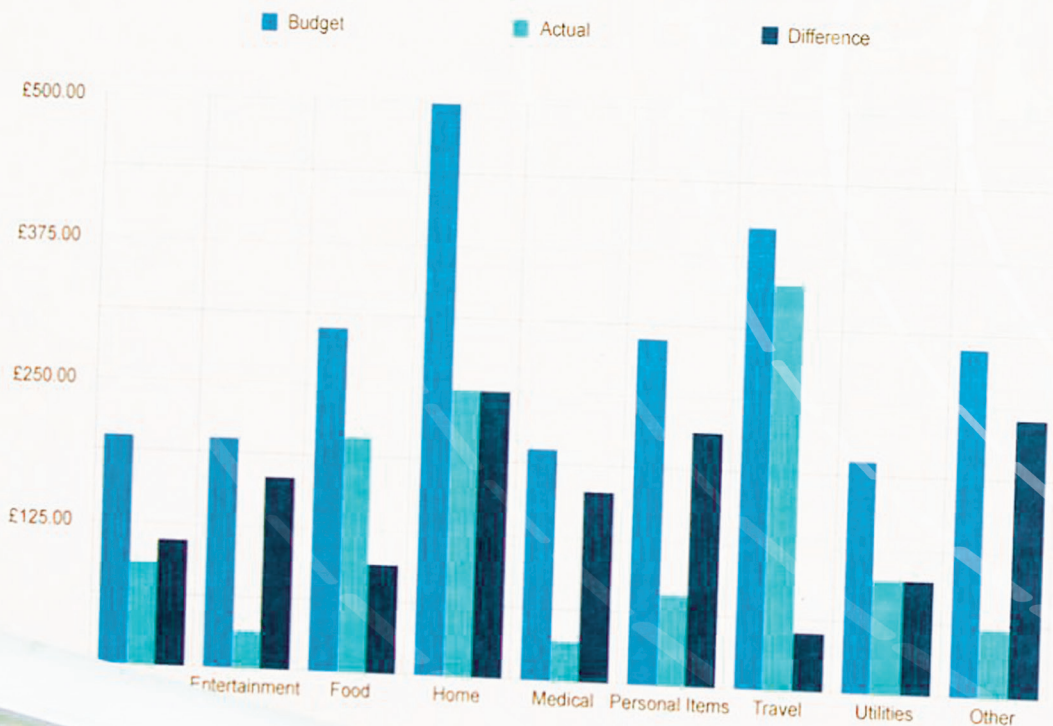


# FINANCIAL STATEMENTS





# Independent Auditor's Report to the Shareholders of Bank Asia PLC.

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated financial statements of Bank Asia PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Bank Asia PLC. (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2023, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement 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.

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 Balance Sheet of the Group and the separate Balance Sheet of the Bank as at 31 December 2023, and of its consolidated and separate Profit and Loss Accounts 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 comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) 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 auditor's 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 judgment, were of most significance in our audit of the consolidated and separate financial statements for the financial year 2023. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing auditor opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
<p><b>Measurement of provision for loans and advances</b></p> <p>With reference to Note 13.1.1 to the financial statements, the process for calculating the provision for loans and advances/investments portfolio associated with credit risk is significant and complex. The Bank calculates provision for loans and advances/investments by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.</p> <p>To minimize COVID 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 56 dated 10 December 2020 related to BRPD Circular No. 17 dated 28 September 2020; BRPD circular No. 52 dated 29 December 2021 related to BRPD Circular No. 19 dated 26 August 2021 and BRPD Circular No. 53 dated 22 December 2022 related to BRPD Circular No. 14 dated 22 June 2022 for "Special General Provision-COVID-19".</p> <p>According to the circular, commercial banks must keep an extra provision for those borrowers who have availed of payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding loans (deferral payment) as of 31 December 2020, 31 December 2021 and 31 December 2022.</p> <p>As per BRPD Circular No. 53 dated 22 December 2022, bank may transfer special general provision to income for fully recovered loans and specific provision for non-performing loans. The Bank has kept this "Special General Provision-COVID-19" as of 31 December 2023 BDT 618 million as per the circular.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Review of quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <p>For confirming the classification of rescheduled lease, loans and advances. we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We checked the no. of instalments outstanding and compliance with BRPD Circular No. 16 dated 18 July 2022;</li> <li>• Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance with the Bangladesh Bank's guidelines;</li> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account;</li> <li>• Tested the inputs in computation of provision in terms of testing the accuracy of underlying information;</li> </ul>

Description of key audit matters	Our response to key audit matters
<p>In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provisions for additional non-performing loans in line with the central bank's guidelines.</p> <p>Bank Asia's approach to provisioning for its loans and advances is commendable, demonstrating prudence and foresight. Moreover, the bank's willingness to provide distressed loans with time extensions through amicable settlements reflects a proactive strategy aimed at maximizing recoveries. While some of these extensions resulted in repayments, others are still in progress, indicative of the bank's ongoing efforts to resolve outstanding issues. However, this practice of amicable settlements must be revised due to the fact that most of the concerning loans were extended near the end of 2023, raising concerns about potential misuse of this mechanism. Despite this, the measurement of provisions for loans and advances/investments is considered as low risk, reflecting positively on the bank's asset quality management practices.</p> <p>At the year end of 2023 the Group reported total gross loans and advances of BDT 294.07 billion (2022: BDT 280.59 billion) and in 2023 the Bank reported total gross loans and advances of BDT 291.33 billion (2022: BDT 277.87 billion) whereas at the year end of 2023 the Group reported total provision for loans and advances of BDT 24.72 billion (2022: BDT 21.66 billion) and the Bank reported total provision for loans and advances of BDT 23.81 billion (2022: BDT 20.80 billion).</p>	<ul style="list-style-type: none"> <li>Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>Checked the adequacy of the Bank's general and specific provisions;</li> <li>Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>

**See note nos. 8(a) and 13.01 to the financial statements**

#### Recognition of interest income on loans and advances

<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environments. We highlight the recognition of interest income from loans, advances, and leases as a key audit focus, given its significance as a performance indicator. However, we found the recognition of interest income on loans and advances/investments to be satisfactory.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognise interest income.</p> <p>We have also performed substantive procedures to check whether interest income is recognised completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
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**See note no. 20 and 20.01 to the financial statements**

#### Valuation of treasury bill and treasury bond

<p>The process of classifying and measuring T-Bills and T-Bonds involves making informed judgments and estimations. In case of Bank Asia, the presence of quoted prices in active markets were found, hence determining their fair value becomes straightforward.</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>
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Description of key audit matters	Our response to key audit matters
<b>See note nos. 7 and 7.1.1 to the financial statements</b>	
<b>Measurement of Deferred Tax</b>	
<p>In 2023, the bank's financial performance or taxable income remained consistent, there was no need to adjust the provision. Hence, the bank did not set aside any provision for deferred tax, maintaining the same provision level as the previous year.</p>	<p>Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included:</p> <ul style="list-style-type: none"> <li>• Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts;</li> <li>• Obtaining the communications between the Bank and taxation authorities regarding tax positions; and</li> <li>• Assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</li> </ul>
<b>See note no. 13.1.5 and 13.1.5(c) to the financial statements</b>	
<b>IT systems and controls</b>	
<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, configurations and other application layer controls identified as key to our audit.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.</p>

### 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 auditor's 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.

### 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 judgment 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 auditor's 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 (as amended up to date), the Financial Reporting Act 2015, 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) financial statements for the year ended 31 December 2023 of the three subsidiaries namely Bank Asia Securities Limited, BA Exchange Company (UK) Limited, and BA Express USA, Inc have been audited by MABS & J Partners Chartered Accountants, AGP Consulting Chartered accountants and Monis Siddiqui Certified Public Accountants respectively and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (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 expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,800 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

**Place: Dhaka, Bangladesh**  
Dated: April 28, 2024

**Signed for & on behalf of**  
**MABS & J Partners**, Chartered Accountants



**Nasir U Ahmed**

FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)  
Deputy Managing Partner  
**ICAB Enrollment No: 535**  
**DVC: 2404290535AS213655**

# Bank Asia PLC. and its subsidiaries Consolidated Balance Sheet

as at 31 December 2023

Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		21,776,999,205	25,797,237,229
In hand (including foreign currencies)	4.1(a)	3,768,537,636	4,087,822,688
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	18,008,461,569	21,709,414,541
<b>Balance with other banks and financial institutions</b>	5(a)	24,131,298,642	39,983,468,523
In Bangladesh		20,332,861,708	37,345,770,086
Outside Bangladesh		3,798,436,934	2,637,698,437
<b>Money at call and on short notice</b>	6(a)	300,000,000	3,750,000,000
<b>Investments</b>	7(a)	115,801,404,654	103,838,255,588
Government		106,782,762,756	94,746,403,719
Others		9,018,641,898	9,091,851,869
<b>Loans and advances/investments</b>	8(a)	294,072,425,920	280,591,467,444
Loans, cash credits, overdrafts, etc/investments		278,592,725,335	257,223,892,759
Bills purchased and discounted		15,479,700,585	23,367,574,685
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	5,957,156,399	5,704,012,877
<b>Other assets</b>	10(a)	14,594,095,342	11,057,689,200
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<u>476,633,380,162</u>	<u>470,722,130,861</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	27,071,897,305	51,024,080,743
<b>Subordinated non-convertible and perpetual bonds</b>	11(aa)	7,680,250,000	9,340,000,000
<b>Deposits and other accounts</b>	12(a)	361,800,728,744	337,853,124,886
Current/Al-wadeeah current accounts and other accounts		73,657,844,411	68,534,148,051
Bills payable		3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings bank deposits		83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits		200,690,643,094	186,338,181,123
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13(a)	50,677,766,435	44,041,087,583
<b>Total liabilities</b>		<u>447,230,642,484</u>	<u>442,258,293,212</u>
<b>Capital/shareholders' equity</b>			
<b>Total shareholders' equity</b>		29,402,737,678	28,463,837,649
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	11,750,000,000
General and other reserve	15.1(a)	10,257,013	9,926,531
Revaluation reserve	16(a)	2,685,555,009	2,117,047,124
Retained earnings	17(a)	3,350,452,926	2,957,002,831
Foreign currency translation reserve		(52,606,167)	(29,217,722)
Non-controlling interest	17(b)	10,297	10,285
<b>Total liabilities and shareholders' equity</b>		<u>476,633,380,162</u>	<u>470,722,130,861</u>



# Consolidated Balance Sheet

Amount in Taka


	Notes	31 Dec 2023	31 Dec 2022
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	18	147,312,053,915	151,805,089,469
Acceptances and endorsements		57,164,035,754	57,460,996,543
Letters of guarantee		31,450,162,015	38,212,129,085
Irrevocable letters of credit		37,281,132,915	28,775,250,089
Bills for collection		21,416,723,231	27,356,713,752
Other contingent liabilities		-	-
<b>Other commitments</b>		4,812,658,170	1,758,182,995
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		4,812,658,170	1,758,182,995
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>152,124,712,085</b>	<b>153,563,272,464</b>

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

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated  
28 April 2024  
DVC No: 2404290535AS213655

  
**Nasir U Ahmed**  
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)  
Enrollment No: 535  
MABS & J Partners  
Chartered Accountants

