
--	-------	-------

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

Management	1	1
Counter Staff	6	6
	7	7

Their aggregate remuneration comprised:

Wages and salaries	116,558	133,342
	116,558	133,342

7 Directors' remuneration

Remuneration paid to directors	60,200	61,909
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8 Tangible fixed assets

	Plant and machinery (etc)
At 1 January 2021	19,914
Addition	1,988
At 1 December 2021	21,902
Depreciation and impairment	
At 1 January 2021	19,913
Depreciation charged in the year	398
At 31 December 2021	20,311
Carrying amount	
At 31 December 2021	1,591
At 31 December 2020	1

9 Debtors

Amounts falling due within one year:	2021 £	2020 £
Other debtors	101	8,400

10 Creditors: amounts falling due within one year

Trade creditors	569,391	495,543
Taxation and social security	6,244	1,716
Other creditors	26,063	57,754
	601,698	555,013

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.

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

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 commission income is earned from the remitters. There is a position at the year end included in Trade Creditors of £562,800 (2020 - £495,244)

13 Parent company

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, 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar Dhaka-1000, Bangladesh or on their website www.bankasia-bd.com.

BA EXPRESS USA INC.

INDEPENDENT AUDITOR'S REPORT

MONIS J. SIDDIQUI, CPA P.C.

Certified Public Accountant

www.mons.com

516.730.6064

REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors BA Express USA, Inc

Jackson Heights, New York

We have audited the accompanying financial statements of BA Express USA, Inc. (the "Company") (a New York corporation), which comprise the balance sheet as of December 31, 2021, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 auditing standards generally accepted in the United States of America. Those standards require that we 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 referred to above present fairly, in all material respects, the financial position of BA Express USA, Inc as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Monis Siddiqui, CPA P.C.

Bellerose, New York

March 23, 2022

BA EXPRESS USA INC.

BALANCE SHEET

Year Ended December 31, 2021

Assets	2021 (\$)
Current Assets:	
Cash, cash equivalents and investments	2,320,026
Accounts receivable	1,375,946
Other current assets	16,435
Total current assets	3,712,406
Furniture, equipment & leasehold improvements, net	40,454
Other assets	
Organization costs, net	6,706
Security deposits	39,165
Total other assets	45,871
Total assets	3,798,731

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Remittance payable	4,250,911
Due to beneficiary	60,978
Other liabilities	18,463
Withholding taxes	7,691

Total liabilities

Stockholder's equity

Total liabilities and stockholder's equity

4,338,043

(539,311)

3,798,731

BA EXPRESS USA INC.

STATEMENT OF OPERATIONS

Year Ended December 31, 2021

	2021 (\$)
Revenue	
Commissions & fees	457,271
Realized gain on foreign exchange	721,180
Interest income	3,011
Other income	-
Total revenues	1,181,462
Expenses	
Payroll and wages	262,457
Payroll taxes	23,890
Commission fees	273,997
Professional fees	24,831
Filing and regulatory costs	21,226
Rent and lease costs	156,575
General and administrative expenses	311,105
Total expenses	1,074,081
NET LOSS BEFORE PROVISION FOR TAXES	107,381
PROVISION FOR TAXES	-
NET INCOME	107,382

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2021

	Balance Beginning (\$)	Net Change (\$)	Balance Ending (\$)
Common stock, no par value			
Paid-in capital	960,000	-	960,000
Deficit	(1,606,693)	107,382	(1,499,311)
Stockholders' equity	(646,693)	107,382	(539,311)

BA EXPRESS USA INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

	2021 (\$)
Cash flows from operating activities :	
Net Profit	107,382
Adjustments to reconcile net income to net cash provided in operating activities	
Depreciation	19,780
Amortization	877
Changes in operating assets and liabilities	
Accounts receivable	(62,910)
Remittance payable	1,133,401
Other liabilities	269
Due to beneficiary	(22,035)
Withholding taxes	176
Net cash provided by operating activities	1,176,939
Cash flows from investing activities	
Furniture, equipment & leasehold improvements	(4,123)
Net increase in cash and cash equivalents	1,172,816
Cash, cash equivalents and investments - beginning of year	1,147,210
Cash, cash equivalents and investments - ending of year	2,320,026

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

BA Express USA, Inc (the "Company") is a New York Corporation formed on September 20, 2011 for the purpose of conducting business as an international money transmitter registered with the New York Department of Financial Services. The primary objective of the Company is to uphold the image and be a leading remittance service providing company in USA. The Company maintains its central office in Jamaica, New York. BA Express USA, Inc is a 100% owned subsidiary of Bank Asia Limited.

Basis of Accounting

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Company performs credit evaluations of its customers and generally does not require collateral. The Company does not believe significant credit risks exist at December 31, 2021, with respect to its accounts receivable. No allowance for doubtful accounts has been provided for based on prior years' experience and Management's analysis of possible bad debts.