# Bank Asia PLC. and its subsidiaries

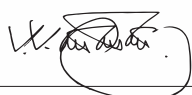
## Consolidated Profit and Loss Account

for the year ended 31 December 2023

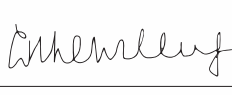
Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
<b>OPERATING INCOME</b>			
Interest income	20(a)	23,380,598,457	20,484,449,300
Interest paid on deposits and borrowings, etc	21(a)	17,067,340,832	14,937,341,626
<b>Net interest income</b>		<b>6,313,257,625</b>	<b>5,547,107,674</b>
Investment income	22(a)	8,376,526,748	6,270,764,596
Commission, exchange and brokerage	23(a)	5,343,451,964	7,655,343,919
Other operating income	24(a)	1,434,619,446	1,217,933,416
		15,154,598,158	15,144,041,931
<b>Total operating income (A)</b>		<b>21,467,855,783</b>	<b>20,691,149,605</b>
<b>OPERATING EXPENSES</b>			
Salaries and allowances	25(a)	5,407,923,206	5,180,307,624
Rent, taxes, insurance, electricity, etc	26(a)	660,014,031	606,906,079
Legal expenses	27(a)	29,102,855	26,343,367
Postage, stamp, telecommunication, etc	28(a)	194,332,541	157,490,802
Stationery, printing, advertisements, etc	29(a)	174,362,072	177,671,713
Managing Director's salary and fees	30	13,510,000	18,854,125
Directors' fees	31(a)	4,320,500	3,464,000
Auditors' fees	32(a)	4,436,683	3,639,789
Depreciation and repairs of Bank's assets	33(a)	1,026,382,290	979,550,708
Other expenses	34(a)	2,233,858,750	2,667,684,970
<b>Total operating expenses (B)</b>		<b>9,748,242,928</b>	<b>9,821,913,177</b>
<b>Profit before provision (C=A-B)</b>		<b>11,719,612,855</b>	<b>10,869,236,428</b>
Provision for loans and advances/investments			
General provision		2,287,961,643	2,467,292,000
Specific provision		4,266,690,868	1,826,641,239
	13.2(a)	6,554,652,511	4,293,933,239
Provision for off-balance sheet items	13.1.3	195,000,000	(295,000,000)
Provision for diminution in value of investments	13.1.7	90,000,000	-
Other provisions	13.1.8 & 9	50,000,000	250,000,000
<b>Total provision (D)</b>	34(c)	<b>6,889,652,511</b>	<b>4,248,933,239</b>
<b>Total profit before tax (C-D)</b>		<b>4,829,960,344</b>	<b>6,620,303,189</b>
Provision for taxation			
Current tax	13.1.5(a)	2,351,108,689	3,567,972,708
Deferred tax		-	-
		2,351,108,689	3,567,972,708
<b>Net profit after tax</b>		<b>2,478,851,655</b>	<b>3,052,330,481</b>
<b>Appropriations</b>			
Statutory reserve	15	-	1,024,556,060
Coupon/dividend on perpetual bond		389,926,028	25,016,438
General and other reserve		330,482	1,609,440
	15.1(a)	390,256,510	1,051,181,938
		2,088,595,145	2,001,148,543
<b>Retained surplus</b>			
<b>Attributable to:</b>			
Equity holders of Bank Asia PLC.		2,088,595,133	2,001,148,532
Non-controlling interest		12	11
		2,088,595,145	2,001,148,543
<b>Earnings Per Share (EPS)</b>	37(c)	1.79	2.62

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



Chairman



Director



Director



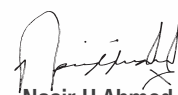
Director



Managing Director

See our annexed report of even date

Dhaka, Dated  
28 April 2024  
DVC No: 2404290535AS213655



**Nasir U Ahmed**  
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)  
Enrollment No: 535  
MABS & J Partners  
Chartered Accountants

# Bank Asia PLC. and its subsidiaries Consolidated Cash Flow Statement

for the year ended 31 December 2023

	Notes	31 Dec 2023	Amount in Taka 31 Dec 2022
<b>Cash flows from operating activities (A)</b>			
Interest receipts		29,935,924,383	27,031,367,925
Interest payments		(17,680,090,550)	(15,663,894,987)
Dividends receipts		527,036,928	88,244,680
Fees and commission receipts		5,343,451,964	7,655,343,919
Recoveries on loans previously written off		326,055,141	347,148,119
Cash payment to employees		(5,307,088,663)	(5,135,929,070)
Cash payment to suppliers		(271,882,653)	(294,891,193)
Income tax paid		(2,860,185,854)	(2,569,789,573)
Receipts from other operating activities	35 (a)	2,076,404,624	1,271,679,392
Payments for other operating activities	36 (a)	(3,139,575,360)	(3,484,383,132)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>8,950,049,960</b>	<b>9,244,896,080</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans and advances to customers and banks		(13,480,958,476)	(15,591,983,473)
Other assets		(538,335,941)	411,064,662
Deposits from customers and banks		23,947,603,858	19,428,195,021
Trading liabilities		(23,952,183,438)	3,187,929,375
Other liabilities		(1,563,578,265)	(565,596,792)
<b>Net Increase/(decrease) in operating assets and liabilities</b>		<b>(15,587,452,262)</b>	<b>6,869,608,793</b>
<b>Net cash flows from operating activities</b>		<b>(6,637,402,302)</b>	<b>16,114,504,873</b>
<b>Cash flows from investing activities (B)</b>			
Investments in treasury bills, bonds and others		(12,036,359,037)	(24,056,115,796)
Sale/(Purchase) of trading securities		73,209,971	(1,830,705,838)
(Purchase)/disposal of fixed assets		(435,024,064)	(306,931,836)
<b>Net cash flows from/(used in) investing activities</b>		<b>(12,398,173,130)</b>	<b>(26,193,753,470)</b>
<b>Cash flows from financing activities (C)</b>			
Issuance of perpetual bond		340,250,000	3,340,000,000
Coupon/dividend paid on perpetual bond		(389,926,028)	(25,016,438)
Adjustment of subordinated non-convertible bond		(2,000,000,000)	(2,600,000,000)
Payments for lease liability		(487,848,255)	(410,573,674)
Dividend paid (cash dividend)		(1,748,860,290)	(1,748,860,290)
<b>Net cash flows from/(used in) financing activities</b>		<b>(4,286,384,573)</b>	<b>(1,444,450,402)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(23,321,960,005)</b>	<b>(11,523,698,999)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>69,533,210,852</b>	<b>81,056,909,851</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>46,211,250,847</b>	<b>69,533,210,852</b>
<b>Cash and cash equivalents:</b>			
Cash		3,768,537,636	4,087,822,688
Balance with Bangladesh Bank and its agent bank(s)		18,008,461,569	21,709,414,541
Balance with other banks and financial institutions		24,131,298,642	39,983,468,523
Money at call and on short notice		300,000,000	3,750,000,000
Prize bonds		2,953,000	2,505,100
		<b>46,211,250,847</b>	<b>69,533,210,852</b>

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

				
Chairman	Director	Director	Director	Managing Director

# Bank Asia PLC. and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

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
<b>Balance as at 01 January 2022</b>	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
Transferred during the year	-	1,024,556,060	-	-	-	(1,024,556,060)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	-	11,617,499	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for the year	-	-	-	-	(29,978,963)	-	(29,978,963)	-	(29,978,963)
Transferred to General and other reserve	-	-	-	1,609,440	-	(1,609,440)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(25,016,438)	(25,016,438)	-	(25,016,438)
Net profit for the year	-	-	-	-	-	3,052,330,470	3,052,330,470	11	3,052,330,481
<b>Balance as at 31 December 2022</b>	11,659,068,600	11,750,000,000	2,117,047,124	9,926,531	(29,217,722)	2,957,002,831	28,463,827,363	10,285	28,463,837,649
Adjustment on revaluation of fixed assets and other investment	-	-	622,223,137	-	-	-	622,223,137	-	622,223,137
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for the year	-	-	-	-	(23,388,445)	-	(23,388,445)	-	(23,388,445)
Transferred to General and other reserve	-	-	-	330,482	-	(330,482)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(389,926,028)	(389,926,028)	-	(389,926,028)
Net profit for the year	-	-	-	-	-	2,478,851,643	2,478,851,643	12	2,478,851,655
<b>Balance as at 31 December 2023</b>	11,659,068,600	11,750,000,000	2,685,555,009	10,257,013	(52,606,167)	3,350,452,926	29,402,727,380	10,297	29,402,737,678

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

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director

# Bank Asia PLC.

## Balance Sheet

as at 31 December 2023

		<i>Amount in Taka</i>	
	Notes	31 Dec 2023	31 Dec 2022
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		21,776,877,853	25,797,153,695
In hand (including foreign currencies)	4.1	3,768,416,284	4,087,739,154
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	18,008,461,569	21,709,414,541
<b>Balance with other banks and financial institutions</b>		23,676,754,230	39,580,907,052
In Bangladesh	5.1	20,111,916,423	37,117,023,982
Outside Bangladesh	5.2	3,564,837,807	2,463,883,070
<b>Money at call and on short notice</b>	6	300,000,000	3,750,000,000
<b>Investments</b>	7	114,760,152,372	102,849,109,937
Government		106,782,762,756	94,746,403,719
Others		7,977,389,616	8,102,706,218
<b>Loans and advances/investments</b>	8	291,325,043,145	277,870,358,403
Loans, cash credits, overdrafts, etc/investments		275,845,342,560	254,502,783,718
Bills purchased and discounted		15,479,700,585	23,367,574,685
<b>Fixed assets including premises, furniture and fixtures</b>	9	5,878,418,753	5,615,910,981
<b>Other assets</b>	10	16,511,366,071	12,937,503,504
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<u>474,228,612,424</u>	<u>468,400,943,572</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	27,071,897,305	51,024,080,743
<b>Subordinated non-convertible and perpetual bonds</b>	11 (aa)	7,680,250,000	9,340,000,000
<b>Deposits and other accounts</b>	12	361,617,147,912	337,695,417,437
Current/Al-wadeeah current accounts and other accounts		73,474,263,579	68,376,440,602
Bills payable		3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings bank deposits		83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits		200,690,643,094	186,338,181,123
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13	48,339,788,323	41,701,194,297
<b>Total liabilities</b>		<u>444,709,083,540</u>	<u>439,760,692,477</u>
<b>Capital/shareholders' equity</b>			
<b>Total shareholders' equity</b>		29,519,528,884	28,640,251,095
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	11,750,000,000
General and other reserve	15.1	8,166,144	8,166,144
Revaluation reserve	16	2,685,555,009	2,117,047,124
Retained earnings	17	3,416,739,131	3,105,969,227
<b>Total liabilities and shareholders' equity</b>		<u>474,228,612,424</u>	<u>468,400,943,572</u>



# Balance Sheet

Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	18	147,312,053,915	151,805,089,469
Acceptances and endorsements		57,164,035,754	57,460,996,543
Letters of guarantee		31,450,162,015	38,212,129,085
Irrevocable letters of credit		37,281,132,915	28,775,250,089
Bills for collection		21,416,723,231	27,356,713,752
Other contingent liabilities		-	-
<b>Other commitments</b>		4,812,658,170	1,758,182,995
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		4,812,658,170	1,758,182,995
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>152,124,712,085</b>	<b>153,563,272,464</b>

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

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated  
28 April 2024  
DVC No: 2404290535AS213655



**Nasir U Ahmed**  
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)  
Enrollment No: 535  
MABS & J Partners  
Chartered Accountants

# Bank Asia PLC.

## Profit and Loss Account

for the year ended 31 December 2023

Amount in Taka


	Notes	31 Dec 2023	31 Dec 2022
<b>OPERATING INCOME</b>			
Interest income	20	23,287,064,761	20,423,046,139
Interest paid on deposits and borrowings, etc	21	17,053,991,947	14,916,319,233
<b>Net interest income</b>		<b>6,233,072,814</b>	<b>5,506,726,906</b>
Investment income	22	8,376,526,748	6,270,764,596
Commission, exchange and brokerage	23	4,977,401,004	7,316,183,898
Other operating income	24	1,386,508,710	1,138,685,128
		14,740,436,462	14,725,633,622
<b>Total operating income (A)</b>		<b>20,973,509,276</b>	<b>20,232,360,528</b>
<b>OPERATING EXPENSES</b>			
Salaries and allowances	25	5,243,365,548	5,045,556,865
Rent, taxes, insurance, electricity, etc	26	625,902,063	578,252,761
Legal expenses	27	28,538,049	25,413,828
Postage, stamp, telecommunication, etc	28	190,046,039	153,111,892
Stationery, printing, advertisements, etc	29	168,260,355	174,289,799
Managing Director's salary and fees	30	13,510,000	18,854,125
Directors' fees	31	3,776,000	3,024,000
Auditors' fees	32	1,753,000	955,000
Depreciation and repairs of Bank's assets	33	998,916,525	955,559,563
Other expenses	34	2,168,700,864	2,582,537,751
<b>Total operating expenses (B)</b>		<b>9,442,768,443</b>	<b>9,537,555,584</b>
<b>Profit before provision (C=A-B)</b>		<b>11,530,740,833</b>	<b>10,694,804,944</b>
Provision for loans and advances/investments			
General provision		2,287,961,643	2,467,292,000
Specific provision		4,211,938,220	1,726,641,239
	13.1.1 & 2	6,499,899,863	4,193,933,239
Provision for off-balance sheet items	13.1.3	195,000,000	(295,000,000)
Provision for diminution in value of investments	13.1.7	90,000,000	-
Other provisions	13.1.8 & 9	50,000,000	250,000,000
<b>Total provision (D)</b>	34(b)	<b>6,834,899,863</b>	<b>4,148,933,239</b>
<b>Total profit before tax (C-D)</b>		<b>4,695,840,970</b>	<b>6,545,871,705</b>
Provision for taxation			
Current tax	13.1.5	2,300,000,000	3,500,000,000
Deferred tax	13.1.5(C)	-	-
		2,300,000,000	3,500,000,000
<b>Net profit after tax</b>		<b>2,395,840,970</b>	<b>3,045,871,705</b>
<b>Appropriations</b>			
Statutory reserve	15	-	1,024,556,060
Coupon/dividend on perpetual bond		389,926,028	25,016,438
		389,926,028	1,049,572,498
<b>Retained surplus</b>		<b>2,005,914,942</b>	<b>1,996,299,207</b>
Earnings Per Share (EPS)	37(b)	1.72	2.61