Revenue Recognition

The primary source of the Company's revenues is comprised of the transaction-based fees, which typically constitute a percentage of dollar volume processed, per transaction processed, or some combination thereof. Fees from money transfers are based on the principal amount of the transaction and location where the funds are to be transferred and is recorded as income at the time of the sale.

The secondary source of the Company's revenues is generated by buying and selling currency at favorable rates.

Foreign Currency Translation

Accounts with balances denominated in currencies other than U.S. dollars are translated into U.S. dollars at applicable exchange rates as of the date of the transaction. Amounts denoted in a foreign are converted into U.S. dollars, and the exchange differences are included in the costs and revenues under the related account.

Furniture, Equipment and Leasehold Improvements

Furniture, Equipment and Leasehold Improvements are stated at cost, less accumulated depreciation. Depreciation is recorded using a straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Income Taxes

No provision for income taxes has been made in the financial statements due to the current year excess of expenses over income. The Company has approximately \$1,505,913 of net operating loss carryforwards for federal income tax purposes as of December 31, 2021. Because the future utilization of these tax carryforward losses is uncertain, no related deferred tax asset has been reflected in the accompanying financial statements.

Management of the Company did not identify any uncertain tax positions taken or expected to be taken in an income tax return which would require adjustment to or disclosure in its financial statements. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities are carried at fair value, or are carried at amounts which approximate fair value as the market value of such items is not materially sensitive to shifts in market interest rates due to the limited term to maturity of these instruments.

The Company adopted SFAS No. 157, which defines fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability.

The Company categorizes the fair value of its financial assets and liabilities according to the hierarchy established by the Financial Accounting Standards Board, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. These Level 1 assets represent quoted prices in active markets and, therefore, do not require significant management judgment.

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, for the asset or liability such as: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in less active markets; or other inputs that can be derived principally from, or corroborated by, observable market data.

Level 3: Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities. Unrealized gains and losses are included in earnings and are reported in the Statement of Income as a component of other income and losses. Generally, for all trading securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. As of December 31, 2021, the Company was liquid in its security positions.

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following for the year ended December 31, 2021:

FDIC insured amount	\$	616,951
Bank deposits in-excess of insured amounts		1,203,075
Certificate of deposits		500,000
Cash, cash equivalents and investments	\$	<u>2,320,026</u>

The certificates of deposit are restricted. The Company has a \$500,000 certificate of deposit used as collateral to satisfy the signed agreement with New York State Department of Financial Services.

NOTE 4: FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following for the year ended December 31, 2021:

Furniture and fixtures	\$	12,561
Equipment		21,953
Leasehold improvements		<u>154,295</u>
		188,809
Less: accumulated depreciation		<u>(148,355)</u>
Furniture, equipment and leasehold improvements, net	\$	<u>40,454</u>

Depreciation expense for the year ended December 31, 2021 was \$19,780.

NOTE 5: ORGANIZATION COSTS

Organization costs consist of the following for the year ended December 31, 2021:

Capitalized organization costs	\$	12,917
Less: accumulated amortization		<u>(6,211)</u>
Organization costs, net	\$	<u>6,706</u>

Amortization expense for the year ended December 31, 2021 was \$877.

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

NOTE 6: OPERATING LEASES

The company conducts its operations from offices that are leased under a five-year noncancelable operating lease expiring February 28, 2024. There is an option to renew the lease for an additional period of five years at an increased monthly rental.

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2021 for each of the next five years are:

2022	39,400
2023	40,600
2024	6,800
Total base rent obligation	\$ 86,800

On February 20, 2020, the Company entered into a ten-year lease agreement for a retail space in Jackson Heights, New York. The lease, commenced on March 1, 2020, provides for base rent of approximately \$6,500 per month with a 3.5% annual increase. Total base rent payable over the lease period is approximately \$915,000. The Company has an option to extend the term of the lease for an additional ten-year period.

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2021 for each of the next five years are:

2022	83,550
2023	86,500
2024	89,500
2025	92,650
2026	95,950
Thereafter	321,150
Total base rent obligation	\$ 769,300

Rent expense for the year ended December 31, 2020 was \$156,575.

NOTE 7: RELATED PARTY TRANSACTIONS

The Company is a 100% owned subsidiary of Bank Asia Limited. The Company signed paying agent agreement with Bank Asia Limited. For the year ended December 31, 2021, there was no expense paid for related party agent fee.

NOTE 8: CONCENTRATION OF CREDIT RISK

The company may be subject to credit risk to its cash and cash equivalents. The Federal Deposit Insurance Corporation ("FDIC") insured up to \$250,000 for substantially all depository accounts. From time to time, the Company had have amounts on deposits in-excess of FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2021, the Company has \$1,207,268 in cash and cash equivalents in- excess of the FDIC limits.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred subsequent to the date of the financial statements through March 23, 2022 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

As a result of the spread of the COVID19 coronavirus, economic uncertainties have arisen which are likely to negatively affect operations. Therefore, the Company expects this matter to negatively impact its net income. However, the related financial impact and duration cannot be reasonably estimated at this time.