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

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated  
28 April 2024  
DVC No: 2404290535AS213655

  
**Nasir U Ahmed**  
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)  
Enrollment No: 535  
MABS & J Partners  
Chartered Accountants

# Bank Asia PLC.

## Cash Flow Statement

for the year ended 31 December 2023

	Notes	31 Dec 2023	Amount in Taka 31 Dec 2022
<b>Cash flows from operating activities (A)</b>			
Interest receipts		29,726,397,678	26,871,086,472
Interest payments		(17,550,748,656)	(15,543,994,302)
Dividends receipts		527,036,928	88,244,680
Fees and commission receipts		4,977,401,004	7,316,183,898
Recoveries on loans previously written off		326,055,141	347,148,119
Cash payment to employees		(5,142,531,005)	(5,001,178,311)
Cash payment to suppliers		(265,780,936)	(291,509,279)
Income tax paid		(2,809,151,843)	(2,498,150,041)
Receipts from other operating activities	35	2,028,293,888	1,192,431,104
Payments for other operating activities	36	(3,032,226,015)	(3,362,149,357)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>8,784,746,184</b>	<b>9,118,112,983</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans and advances to customers and banks		(13,454,684,742)	(15,603,656,638)
Other assets		(400,309,832)	348,218,683
Deposits from customers and banks		23,921,730,475	19,912,982,535
Trading liabilities		(23,952,183,438)	3,187,929,375
Other liabilities		(1,658,375,958)	(386,603,576)
<b>Net Increase/(decrease) in operating assets and liabilities</b>		<b>(15,543,823,495)</b>	<b>7,458,870,379</b>
<b>Net cash flows from operating activities</b>		<b>(6,759,077,311)</b>	<b>16,576,983,362</b>
<b>Cash flows from investing activities (B)</b>			
Investments in treasury bills, bonds and others		(12,036,359,037)	(24,056,115,796)
Sale/(Purchase) of trading securities		125,316,602	(1,771,803,620)
(Purchase)/disposal of fixed assets		(417,476,445)	(303,616,279)
<b>Net cash flows from/(used in) investing activities</b>		<b>(12,328,518,880)</b>	<b>(26,131,535,695)</b>
<b>Cash flows from financing activities (C)</b>			
Issuance of perpetual bond		340,250,000	3,340,000,000
Coupon/dividend paid on perpetual bond		(389,926,028)	(25,016,438)
Adjustment of subordinated non-convertible bond		(2,000,000,000)	(2,600,000,000)
Payments for lease liability		(487,848,255)	(410,573,674)
Dividend paid (cash dividend)		(1,748,860,290)	(1,748,860,290)
<b>Net cash flows from/(used in) financing activities</b>		<b>(4,286,384,573)</b>	<b>(1,444,450,402)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(23,373,980,764)</b>	<b>(10,999,002,735)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>69,130,565,847</b>	<b>80,129,568,582</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>45,756,585,083</b>	<b>69,130,565,847</b>
<b>Cash and cash equivalents:</b>			
Cash		3,768,416,284	4,087,739,154
Balance with Bangladesh Bank and its agent bank(s)		18,008,461,569	21,709,414,541
Balance with other banks and financial institutions		23,676,754,230	39,580,907,052
Money at call and on short notice		300,000,000	3,750,000,000
Prize bonds		2,953,000	2,505,100
		<b>45,756,585,083</b>	<b>69,130,565,847</b>

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

 Chairman	 Director	 Director	 Director	 Managing Director
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# Bank Asia PLC. Statement of Changes in Equity

for the year ended 31 December 2023

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Retained earnings	Total
<b>Balance as at 01 January 2022</b>	11,659,068,600	10,725,443,940	2,159,144,877	8,166,144	2,804,815,058	27,356,638,619
Transferred during the year	-	1,024,556,060	-	-	(1,024,556,060)	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,748,860,290)	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	(25,016,438)	(25,016,438)
Net profit for the year	-	-	-	-	3,045,871,705	3,045,871,705
<b>Balance as at 31 December 2022</b>	11,659,068,600	11,750,000,000	2,117,047,124	8,166,144	3,105,969,227	28,640,251,095
Adjustment on revaluation of fixed assets and other investment	-	-	622,223,137	-	-	622,223,137
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,748,860,290)	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	(389,926,028)	(389,926,028)
Net profit for the year	-	-	-	-	2,395,840,970	2,395,840,970
<b>Balance as at 31 December 2023</b>	11,659,068,600	11,750,000,000	2,685,555,009	8,166,144	3,416,739,131	29,519,528,884

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

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director

# Bank Asia PLC. Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2023

Amount in Taka

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
<b>Assets</b>						
Cash in hand and with banks	7,270,896,761	-	-	-	14,505,981,092	21,776,877,853
Balance with other banks and financial institutions	9,288,216,726	14,388,537,504	-	-	-	23,676,754,230
Money at call and on short notice	300,000,000	-	-	-	-	300,000,000
Investments	1,448,970,774	5,536,017,906	18,043,899,793	56,911,492,983	32,819,770,916	114,760,152,372
Loans and advances	47,694,320,200	46,477,970,044	89,804,700,396	88,026,715,188	19,321,337,318	291,325,043,145
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,878,418,753	5,878,418,753
Other assets	1,880,704,090	1,326,668,290	4,401,173,379	6,765,655,312	2,137,165,000	16,511,366,071
Non-banking assets	-	-	-	-	-	-
<b>Total Assets (A)</b>	<b>67,883,108,551</b>	<b>67,729,193,744</b>	<b>112,249,773,568</b>	<b>151,703,863,482</b>	<b>74,662,673,079</b>	<b>474,228,612,424</b>
<b>Liabilities</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,512,500,000	9,060,000,000	10,292,750,000	2,304,812,477	8,582,084,828	34,752,147,305
Deposits and other accounts	55,865,795,363	63,545,545,174	95,996,253,877	109,304,700,000	36,904,853,498	361,617,147,912
Provision and other liabilities	318,276,635	222,793,645	2,641,696,073	23,351,021,970	21,806,000,000	48,339,788,323
<b>Total Liabilities (B)</b>	<b>60,696,571,998</b>	<b>72,828,338,819</b>	<b>108,930,699,950</b>	<b>134,960,534,447</b>	<b>67,292,938,326</b>	<b>444,709,083,540</b>
<b>Net Liquidity Excess/(Shortage) (A-B)</b>	<b>7,186,536,553</b>	<b>(5,099,145,075)</b>	<b>3,319,073,618</b>	<b>16,743,329,036</b>	<b>7,369,734,753</b>	<b>29,519,528,884</b>

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director



# Bank Asia PLC.

## Notes to the financial statements

as at and for the year ended 31 December 2023

### 1. THE BANK AND ITS ACTIVITIES

#### 1.1 Bank Asia PLC.

Bank Asia PLC. ("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 2023), governed by the Bank Company Act 1991 (amended up to 2023). 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 135 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 15 Sub branches, 10 collection booths and 217 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 PLC. 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 PLC. at their book values.

The name of Bank Asia PLC. has been changed to Bank Asia PLC. with effect from April 16, 2024 as per approval of Bangladesh Bank. 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 PLC. 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 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 PLC., 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 PLC. 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 2023), 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. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Bank Company Act 1991 (amended upto 2023)
- 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. The Income Tax Act 2023
- ix. Value Added Tax Act 2012
- 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 in equity, 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 no. 01 dated May 24, 2023, provision for diminution of value of quoted equity shares, bonds, debentures, perpetual instruments and mutual funds have made on netting off gain and provision for diminution of value of unquoted equity shares and mutual funds (open-end) have made on the basis of net worth (Assets-Liabilities) of shares and surrender price of mutual funds respectively. Provision for Non-convertible cumulative preference share/ bond is required where dividend is not received as per agreement.

#### 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” (HFT), any change in the fair value of held for trading securities is recognized through profit or loss account.

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

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) which are categorized as Held for Trading (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.

## Notes to the financial statements

### 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.

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 2% 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. As per BRPD circular no. 56 dated December 10, 2020, BRPD circular 50 dated December 21, 2021, BRPD circular 52 dated December 29, 2021 and BRPD circular 53 dated December 22, 2022, Special general provision COVID-19 has to be maintained at 2% on all unclassified moratorium loan accounts.

### 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.

### vi) 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, IFRS 9 and IAS 32 is not made in the accounts.

### vii) 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 contingent liabilities as guided by Bangladesh Bank circular and circular letter.

### 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 "Intangible Assets"

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, 2023 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, 2023 have been converted into Taka currency at the closing rate as on December 31, 2023 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 PLC. 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, 2023.

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 PLC. owns majority of its shares. As an owner of the subsidiary, the Bank controls the activities of the subsidiary. Bank Asia PLC. 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
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. Bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003, DOS Circular # 04 dated 24 November 2011 and DOS circular no. 01 dated May 24, 2023 for provision of diminution in value of investment.

### 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, Bangladesh Bank BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022, BRPD circular letter no. 03 dated 02 February 2023, BRPD circular no. 06 dated 25 April 2023.

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	2%	2%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		1%	1%	20%	50%	100%
Short-term agri-credit and micro credit		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.
- The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2023 total outstanding amount was Tk. 2,673.87 million as per the terms and conditions of the said circular. These facilities are now under Solenama (Compromise Agreement submitted before the Court) and reported as unclassified. An amount of Tk. 2,291.24 million has been kept Provision against the mentioned restructured loan facilities.
- In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 2,199.54 million which have not been reported under classification as at 31 December 2023 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 1,775.19 million has been kept as provision.

## Notes to the financial statements

- h) As per Bangladesh Bank letter reference no DBI-3/120/2023-508 dated March 16, 2023 provision against loan under stay order and solenama for Tk.892.09 mln and Tk.3,272.73 mln respectively will have to transfer from General provision to specific provision in 3 years equally.

### 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 PLC. 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:

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

#### Subsequent costs

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

#### Depreciation

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

Category of assets	Rate of depreciation
Building	5.00%
Furniture and fixtures	20.00%
Equipment	20.00%
Computers and accessories	20.00%
Motor vehicles	16.67%

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

## Notes to the financial statements

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

#### 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.

### 3.1.10 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

## Notes to the financial statements

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.

### 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

As per section 24 of the Bank Company Act 1991 (amended upto 2023) Statutory reserve has to be maintained @ 20% of profit before tax equal to its paid-up capital together with the share premium. Bank has maintained adequate reserve in this regard.

### 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

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Bank Asia Securities Limited, a majority owned subsidiary (99.99%) of Bank Asia PLC. 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

## Notes to the financial statements

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.

### **Investment income**

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

### **Interest and fees receivable on credit cards**

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

### **Fees and commission income**

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

### **Dividend income on shares**

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

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

### **Interest paid on borrowing and other deposits (conventional banking)**

Interest paid and other expenses are recognised on accrual basis.

### **Profit paid on deposits (Islamic Banking)**

Profit paid to mudaraba deposits is recognised on accrual basis 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 maintain provision @ 1% against off-balance sheet exposures complying BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018.



## Notes to the financial statements

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

The Board of Director and Senior Management of the bank need to remain positive toward adaptation of active risk management culture throughout the bank. Such awareness (risk) has helped the bank to do more than just regulatory compliance as far as risk management practice is concerned, the consequence of such initiatives has helped the bank to safeguard valuable capital and ensure consistent

## Notes to the financial statements

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:

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.

## Notes to the financial statements

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

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

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

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

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

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

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

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

## Notes to the financial statements

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

### 3.15 Related party disclosures

A party is related to the company if:

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

### 3.16 Directors' responsibilities on statement

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

### 3.17 Segment Reporting

As per 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

## Notes to the financial statements

Fair Value Measurement	IFRS-13	Complied
Revenue from Contract with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Insurance Contracts	IFRS-17	N/A
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	N/A
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:

The ISSB has published two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Both Standards are effective for annual periods beginning on or after 01 January 2024.

IFRS S1 deals with sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability related risks and opportunities and IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate related risk and opportunities that is useful to primary users of financial reports. The Bank has plan to implement IFRS S1 and IFRS S2 as guided by Bangladesh Bank through its FSD Circular 06 dated 26 December 2023.

IASB has issued IFRS 18: Presentation and Disclosure in Financial Statements replace the IAS 1 Presentation of Financial Statements will be effective for reporting periods beginning on or after 01 January 2027.

### 3.22 Operating Environment

The Bank's operating environment during the year ended 2023 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

### 3.23 Approval of financial statements

The financial statements were approved by the Board of Directors on April 28, 2024.

### 3.24 General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calender year from 01 January 2023 to 31 December 2023 .



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>4 Cash</b>		
<b>4.1 In hand (including foreign currencies)</b>		
Conventional and Islamic banking		
Local currency	3,725,394,357	4,041,388,667
Foreign currencies	43,021,927	46,350,487
	<u>3,768,416,284</u>	<u>4,087,739,154</u>
Off-shore banking unit	-	-
	<u>3,768,416,284</u>	<u>4,087,739,154</u>
<b>4.1(a) Consolidated Cash in hand</b>		
Bank Asia PLC.	3,768,416,284	4,087,739,154
Bank Asia Securities Limited	8,699	107
BA Exchange Company (UK) Limited	59,402	56,806
BA Express USA, Inc	53,251	26,621
	<u>3,768,537,636</u>	<u>4,087,822,688</u>
<b>4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>		
<b>Conventional and Islamic banking</b>		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	15,969,385,110	19,189,473,087
Foreign currencies	1,334,869,918	1,273,154,979
	<u>17,304,255,028</u>	<u>20,462,628,066</u>
Balance with agent bank (Sonali Bank Limited)		
Local currency	704,206,541	1,246,786,475
Foreign currencies	-	-
	<u>704,206,541</u>	<u>1,246,786,475</u>
	<u>18,008,461,569</u>	<u>21,709,414,541</u>
Off-shore banking unit	-	-
	<u>18,008,461,569</u>	<u>21,709,414,541</u>
<b>4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>		
Bank Asia PLC.	18,008,461,569	21,709,414,541
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>18,008,461,569</u>	<u>21,709,414,541</u>

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991 (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 average demand and time liabilities 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



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>Conventional Banking</b>		
<b>i. Daily Bank's CRR maintenance:</b>		
Required reserve	11,787,616,000	11,423,012,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	11,640,955,000	10,950,140,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	146,661,000	472,872,000
Actual reserve maintained	14,185,927,160	17,628,354,570
Surplus	2,398,311,160	6,205,342,570
<b>ii. Fortnightly Bank's CRR maintenance:</b>		
Required reserve	13,499,497,000	13,144,940,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	13,303,949,000	12,514,445,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	195,548,000	630,495,000
Actual reserve maintained (average)	14,149,189,697	14,133,731,537
Surplus	649,692,697	988,791,537
<b>Islamic Banking</b>		
<b>i. Daily Bank's CRR maintenance:</b>		
Required reserve (3.5% Demand and Time Liabilities)	1,170,821,000	1,033,956,000
Actual reserve maintained	1,552,406,000	1,354,725,000
Surplus	381,585,000	320,769,000
<b>ii. Fortnightly Bank's CRR maintenance:</b>		
Required reserve (4% of Demand and Time Liabilities)	1,338,081,000	1,181,664,000
Actual reserve maintained (Average)	1,552,406,000	1,276,616,200
Surplus	214,325,000	94,952,200
<b>4.3.2 Statutory Liquidity Ratio (SLR)</b>		
<b>Conventional Banking</b>		
13% of Average Demand and Time Liabilities		
Required reserve	44,508,894,000	44,770,167,000
Domestic Banking Operation	43,237,835,000	40,671,947,000
Offshore Banking Operation	1,271,059,000	4,098,220,000
Actual reserve maintained	107,073,152,834	99,411,433,685
Surplus	62,564,258,834	54,641,266,685
<b>Islamic Banking</b>		
5.5% of Average Demand and Time Liabilities		
Required reserve	1,839,861,000	1,624,788,000
Actual reserve maintained	4,580,565,726	4,547,233,354
Surplus	2,740,704,726	2,922,445,354
	65,304,963,560	57,563,712,039
<b>4.3.3 Held for Statutory Liquidity Ratio</b>		
<b>Conventional Banking</b>		
Cash in hand	3,719,925,558	4,031,316,800
Excess of CRR - Balance with Bangladesh Bank	686,430,160	4,483,414,567
Balance with agent bank (Sonali Bank Limited)	201,784,360	468,048,600
Government securities	102,462,059,756	90,426,148,618
Other securities	2,953,000	2,505,100
	107,073,152,834	99,411,433,685

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>Islamic Banking</b>		
Cash in hand	48,490,726	56,422,354
Excess of CRR - Balance with Bangladesh Bank	214,325,000	173,061,000
Government securities	4,317,750,000	4,317,750,000
	<u>4,580,565,726</u>	<u>4,547,233,354</u>
	<u>111,653,718,560</u>	<u>103,958,667,039</u>
<b>5. Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Conventional and Islamic banking (Note 5.1)	20,111,916,423	36,107,023,982
Off-shore banking unit	-	1,010,000,000
	<u>20,111,916,423</u>	<u>37,117,023,982</u>
<b>Outside Bangladesh</b>		
Conventional and Islamic banking (Note 5.2)	3,480,782,567	1,847,330,212
Off-shore banking unit	84,055,240	616,552,858
	<u>3,564,837,807</u>	<u>2,463,883,070</u>
	<u>23,676,754,230</u>	<u>39,580,907,052</u>
<b>5.1 Conventional and Islamic banking-In Bangladesh</b>		
<b>Current accounts</b>		
Agrani Bank PLC.	213,484,228	561,613,076
Eastern Bank PLC.	115,907,891	115,291,860
Janata Bank PLC.	191,593,885	101,497,290
Rupali Bank PLC.	207,391,045	325,865,606
Pubali Bank PLC.	286,313,241	323,414,066
Standard Chartered Bank	21,928,410	47,832,108
Sonali Bank PLC.	366,900,851	270,498,621
Trust Bank Limited	(84,129,517)	(49,858,209)
	<u>1,319,390,034</u>	<u>1,696,154,418</u>
<b>Short- notice deposit accounts</b>		
AB Bank PLC.	610,049	602,564
Bank Alfalah Limited	1,720,331	1,719,995
Islami Bank Bangladesh PLC.	196,009	192,805
	<u>2,526,389</u>	<u>2,515,364</u>
<b>Placements</b>		
With Banking companies (5.1.1)	17,070,000,000	33,188,354,200
With Non-banking financial institutions (5.1.2)	1,720,000,000	1,220,000,000
	<u>18,790,000,000</u>	<u>34,408,354,200</u>
	<u>20,111,916,423</u>	<u>36,107,023,982</u>
<b>5.1.1 Details of Placement with Banking companies(Local Currency)</b>		
EXIM Bank PLC.	5,000,000,000	5,000,000,000
Al Arafa Islami Bank PLC.	4,000,000,000	-
IFIC Bank PLC.	-	2,500,000,000
NRB Bank Limited	-	250,000,000
United Commercial Bank PLC.	3,500,000,000	3,500,000,000
One Bank PLC.	-	2,000,000,000
Social Islami Bank PLC.	500,000,000	2,200,000,000
Marcantile Bank PLC.	1,000,000,000	3,000,000,000
Global Islami Bank PLC.	-	500,000,000

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Standard Bank PLC.	1,000,000,000	2,750,000,000
	15,000,000,000	21,700,000,000

### Details of Placement- with Banking companies (Foreign Currencies)

Islami Bank Bangladesh PLC.	2,070,000,000	5,174,934,324
Modhumoti Bank PLC.	-	413,994,746
Premier Bank PLC.	-	1,034,986,865
Trust Bank Limited	-	1,034,986,865
Marcantile Bank PLC.	-	517,493,432
Pubali Bank PLC.	-	1,655,978,985
Southeast Bank PLC.	-	517,493,432
City Bank PLC.	-	1,138,485,551
	2,070,000,000	11,488,354,200
	17,070,000,000	33,188,354,200

### 5.1.2 Details of Placement with Non-banking financial institutions

Investment Corporation of Bangladesh	1,570,000,000	1,070,000,000
Union Capital Limited	150,000,000	150,000,000
	1,720,000,000	1,220,000,000

### 5.2 Conventional and Islamic banking- Outside Bangladesh

#### Current accounts

#### Interest bearing:

Citibank NA, New York (USD)	962,427,095	887,996,838
Habib American Bank, New York	1,621,291,197	225,723,382
Mashreqbank PSC, New York (USD)	-	29,782,196
Wells Fargo Bank NA, New York (USD)	45,875,238	-
Zhejiang Chouzhou Commercial Bank (USD)	10,165,019	8,068,565
Zhejiang Chouzhou Commercial Bank (CNY)	18,608,959	22,396,916
	2,658,367,508	1,173,967,897

#### Non-interest bearing:

AB Bank Limited, Mumbai	7,018,353	15,420,960
AKTIF Bank, Istanbul -JPY	2,171,712	1,442,647
Al Rajhi Bank K.S.A	14,294,123	56,770,209
Axis Bank Ltd, Mumbai (ACU)	46,734,051	16,979,847
Bank of Sydney	-	5,905,713
Bank Alfalah Limited, Karachi Pak (ACU)	4,945,257	12,874,139
Bhutan National Bank Limited, Thimphu	14,885,003	5,894,157
Citibank N.A., London (GBP)	1,421,985	50,057,073
Citibank N.A., London (EURO)	94,056	-
Commerzbank AG, Frankfurt (EURO)	34,845,968	5,255,696
Commerzbank AG, Frankfurt (USD)	14,652,634	14,444,095
Habib Metropolitan Bank Limited, Karachi	40,630,766	39,743,904
HDFC Bank, Mumbai	20,564,528	-
ICICI Bank Limited, Kowloon	7,164,234	9,519,691
ICICI Bank Limited, Mumbai	60,052,537	24,214,035
JP Morgan Chase Bank N.A New York, U.S.A	353,841,392	-
Mashreqbank PSC, Dubai	29,515,831	31,300,466
Mashreqbank PSC, Mumbai (EURO)	889,403	889,403
Muslim Commercial Bank Limited, Colombo	7,766,255	8,536,503
Nepal Bangladesh Bank Limited, Kathmandu	6,765,163	7,753,453
Riyad Bank, Riyadh ( SAR)	1,225,318	425,425
Standard Chartered Bank, Mumbai	1,038,506	136,168,284
Standard Chartered Bank, New York	15,653,079	199,197,607

## Notes to the financial statements

Amount in Taka

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	-	10,734,092
Wells Fargo Bank NA, London (EURO)	134,220,662	10,622,519
Zurcher Kantonal Bank, Switzerland	2,024,243	9,212,397
	<u>822,415,059</u>	<u>673,362,315</u>
	<u>3,480,782,567</u>	<u>1,847,330,212</u>
Placement with Off-shore Banking Unit	5,899,500,000	21,950,000
Less: Inter-company transactions with OBU	(5,899,500,000)	(21,950,000)
	<u>3,480,782,567</u>	<u>1,847,330,212</u>
<b>5.3 Maturity grouping of balance with other banks and financial institutions</b>		
Up to 1 month	9,288,216,726	21,841,578,459
More than 1 month but not more than 3 months	14,388,537,504	15,221,828,593
More than 3 months but not more than 6 months	-	2,517,500,000
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>23,676,754,230</u>	<u>39,580,907,052</u>
<b>5(a) Consolidated Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Bank Asia PLC.	20,111,916,423	37,117,023,982
Bank Asia Securities Limited	572,829,729	598,386,033
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>20,684,746,152</u>	<u>37,715,410,015</u>
Less: Inter-company transactions	351,884,444	369,639,929
	<u>20,332,861,708</u>	<u>37,345,770,086</u>
<b>Outside Bangladesh</b>		
Bank Asia PLC.	3,564,837,807	2,463,883,070
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	15,610,502	16,002,011
BA Express USA, Inc	217,988,625	157,813,356
	<u>3,798,436,934</u>	<u>2,637,698,437</u>
	<u>24,131,298,642</u>	<u>39,983,468,523</u>
<b>6. Money at call and on short notice</b>		
Call money Lending (Note 6.1)	300,000,000	-
Short Notice Lending (Note 6.2)	-	3,750,000,000
	<u>300,000,000</u>	<u>3,750,000,000</u>
<b>6.1 Call Money Lending- with Banking companies:</b>		
NCC Bank PLC.	<u>300,000,000</u>	-
<b>6.2 Short Notice Lending</b>		
One Bank PLC.	-	750,000,000
Agrani Bank PLC.	-	3,000,000,000
	<u>-</u>	<u>3,750,000,000</u>
<b>6(a) Consolidated Money at call and on short notice</b>		
Bank Asia PLC.	300,000,000	3,750,000,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>300,000,000</u>	<u>3,750,000,000</u>

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>7. Investments</b>		
Government (Note 7.1)	106,782,762,756	94,746,403,719
Others (Note 7.2)	7,977,389,616	8,102,706,218
	<u>114,760,152,372</u>	<u>102,849,109,937</u>
<b>7.1 Government</b>		
Conventional and Islamic banking (Note 7.1.1)	106,782,762,756	94,746,403,719
Off-shore banking unit	-	-
	<u>106,782,762,756</u>	<u>94,746,403,719</u>
<b>7.1.1 Conventional and Islamic banking</b>		
Treasury bills (Note 7.1.1.1)	12,539,002,899	11,706,975,787
Treasury bonds (Note 7.1.1.2)	94,240,806,857	83,036,922,832
Prize bonds	2,953,000	2,505,100
	<u>106,782,762,756</u>	<u>94,746,403,719</u>
<b>7.1.1.1 Treasury bills</b>		
91 days treasury bills	2,940,234,066	1,979,259,871
364 days treasury bills	9,598,768,833	9,727,715,916
	<u>12,539,002,899</u>	<u>11,706,975,787</u>
<b>7.1.1.2 Treasury bonds</b>		
Bangladesh Bank Govt Investment Sukuk	4,317,750,000	4,317,750,000
2 years Bangladesh Government treasury bonds	42,084,812,487	10,902,872,630
5 years Bangladesh Government treasury bonds	13,281,127,548	14,592,612,284
10 years Bangladesh Government treasury bonds	20,503,199,985	32,482,075,380
15 years Bangladesh Government treasury bonds	9,665,155,150	12,792,604,704
20 years Bangladesh Government treasury bonds	4,388,761,687	7,949,007,834
	<u>94,240,806,857</u>	<u>83,036,922,832</u>
<b>7.2 Others</b>		
Conventional and Islamic banking (Note 7.2.1)	7,977,389,616	8,102,706,218
Off-shore banking unit	-	-
	<u>7,977,389,616</u>	<u>8,102,706,218</u>
<b>7.2.1 Conventional and Islamic banking</b>		
<b>a) Ordinary shares (Details are shown in Annexure-B)</b>		
Quoted shares	464,049,694	449,174,694
Unquoted share	154,453,427	104,645,029
	<u>618,503,121</u>	<u>553,819,723</u>
<b>b) Mutual Fund (Details are shown in Annexure-B)</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 1st Mutual Fund	119,221,495	119,221,495
	<u>618,886,495</u>	<u>618,886,495</u>
<b>c) Bonds</b>		
Non-Convertible Subordinated Bond - Premier Bank PLC.	-	500,000,000
Second Subordinated Bond - Mutual Trust Bank	-	80,000,000
Fourth Subordinated Bond - United Commercial Bank PLC.	800,000,000	1,000,000,000
Second Subordinated Mudaraba Bond - Social Islami Bank PLC.	-	20,000,000
5 Year Preference Share - Meghna Cement Mills Ltd	650,000,000	700,000,000
5 Year Preference Share - Kushiara Power Co. Ltd	40,000,000	60,000,000
5 Year Preference Share - Summit LNG Terminal Co. (Pvt) Ltd	20,000,000	40,000,000

Perpetual Bond of Mutual Trust Bank Ltd	1,000,000,000	1,000,000,000
Perpetual Bond of United Commercial Bank PLC.	1,000,000,000	1,000,000,000
Perpetual Bond 2nd of United Commercial Bank PLC.	500,000,000	-
Perpetual Bond of Pubali Bank PLC.	1,000,000,000	1,000,000,000
Perpetual Bond of Shahjalal Islamic Bank PLC.	500,000,000	500,000,000
Perpetual Bond of Mercantile Bank PLC.	1,030,000,000	1,030,000,000
BBML 1st Sukuk Trust	200,000,000	-
	<u>6,740,000,000</u>	<u>6,930,000,000</u>
	<u>7,977,389,616</u>	<u>8,102,706,218</u>

### 7.3 Investments classified as per Bangladesh Bank circular

Held for trading (HFT)	54,390,325,508	40,371,740,071
Held to maturity (HTM)	48,071,734,248	50,054,408,547
Other securities	12,298,092,616	12,422,961,319
	<u>114,760,152,372</u>	<u>102,849,109,937</u>

### 7.4 Maturity-wise grouping

On demand	1,448,970,774	3,677,343,471
Up to 3 months	5,536,017,906	2,466,456,844
More than 3 months but not more than 1 year	18,043,899,793	26,304,189,275
More than 1 year but not more than 5 years	56,911,492,983	35,206,572,748
More than 5 years	32,819,770,916	35,194,547,599
	<u>114,760,152,372</u>	<u>102,849,109,937</u>

### 7(a) Consolidated Investments

#### Government

Bank Asia PLC.	106,782,762,756	94,746,403,719
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>106,782,762,756</u>	<u>94,746,403,719</u>

#### Others

Bank Asia PLC.	7,977,389,616	8,102,706,218
Bank Asia Securities Limited	1,041,252,282	989,145,651
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>9,018,641,898</u>	<u>9,091,851,869</u>
	<u>115,801,404,654</u>	<u>103,838,255,588</u>

### 8 Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments (Note 8.1)	275,845,342,560	254,502,783,718
Bills purchased and discounted (Note 8.2)	15,479,700,585	23,367,574,685
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

### 8.1 Loans, cash credits, overdrafts, etc/investments

#### Conventional and Islamic banking

##### Inside Bangladesh

Agricultural loan	5,523,887,981	4,937,948,904
Cash credit/Bai Murabaha (Muajjal)	7,594,468,147	5,303,713,589
Credit card	4,171,809,762	3,631,193,880
Credit for poverty alleviation scheme-micro credit	8,183,283	8,247,947
Consumer credit scheme	16,278,739,708	15,781,494,644
Demand loan	62,191,705,348	27,234,992,836
Export Development Fund (EDF)	11,277,990,087	21,663,457,255
House building loans	1,037,606,727	1,059,855,713
Loans (General)	22,239,857,876	39,417,520,074
Loan against trust receipts/ Bai Murabaha post import	7,249,653,620	14,331,955,769
Overdrafts/ Quard against scheme	35,210,080,416	32,110,440,520



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Packing credit	345,061,384	928,694,041
Payment against documents	30,900,818	128,062,570
Staff loan	1,722,320,328	1,891,324,867
Transport loan	1,585,064,282	1,811,882,853
Term loan- industrial	29,952,112,880	26,527,284,618
Term loan- others	64,573,206,309	48,696,524,190
Loan under Covid-19 stimulus package	1,421,703,304	5,322,077,781
	272,414,352,260	250,786,672,051
<b>Outside Bangladesh</b>	-	-
	272,414,352,260	250,786,672,051
<b>Off-shore banking unit</b>	3,430,990,300	3,716,111,667
	275,845,342,560	254,502,783,718
<b>8.2 Bills purchased and discounted</b>		
Conventional and Islamic banking	1,477,692,579	1,996,974,277
Off-shore banking unit	14,002,008,006	21,370,600,408
	15,479,700,585	23,367,574,685
<b>8.3 Maturity-wise grouping</b>		
Repayable on demand	47,694,320,200	45,332,866,964
Not more than 3 months	46,477,970,044	42,258,538,345
More than 3 months but not more than 1 year	89,804,700,396	77,497,087,280
More than 1 year but not more than 5 years	88,026,715,188	94,466,027,863
More than 5 years	19,321,337,318	18,315,837,951
	291,325,043,145	277,870,358,403
<b>8.4 Net loans and advances/investments</b>		
Gross loans and advances/investments	291,325,043,145	277,870,358,403
Less: Interest suspense (Note 13.1.4)	5,198,880,298	4,403,014,529
Provision for loans and advances/investments (Note 13.1.1 & 13.1.2)	22,416,000,000	19,610,000,001
	27,614,880,298	24,013,014,530
	263,710,162,847	253,857,343,873
<b>8.5 Loans and advances/investments under the following broad categories</b>		
<b>In Bangladesh</b>		
Loans	233,040,793,997	217,088,629,609
Cash credits	7,594,468,147	5,303,713,589
Overdrafts	35,210,080,416	32,110,440,520
Bills purchased and discounted	15,302,113,768	22,868,897,540
	291,147,456,328	277,371,681,258
<b>Outside Bangladesh</b>		
Bills purchased and discounted	177,586,817	498,677,145
	291,325,043,145	277,870,358,403
<b>8.6 Significant concentration wise grouping</b>		
a) Directors	-	-
b) Chief Executive and other senior executives	169,627,832	186,676,000
i) Managing Director	-	-
ii) Other senior executives	169,627,832	186,676,000
c) Agriculture	8,684,700,000	7,409,100,000
d) Industry	145,599,415,313	138,477,182,403
Food Manufacturing	20,412,400,000	14,167,500,000
Beverage industry	625,900,000	244,600,000
RMG industry	25,663,000,000	33,951,900,000
Textile industry	21,211,000,000	24,298,900,000
Wood cork and allied products	77,100,000	46,600,000
Furniture and Fixture	260,100,000	313,400,000
Paper and paper products	5,235,200,000	5,024,400,000
Leather and leather products	2,510,800,000	3,157,300,000
Rubber products	6,708,000,000	4,577,700,000
Chemical and chemical products	1,645,800,000	916,200,000
Basic metal products	18,826,300,000	11,429,800,000
Electrical machinery and apparatus	3,307,600,000	3,499,300,000

Other manufacturing industries	28,749,215,313	23,045,982,403
Ship building	116,000,000	4,468,700,000
Ship breaking	1,831,300,000	1,435,100,000
Pharmaceutical	8,419,700,000	7,899,800,000
e) Constructions	6,283,200,000	8,404,000,000
f) Power, Gas, Water and Sanitary Services	17,912,100,000	13,914,800,000
g) Transport, Storage and Communication	4,877,200,000	2,532,900,000
h) Trade Services	51,511,600,000	51,879,200,000
i) Housing Services	19,587,000,000	18,448,600,000
j) Banking and Insurance	7,056,600,000	4,857,400,000
k) Professional and Misc. services	29,643,600,000	31,760,500,000
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

### 8.7 Geographical location-wise grouping Inside Bangladesh

#### Urban

Dhaka Division	233,632,722,966	212,858,089,190
Chittagong Division	27,313,297,064	27,903,420,779
Khulna Division	4,170,612,774	4,153,972,836
Rajshahi Division	4,585,298,587	4,504,326,275
Barisal Division	1,095,128,725	1,163,874,549
Sylhet Division	2,937,562,766	2,724,367,784
Rangpur Division	2,168,491,483	1,911,947,239
Mymensingh Division	593,671,783	538,365,075
	276,496,786,148	255,758,363,727

#### Rural

Dhaka Division	9,203,918,936	16,084,242,760
Chattagram Division	4,014,824,922	4,401,837,380
Khulna Division	265,601,345	219,965,396
Rajshahi Division	1,025,401,799	1,062,638,106
Barisal Division	13,526,854	17,079,600
Sylhet Division	148,066,283	319,901,321
Rangpur Division	134,260,807	-
Mymensingh Division	22,656,051	6,330,113
	14,828,256,997	22,111,994,676

Outside Bangladesh

	-	-
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

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

Collateral of movable/immovable assets	175,779,222,118	152,402,313,263
Local banks and financial institutions' guarantee	3,097,213,629	801,551,421
Foreign banks' guarantee	583,356,582	2,914,913
Export documents	6,814,562,072	12,463,791,786
Cash and quasi cash	8,793,657,513	7,486,439,032
Personal guarantee	70,292,771,886	65,968,492,454
Other securities	25,964,259,345	38,744,855,534
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

## Notes to the financial statements

Amount in Taka

31-Dec-23

31-Dec-22

### 8.9 Details of large loans/investments

As at 31 December 2023 there were twelve (2022: nine) 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 40,659.09 million as at 31 December 2023 (Taka 46,111.11 million in 2022). 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	195,068,011,914	173,157,010,415
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	70,292,771,886	65,968,492,454
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	25,964,259,345	38,744,855,534
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<u>291,325,043,145</u>	<u>277,870,358,403</u>
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,722,320,328	1,891,324,867
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.	1,722,320,328	1,891,324,867
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	15,479,700,585	23,367,574,685
x)	Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a)	Increase/(Decrease) of provision (specific)	5,102,536,999	3,227,463,001
	Amount of loan written off	4,779,597,107	1,148,594,130
	Amount realised against the loans previously written off	326,055,141	347,148,119
b)	Provision kept against loans/investments classified as bad debts	15,620,000,000	10,517,463,001
c)	Interest credited to interest suspense account	5,198,880,298	4,403,014,529
xi)	Cumulative amount of written off loans/investments		
	Balance as at 1 January	15,838,570,135	15,037,124,124
	Loans written off during the year	4,779,597,107	1,148,594,130
	Recovery against written off loans during the year	(326,055,141)	(347,148,119)
	The amount of written off loans/investments for which law suit has been filed	<u>20,292,112,101</u>	<u>15,838,570,135</u>

### 8.11 Grouping as per classification rules

#### Unclassified:

Standard including staff loan	263,010,762,702	258,545,019,989
Special mentioned account	8,803,920,738	5,805,552,187
	<u>271,814,683,440</u>	<u>264,350,572,176</u>

**Classified:**

Sub-standard	1,781,013,286	775,378,765
Doubtful	1,052,244,745	252,963,345
Bad/loss	16,677,101,674	12,491,444,117
	19,510,359,705	13,519,786,227
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

**8.12 Particulars of required provision for loans and advances/investments**

Status	Outstanding at 31 Dec 2023	Base for provision	Required provision		
			%	Amount	
For loans and advances/investments:					
<b>Unclassified - general provision</b>					
Other than - SME financing, House building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA)					
	190,303,165,546	189,799,241,608	1% to 5%	7,656,936,195	7,892,690,860
Small and medium enterprise financing	31,708,219,323	31,708,219,323	0.25%	79,270,548	93,270,168
House building loan and loan for professional	14,430,571,391	14,430,571,391	1.00%	144,305,714	141,481,238
Loans to BH	1,848,561,277	1,848,561,277	2.00%	36,971,226	25,543,546
Consumer finance	5,833,668,038	5,833,668,038	2.00%	116,673,361	107,431,797
Special general provision COVID-19 (Note 13.1.2)				617,058,240	515,036,000
Staff loan	1,705,528,529	-	0%	-	-
				8,651,215,284	8,775,453,609
<b>Special mentioned account</b>	8,741,394,096	8,397,042,158	0.25% to 2%	2,422,322,922	48,223,127
<b>Off-shore unit</b>					
Unclassified loans (general)	17,181,048,598	17,181,048,598	1%	171,810,486	247,840,450
Special mentioned account	62,526,642	62,526,642	1%	625,266	3,026,671
Sub-standard	189,423,065	189,423,065	20%	37,884,613	-
				210,320,365	250,867,121
<b>Classified - specific provision</b>					
Sub-standard	1,591,590,221	1,270,243,588	20% / 5%	246,151,052	185,286,450
Doubtful	1,052,244,745	902,538,100	50% / 5%	422,268,817	62,054,650
Bad/loss	16,677,101,674	10,393,653,811	100%	10,287,153,457	10,047,506,000
				10,955,573,326	10,294,847,100
Provision required for loans and advances				<u>22,239,431,897</u>	<u>19,369,390,957</u>
Total provision maintained (Note 13.1.1 & 13.1.2)					
Conventional and Islamic Banking				22,205,679,635	19,359,132,880
Off-shore Banking Unit				210,320,365	250,867,121
				<u>22,416,000,000</u>	<u>19,610,000,001</u>

**8.13 Suits filed by the Bank (Branch wise details)**

Aganagar Branch	1,660,050	-
Aglabazar Branch	3,609,208	2,387,556
Agrabad Branch	4,615,738,107	2,873,481,656
Anderkilla Branch	2,406,478,700	2,105,865,747
Ashulia Branch	19,120,652	21,464,732
Bahadderhat Branch	147,198,886	132,136,030
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	335,181,774	318,921,660
Beanibazar Branch	14,985,225	5,584,770
Bhatiary Branch	674,548,322	660,445,959

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Bogra Branch	346,055,275	170,398,283
BSMMU Branch	31,215,478	1,413,816
Credit Cards Department	104,046,695	111,093,844
CDA Avenue Branch	5,780,085,256	5,642,323,686
Chandragonj Branch	-	492,048
Chatkhil Branch	14,025,513	6,793,978
Corporate Branch	338,413,183	338,413,183
Cumilla Branch	93,764,540	85,994,850
Dhanmondi Branch	1,156,192,673	1,148,638,206
Dinajpur Branch	27,335,444	-
Donia Branch	52,710,822	46,946,884
Elephant Road Branch	15,398,551	2,375,836
Faridpur Branch	75,636,476	-
Feni Branch	54,836,850	-
Gulshan Branch	2,321,612,004	2,310,582,804
Holy Family RCMCH Branch	89,357,809	83,100,828
Jaganathpur Branch	7,717,402	6,120,000
Jatrabari SME	-	1,185,818
Jessore Branch	298,325,410	84,479,555
Jurain SME Centre	85,265,389	941,349
Kalatia Branch	223,241,883	-
Kamal Bazar Branch	162,756,513	162,756,513
Kazipara Branch	3,272,584	13,113,564
Khatunganj Branch	3,926,032,506	3,857,816,524
Khulna Branch	149,040,793	149,040,733
Konabari Branch	540,150	540,150
Lohagara Branch	34,639,597	20,729,905
Madhobdi Branch	212,494,390	136,591,869
Malkhanagar Branch	-	77,943,669
MCB Banani Branch	619,469,767	284,082,088
MCB Dilkusha Branch	1,244,731,875	1,244,731,875
MCB Sk. Mujib Road Branch	8,507,422,145	7,115,387,248
Mirpur Branch	21,111,827	41,099,588
Mitford Branch	335,728,870	300,047,766
Moghbazar Branch	62,803,964	53,513,290
Mohakhali Branch	140,295,322	60,567,048
Moulavibazar Branch	23,500,166	52,108,011
Narayanganj Branch	163,562,826	164,074,196
North South Road Branch	1,712,443,122	1,676,659,883
Oxygen Moor Branch	8,085,887	8,085,887
Paltan Branch	70,216,500	70,216,500
Paragram Branch	10,229,181	-
Principal Office Branch	1,123,403,083	1,157,885,876
Progoti Sarani Branch	41,390,172	40,999,581
Rajshahi Branch	81,571,502	44,813,352
Ramgonj SME/Agri Branch	12,712,093	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	11,296,738	1,208,503
Savar Branch	345,501	345,501
Scotia Branch	495,981,035	495,981,035
Shantingar Branch	1,514,237,268	1,514,802,312
Shantingar Islamic Window Branch	8,363,492	8,363,492
Shyamoli Branch	9,511,764	-
Sonargaon Janapath Road Branch	792,206	-
Station Road Branch	155,932,817	159,772,761
Strand Road Branch	24,076,948	24,059,970

Sylhet Main Branch	11,842,728	23,438,876
Sylhet Uposhahar Branch	87,510,650	17,140,393
Sylhet Uposhahar Islamic Window Branch	74,149,494	-
Tangail Branch	21,946,648	21,946,648
Tarail Branch	290,718	290,718
Tejgaon Link Road Branch	242,691,689	-
Tongi Branch	2,238,802	2,174,613
Uttara Branch	1,397,717,513	921,820,590
EPZ Branch	5,904,884	5,904,884
	<u>42,166,984,644</u>	<u>36,206,235,463</u>

#### 8.14 Bills purchased and discounted

Payable in Bangladesh	15,302,113,768	22,868,897,540
Payable outside Bangladesh	177,586,817	498,677,145
	<u>15,479,700,585</u>	<u>23,367,574,685</u>

#### 8.15 Maturity-wise grouping of bills purchased and discounted

Payable within 1 month	4,148,566,215	5,437,712,057
More than 1 month but less than 3 months	4,428,471,930	7,509,862,628
More than 3 months but less than 6 months	4,887,715,219	7,378,311,343
More than 6 months	2,014,947,221	3,041,688,657
	<u>15,479,700,585</u>	<u>23,367,574,685</u>

#### 8(a) Consolidated Loans and advances/investments

##### Loans, cash credits, overdrafts, etc/investments

Bank Asia PLC.	275,845,342,560	254,502,783,718
Bank Asia Securities Limited	4,552,939,579	3,977,674,827
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>280,398,282,139</u>	<u>258,480,458,545</u>
Less: Inter- companies transactions	1,805,556,804	1,256,565,786
	<u>278,592,725,335</u>	<u>257,223,892,759</u>

##### Bills purchased and discounted

Bank Asia PLC.	15,479,700,585	23,367,574,685
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>15,479,700,585</u>	<u>23,367,574,685</u>
	<u>294,072,425,920</u>	<u>280,591,467,444</u>

#### 9 Fixed assets including premises, furniture and fixtures

Conventional and Islamic banking (Note 9.1)	5,878,418,753	5,615,910,981
Off-shore banking unit	-	-
	<u>5,878,418,753</u>	<u>5,615,910,981</u>

#### 9.1 Conventional and Islamic banking

##### Cost:

Land	2,626,833,266	2,646,764,306
Building	3,309,685,883	3,278,306,682
Furniture and fixtures	1,903,472,219	1,842,692,785
Equipments	1,859,047,083	1,800,178,016
Computer and accessories	831,025,140	608,319,540
Motor vehicles	269,948,562	295,585,354
Intangible assets	24,000,000	24,000,000



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Construction work in progress	26,872,891	10,000,000
Right-of-use assets	2,341,256,317	1,593,878,116
	13,192,141,361	12,099,724,799
Less: Accumulated depreciation	7,260,007,356	6,430,098,554
Adjustment of assets revaluation	53,715,252	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	<u>5,878,418,753</u>	<u>5,615,910,981</u>
<b>9(a) Consolidated Fixed assets including premises, furniture and fixtures</b>		
Bank Asia PLC.	5,878,418,753	5,615,910,981
Bank Asia Securities Limited	74,782,943	85,357,425
BA Exchange Company (UK) Limited	353,472	156,944
BA Express USA, Inc	3,601,231	2,587,527
	<u>5,957,156,399</u>	<u>5,704,012,877</u>
<b>10 Other assets</b>		
Conventional and Islamic banking (Note 10.1)	16,492,784,146	12,908,706,898
Off-shore banking unit	18,581,925	28,796,606
	<u>16,511,366,071</u>	<u>12,937,503,504</u>
<b>10.1 Conventional and Islamic banking</b>		
<b>Income generating other assets</b>		
Investment in BA Exchange Company (UK) Limited - incorporated in UK	37,815,000	37,815,000
Investment in BA Express USA Inc - incorporated in USA	99,360,000	99,358,272
	2,137,165,000	2,137,163,272
<b>Non-income generating other assets</b>		
Non-income generating other assets		
Income receivable (Note 10.2)	2,065,511,014	1,297,139,289
Stock of stamps	11,839,390	10,256,387
Stationery, printing materials, etc	106,828,579	82,341,632
Prepaid expenses	3,607,062	12,782,227
Deposits and advance rent	617,754,220	483,667,668
Advances, prepayments and others (Note 10.3)	211,617,976	172,867,456
Advance income tax (Note 10.4)	10,277,687,264	7,468,535,415
Receivable against government	99,978,826	56,096,601
Sundry debtors	28,660,176	21,891,446
Branch adjustment account (Note 10.5)	413,938,934	760,545,993
Protested bills	123,764,671	123,764,671
Receivable from BA Exchange Company (UK) Limited	69,189,416	56,646,548
Receivable from BA Express USA Inc	290,897,132	200,189,787
Excise duty recoverable	32,684,630	23,149,530
Profit Receivable from Govt Investment Sukuk	1,659,856	1,668,976
	<u>14,355,619,146</u>	<u>10,771,543,626</u>
	<u>16,492,784,146</u>	<u>12,908,706,898</u>
<b>10.2 Income receivable</b>		
Income receivable consists of interest accrued on investment including interest for stimulus package.		
<b>10.3 Advances, prepayments and others</b>		
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.		
<b>10.4 Advance income tax</b>		
Advance income tax represents the tax payment to the government exchequer.		
<b>10.5 Branch adjustment accounts</b>		
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 un-responded entries of 31 December 2023 are given below:		

## Notes to the financial statements

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	86	125,221,662	70	61,037,927
More than 3 months but within 6 months	-	-	-	-
More than 6 months but within 1 year	-	-	2	294,920
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	<u>86</u>	<u>125,221,662</u>	<u>72</u>	<u>61,332,847</u>

### 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.

	Amount in Taka	
	31-Dec-23	31-Dec-22
<b>10 (a) Consolidated Other assets</b>		
Bank Asia PLC.	16,511,366,071	12,937,503,504
Bank Asia Securities Limited	423,152,169	452,050,976
BA Exchange Company (UK) Limited	1,963,221	3,404,588
BA Express USA, Inc	164,840,429	54,929,777
	<u>17,101,321,890</u>	<u>13,447,888,845</u>
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited	42,030,000	36,413,310
Investment in BA Express USA, Inc	105,120,000	96,960,000
Receivable from BA Exchange Company (UK) Limited	69,189,416	56,646,548
Receivable from BA Exchange USA, Inc.	290,897,132	200,189,787
	<u>14,594,095,342</u>	<u>11,057,689,200</u>

### 10(aa) Demutualization membership of Dhaka Stock Exchange

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

### 11 Borrowings from other banks, financial institutions and agents

Conventional and Islamic banking (Note 11.1)	17,095,577,660	25,313,872,546
Off-shore banking unit (Note 11.2)	15,875,819,645	25,732,158,197
Less: Adjustment with Head Office	(5,899,500,000)	(21,950,000)
	<u>27,071,897,305</u>	<u>51,024,080,743</u>

### 11.1 Conventional and Islamic banking

In Bangladesh (Note 11.1.1)	17,095,577,660	25,313,872,546
Outside Bangladesh	-	-
	<u>17,095,577,660</u>	<u>25,313,872,546</u>

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>11.1.1 In Bangladesh</b>		
<b>Secured:</b>	-	-
<b>Un secured:</b>		
<b>Money at call and on short notice</b>	-	-
State Bank of India	750,000,000	-
Standard Chartered Bank	250,000,000	-
	<u>1,000,000,000</u>	<u>-</u>
<b>Borrowings</b>		
Bangladesh Bank Refinance	1,067,354,873	757,840,789
Covid-19 Stimulus PKG-Tk. 5000 Cr - Export	298,222	127,591,942
Refinance under Stimulus Package Tk. 5000 Cr - Agri	382,781,016	665,344,594
Refinance under Stimulus Package Tk. 3000 Cr - Agri	231,696,958	622,543,292
Bangladesh Bank Borrowing under IPPF- II Fund	1,361,826,357	1,431,345,451
Bangladesh Bank Borrowing under Long Term Financing Facilities (LTFF) scheme	288,112,049	288,107,038
SME Foundation Pre Finance	-	8,250,000
Bangladesh Bank Pre-Finance (SREUP)	74,184,377	87,362,500
Borrowing A/C (AGRI Taka 10)	10,120,922	302,794,616
Borrowing From Joyeeta Foundation	6,622,500	26,490,000
Export development fund	8,628,513,129	19,945,353,441
Bangladesh Bank Refinance Scheme for Pre Shipment Loan	327,413,444	234,620,000
BB Refinance for SPCSSECP	1,272,504,945	172,850,000
Bangladesh Bank Borrowing under CMSME Refinance (TL) SMESPD	1,826,363,336	53,330,000
Bangladesh Bank Borrowing under Green Transformation Fund (GTF)	381,656,043	428,668,883
Borrowing From SMEF for Stimulus Loan/Revolving Fund(Trem Loan)	236,129,489	161,380,000
	<u>16,095,577,660</u>	<u>25,313,872,546</u>
	<u>17,095,577,660</u>	<u>25,313,872,546</u>
<b>11.2 Borrowing at Off-shore banking unit</b>		
<b>Secured:</b>	-	-
<b>Un secured:</b>		
Conventional Banking	6,241,500,000	27,270,000
International Finance Corporation	730,000,365	2,020,000,202
Borrowing - ECA	1,841,569,280	1,950,697,995
	<u>8,813,069,645</u>	<u>3,997,968,197</u>
<b>In Bangladesh</b>		
Jamuna Bank PLC.	547,500,000	-
<b>Outside Bangladesh</b>		
Yes Bank, Mumbai	-	505,000,000
SCB Singapore	-	1,515,000,000
National Bank of RAK, UAE	-	2,525,000,000
Bank Muscat, Oman	-	303,000,000
Asian Development Bank	821,250,000	-
Fimbank, Malta	1,095,000,000	-
Caixa Bank, Barcelona	3,504,000,000	7,342,700,000
Standard Chartered Bank, Thailand	-	505,000,000
HDFC, Gift City, Mumbai	-	1,010,000,000
Bank Muscat SAOG	-	2,525,000,000
Indusind Bank Limited	-	303,000,000
State Bank of India, Hongkong	1,095,000,000	2,272,500,000
Nepal Bangladesh Bank Limited	-	757,500,000
DBS Bank Singapore	-	696,900,000
Emirates Islami Bank	-	463,590,000
Ajman Bank, U.A.E.	-	1,010,000,000
	<u>6,515,250,000</u>	<u>21,734,190,000</u>
	<u>15,875,819,645</u>	<u>25,732,158,197</u>

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

Bank Asia PLC.	27,071,897,305	51,024,080,743
Bank Asia Securities Limited	1,805,556,804	1,256,565,786
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>28,877,454,109</u>	<u>52,280,646,529</u>
Less: Inter-company transactions	<u>1,805,556,804</u>	<u>1,256,565,786</u>
	<u>27,071,897,305</u>	<u>51,024,080,743</u>

**11(a) Subordinated non-convertible and perpetual bonds**

Subordinated Non-Convertible bond (Note 11(aa).1)	4,000,000,000	6,000,000,000
Perpetual bond (Note 11(aa) 2)	3,680,250,000	3,340,000,000
	<u>7,680,250,000</u>	<u>9,340,000,000</u>

**11(aa).1 Subordinated Non-Convertible Bonds****Subordinated Non-Convertible floating rate bond - 2**

Agrani Bank PLC.	50,000,000	100,000,000
Dhaka Bank PLC.	150,000,000	300,000,000
Janata Bank PLC.	50,000,000	100,000,000
National Life Insurance Co.	100,000,000	200,000,000
Pubali Bank PLC.	200,000,000	400,000,000
Sabinco	30,000,000	60,000,000
Sadharan Bima Corporation	20,000,000	40,000,000
Sonali Bank PLC.	200,000,000	400,000,000
Southeast Bank PLC.	100,000,000	200,000,000
Uttara Bank PLC.	100,000,000	200,000,000
	<u>1,000,000,000</u>	<u>2,000,000,000</u>

**Subordinated Non-Convertible floating rate bond - 3**

Agrani Bank PLC.	1,500,000,000	2,000,000,000
Eastern Bank PLC.	600,000,000	800,000,000
Trust Bank Limited	300,000,000	400,000,000
Dutch-Bangla Bank PLC.	300,000,000	400,000,000
Pubali Bank PLC.	300,000,000	400,000,000
	<u>3,000,000,000</u>	<u>4,000,000,000</u>
	<u>4,000,000,000</u>	<u>6,000,000,000</u>

**11(aa).2 Perpetual bond****Institutional subscriber:**

NCC Bank PLC.	1,300,000,000	1,300,000,000
Trust Bank Limited	110,000,000	110,000,000
Jamuna Bank PLC.	730,000,000	730,000,000
Southeast Bank PLC.	500,000,000	500,000,000
NRB Bank Limited	200,000,000	200,000,000
	<u>2,840,000,000</u>	<u>2,840,000,000</u>

**Individual subscriber**

	500,000,000	500,000,000
<b>Public Offer</b>	340,250,000	-
	<u>3,680,250,000</u>	<u>3,340,000,000</u>

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

Payable on demand	4,512,500,000	8,898,500,000
Up to 1 month	-	-
More than 1 month but within 3 months	9,060,000,000	17,119,500,000
More than 3 months but within 1 year	10,292,750,000	19,885,382,546
More than 1 year but within 5 years	2,304,812,477	9,375,311,234
More than 5 years	8,582,084,828	5,085,386,963
	<u>34,752,147,305</u>	<u>60,364,080,743</u>

31-Dec-23

31-Dec-22

### 11.4 Disclosure regarding REPO

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

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

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
1	Bangladesh Bank	26-Dec-23	2-Jan-24	4,619,755,000
2	Bangladesh Bank	26-Dec-23	2-Jan-24	4,037,275,200
3	Bangladesh Bank	27-Dec-23	3-Jan-24	5,928,252,000
4	Bangladesh Bank	27-Dec-23	3-Jan-24	1,959,570,000
Total				16,544,852,200

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

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

#### 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)	359,975,076,402	336,694,572,297
Off-shore banking unit	1,642,071,510	1,000,845,140
	<u>361,617,147,912</u>	<u>337,695,417,437</u>

#### Deposits and other accounts

##### Current/AI-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers (Note 12.1.2a)	72,399,767,950	67,482,882,465
Off-shore banking unit	1,074,495,629	893,558,137
	73,474,263,579	68,376,440,602

##### Bills payable

Deposits from banks	-	-
Deposits from customers (Note 12.1.2b)	3,958,476,129	4,167,914,951
	3,958,476,129	4,167,914,951

##### Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	83,493,765,110	78,812,880,761
	83,493,765,110	78,812,880,761

##### Fixed deposits/Mudaraba fixed deposits

Deposits from banks (Note 12.1.1)	9,144,150	16,635,021
Deposits from customers	200,113,923,063	186,214,259,099
Off-shore banking unit	567,575,881	107,287,003
	200,690,643,094	186,338,181,123
	<u>361,617,147,912</u>	<u>337,695,417,437</u>

#### 12.1 Conventional and Islamic banking

Deposits from banks (Note 12.1.1)	9,144,150	16,635,021
Deposits from customers (Note 12.1.2)	359,965,932,252	336,677,937,276
	<u>359,975,076,402</u>	<u>336,694,572,297</u>

##### 12.1.1 Deposits from banks

###### Fixed deposit/SND: Islamic banking

AB Bank PLC.	38,846	39,176
EXIM Bank PLC.	2,402,497	11,352,208

Social Islami Bank PLC.	609,280	601,789
Trust Bank Limited	611,612	604,092
	<u>3,662,235</u>	<u>12,597,265</u>
<b>Fixed deposit/SND: Conventional banking</b>		
Modhumoti Bank PLC.	5,075,801	3,625,690
Trust Bank Limited	406,114	412,066
	<u>5,481,915</u>	<u>4,037,756</u>
	<u>9,144,150</u>	<u>16,635,021</u>
<b>12.1.2 Deposits from customers</b>		
Current/Al-wadeeah current accounts and other accounts ( Note 12.1.2a)	72,399,767,950	67,482,882,465
Bills payable (Note 12.1.2b)	3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings deposits	83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits	<u>200,113,923,063</u>	<u>186,214,259,099</u>
	<u>359,965,932,252</u>	<u>336,677,937,276</u>
<b>12.1.2a Current/Al-wadeeah current accounts and other accounts</b>		
Current/Al-wadeeah current accounts	25,529,345,048	24,733,889,452
Other demand deposit - Local currency	31,867,254,841	27,135,833,840
Other demand deposit - Foreign currencies	11,768,127,029	11,915,052,012
Foreign currency deposits	3,187,701,131	3,665,056,408
Unclaimed cash dividend	47,339,901	33,050,753
	<u>72,399,767,950</u>	<u>67,482,882,465</u>
<b>12.1.2b Bills payable</b>		
Bills payable - local currency	3,919,763,278	4,124,475,067
Bills payable - foreign currencies	38,712,851	43,439,884
Demand draft	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
<b>12.1.2c Fixed deposits/Mudaraba fixed deposits</b>		
Fixed deposits/Mudaraba fixed deposits	136,900,954,206	120,572,168,795
Special notice deposit	27,316,021,785	27,292,815,442
Foreign currency deposits (interest bearing)	4,075,123	4,075,058
Deposit under schemes	<u>35,898,353,864</u>	<u>38,349,237,560</u>
	<u>200,119,404,978</u>	<u>186,218,296,855</u>
<b>12.2 Payable on demand and time deposits</b>		
a) <b>Demand deposits</b>		
Current/Al-wadeeah current accounts and other accounts	26,651,180,578	25,660,498,342
Savings bank/Mudaraba savings deposits	7,514,438,860	7,093,159,268
Foreign currency deposits (non interest bearing)	14,955,828,160	15,580,108,420
Sundry deposits	31,867,254,841	27,135,833,840
Bills payable	<u>3,958,476,129</u>	<u>4,167,914,951</u>
	<u>84,947,178,568</u>	<u>79,637,514,821</u>
b) <b>Time deposits</b>		
Savings bank/Mudaraba savings deposits	75,979,326,250	71,719,721,493
Fixed deposits/Mudaraba fixed deposits	137,472,192,322	120,692,053,063
Foreign currency deposits (interest bearing)	4,075,123	4,075,058
Special notice deposit	27,316,021,785	27,292,815,442
Deposits under schemes	<u>35,898,353,864</u>	<u>38,349,237,560</u>
	<u>276,669,969,344</u>	<u>258,057,902,616</u>
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
<b>12.3 Sector-wise break-up of deposits and other accounts</b>		
Government	4,086,636,000	5,410,770,000
Deposit from banks	3,662,235	12,597,265



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Other public	2,170,366,000	1,782,720,000
Foreign currencies	16,640,687,644	16,628,468,502
Private	338,715,796,033	313,860,861,670
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
<b>12.4 Maturity-wise grouping</b>		
<b>12.4.1 Deposits from banks</b>		
Payable on demand	9,144,150	16,635,021
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>9,144,150</u>	<u>16,635,021</u>
<b>12.4.2 Customer deposits excluding bills payable</b>		
Payable on demand	3,360,693,703	2,693,370,311
Up to 1 month	50,825,459,774	42,388,296,755
Over 1 month but within 6 months	61,263,048,696	66,919,405,099
Over 6 months but within 1 year	95,996,253,877	72,574,460,352
Over 1 year but within 5 years	109,304,700,000	104,244,552,127
Over 5 years	36,904,853,498	44,690,782,821
	<u>357,655,009,548</u>	<u>333,514,905,221</u>
<b>12.4.3 Bills payable</b>		
Payable on demand	541,021,888	446,038,758
Up to 1 month	1,134,957,763	1,155,933,510
Over 1 month but within 6 months	2,282,496,478	2,565,942,683
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
<b>12(a) Consolidated Deposits and other accounts</b>		
<b>Current/AI-wadeeah current accounts and other accounts</b>		
Bank Asia PLC.	73,474,263,579	68,376,440,602
Bank Asia Securities Limited	535,465,276	527,347,378
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>74,009,728,855</u>	<u>68,903,787,980</u>
Less: Inter-company transactions	351,884,444	369,639,929
	<u>73,657,844,411</u>	<u>68,534,148,051</u>
<b>Bills payable</b>		
Bank Asia PLC.	3,958,476,129	4,167,914,951
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
<b>Savings bank/Mudaraba savings bank deposits</b>		
Bank Asia PLC.	83,493,765,110	78,812,880,761
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-

**Fixed deposits/Mudaraba fixed deposits**

Bank Asia PLC.	200,690,643,094	186,338,181,123
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>200,690,643,094</u>	<u>186,338,181,123</u>
	<u>361,800,728,744</u>	<u>337,853,124,886</u>

**13 Other liabilities**

Conventional and Islamic banking (Note 13.1)	48,322,044,007	41,692,136,095
Off-shore banking unit	17,744,316	9,058,202
	<u>48,339,788,323</u>	<u>41,701,194,297</u>

**13.1 Conventional and Islamic banking**

Provision for loans and advances/investments (Note 13.1.1)	21,798,000,000	19,080,000,001
Special general provision COVID-19 (Note 13.1.2)	618,000,000	530,000,000
Provision for off-balance sheet exposures (Note 13.1.3)	1,390,000,000	1,195,000,000
Interest suspense account (Note 13.1.4)	5,198,880,298	4,403,014,529
Provision for income tax including deferred tax (Note 13.1.5)	14,161,337,770	11,861,337,770
Provision for performance and festival bonus	576,776,576	475,942,033
Master card and Visa card payables	88,640,578	78,626,366
Expenditures and other payables	1,093,444,406	1,060,920,482
Provision for nostro accounts (Note 13.1.6)	-	-
Other payable	192,873,777	235,635,266
Provision for profit equalization	41,372,036	24,240,856
Provision for diminution in value of shares (Note 13.1.7)	453,383,553	363,383,553
Payable to Government	20,407,621	7,607,621
Provision for other assets (Note 13.1.8)	638,269,593	612,228,003
Provision for start up fund (Note 13.1.9)	102,303,097	78,344,687
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	972,850,838	806,303,263
Interest payable on subordinated non-convertible zero coupon bond	72,812,328	91,575,615
Fraction Bonus Share	1,608,744	1,608,744
Nostro account credit balance	36,535,507	377,278,975
Lease liabilities (Note 13.1.10)	796,847,285	341,388,331
	<u>48,322,044,007</u>	<u>41,692,136,095</u>

**13.1.1 Provision for loans and advances/investments****General provision****Conventional and Islamic:**

Balance as at 1 January	8,311,669,879	7,567,208,819
Add: Provision made during the year	2,278,393,012	2,846,924,060
Less: Transfer to Specific Provision	(4,584,498,643)	(2,102,463,000)
Balance as at 31 December	<u>6,005,564,248</u>	<u>8,311,669,879</u>

**Off-shore Banking Unit (OBU):**

Balance as at 1 January	250,867,121	295,499,181
Less: Provision no longer required	(78,431,369)	(44,632,060)
Balance as at 31 December	<u>172,435,752</u>	<u>250,867,121</u>

**A. Total general provision on loans and advances/investments**

	<u>6,178,000,000</u>	<u>8,562,537,000</u>
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## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>Specific provision</b>		
<b>Conventional and Islamic:</b>		
Balance as at 1 January	10,517,463,001	7,290,000,000
Add/ Back: Recoveries of amounts previously written off	326,055,141	347,148,119
Specific provision made during the year	4,174,053,607	1,726,641,239
Transfer from General Provision	4,584,498,643	2,102,463,000
Less: Write off/amicable settlement during the year	(4,019,955,005)	(948,789,357)
Balance as at 31 December	<u>15,582,115,387</u>	<u>10,517,463,001</u>
<b>Off-shore Banking Unit (OBU):</b>		
Balance as at 1 January	-	-
Add: Provision made during the year	37,884,613	-
Less: Provision no longer required	-	-
Balance as at 31 December	<u>37,884,613</u>	<u>-</u>
<b>B. Total Specific provision on loans and advances/investments</b>	<u>15,620,000,000</u>	<u>10,517,463,001</u>
<b>C. Total provision on loans and advances/investments (A+B)</b>	<u>21,798,000,000</u>	<u>19,080,000,001</u>
<b>13.1.2 Special general provision COVID-19</b>		
Balance as at 1 January	530,000,000	865,000,000
Adjustment made during the year	88,000,000	(335,000,000)
Balance as at 31 December	<u>618,000,000</u>	<u>530,000,000</u>
Special general provision COVID-19 is maintained as per BRPD circular letter no. 56 dated December 10, 2020, BRPD circular letter no. 53 dated December 30, 2021 and BRPD circular letter no. 53 dated December 22, 2022.		
<b>13.1.2(a) Consolidated Provision for loans and advances/investments</b>		
Balance at 1 January	20,464,937,819	16,772,645,818
Add/ Back: Recoveries of amounts previously written off	326,055,141	347,148,119
Add: Provision made during the year		
Bank Asia PLC.	6,578,331,232	4,193,933,239
Bank Asia Securities Limited	54,752,648	102,666,901
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,633,083,880</u>	<u>4,296,600,140</u>
	27,424,076,840	21,416,394,077
Less: Write off/amicable settlement during the year	(4,019,955,005)	(948,789,357)
Less: Adjustments of provision made during the year		
Bank Asia PLC.	(78,431,369)	-
Bank Asia Securities Limited	-	(2,666,901)
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>(78,431,369)</u>	<u>(2,666,901)</u>
Balance as at 31 December	<u>23,325,690,466</u>	<u>20,464,937,819</u>
<b>13.1.3 Provision for off-balance sheet exposures</b>		
Balance at 1 January	1,194,434,782	1,489,834,144
Add: Provision made during the year	195,488,550	-
	<u>1,389,923,332</u>	<u>1,489,834,144</u>
Less: Adjustments made during the year	-	(295,399,362)
Balance as at 31 December	<u>1,389,923,332</u>	<u>1,194,434,782</u>

Provision maintained for OBU as at 01 January	565,218	165,856
Add: Provision made during the year	-	399,362
Less: Adjustments made during the year	(488,550)	-
	<u>76,668</u>	<u>565,218</u>
Balance as at 31 December	<u>1,390,000,000</u>	<u>1,195,000,000</u>

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.

### 13.1.4 Interest suspense account

Balance at 1 January	4,403,014,529	4,266,332,789
Add: Amount transferred to interest suspense account during the year	3,432,144,492	2,070,004,711
	<u>7,835,159,021</u>	<u>6,336,337,500</u>
Less: Amount of interest suspense recovered	1,844,184,331	1,784,029,284
Interest waiver during the year	792,094,392	149,293,687
	<u>2,636,278,723</u>	<u>1,933,322,971</u>
Balance as at 31 December	<u>5,198,880,298</u>	<u>4,403,014,529</u>

### 13.1.5 Provision for taxation

Current tax (Note 13.1.5(a))	13,689,316,405	11,389,316,405
Deferred tax (Note 13.1.5(c))	472,021,365	472,021,365
	<u>14,161,337,770</u>	<u>11,861,337,770</u>

#### 13.1.5(a) Provision for current tax

Balance at 1 January	11,389,316,405	10,184,393,154
Add: Provision made during the year	2,300,000,000	3,500,000,000
	<u>13,689,316,405</u>	<u>13,684,393,154</u>
Less: Adjustments made during the year	-	2,295,076,749
Balance as at 31 December	<u>13,689,316,405</u>	<u>11,389,316,405</u>

#### 13.1.5(b) Consolidated Provision for current tax

Balance as at 1 January	11,714,373,370	10,479,561,029
Add: Provision made during the year		
Bank Asia PLC.	2,300,000,000	3,500,000,000
Bank Asia Securities Limited	51,108,689	67,972,708
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,351,108,689</u>	<u>3,567,972,708</u>
	<u>14,065,482,059</u>	<u>14,047,533,737</u>
Less: Adjustments made during the year		
Bank Asia PLC.	-	2,295,076,749
Bank Asia Securities Limited	91,905,680	38,083,618
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>91,905,680</u>	<u>2,333,160,367</u>
Balance as at 31 December	<u>13,973,576,379</u>	<u>11,714,373,370</u>

#### 13.1.5(c) 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>

31-Dec-23

31-Dec-22

**13.1.5(d) Deferred Tax (asset)/liability**

Particulars	Book value	Tax Base	(Deductible)/ Taxable		
Opening Balance					
Deferred Tax Asset				(2,958,036,469)	(2,050,312,500)
Deferred Tax Liability				640,260,273	824,420,883
Net Deferred Tax Asset				(2,317,776,196)	(1,225,891,617)

**Net Deferred Tax Asset as at December 31, 2023**

Deferred Tax Asset:					
Loan loss provision	15,620,000,000	-	(11,715,000,000)	(4,393,125,000)	(2,958,036,469)
Closing balance for the year (a)				(4,393,125,000)	(2,958,036,469)

Deferred Tax Liability:					
Interest receivable	2,065,511,014	-	2,065,511,014	774,566,630	486,427,233
Fixed assets	3,221,716,147	2,981,579,940	240,136,207	90,051,078	134,006,405
Right-of-use assets	(2,187,568)	-	(2,187,568)	(820,338)	19,826,635
Closing balance for the year (b)				863,797,370	640,260,273

**Net Deferred Tax Asset as at December 31, 2023 (a+b)**

Movement for the year				(3,529,327,630)	(2,317,776,196)
Opening deferred tax assets				(2,958,036,469)	(2,050,312,500)
Closing deferred tax assets				(4,393,125,000)	(2,958,036,469)
Changes for the year				(1,435,088,531)	(907,723,969)
Opening deferred tax liabilities				640,260,273	824,420,883
Closing deferred tax liabilities				863,797,370	640,260,273
Changes for the year				223,537,097	(184,160,610)
Changes during the year				(1,211,551,434)	(1,091,884,579)

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.

**13.1.5(f) Reconciliation of effective tax rate**

	2023		2022	
	%	Amount	%	Amount
Profit before provision		11,530,740,833		10,694,804,944
Income Tax as per applicable tax rate	37.50%	4,324,027,812	37.50%	4,010,551,854
Tax exempted income (on govt. treasury securities)	-2.07%	(238,906,782)	-0.19%	(19,998,890)
On probable deductible/non deductible expenses	-15.48%	(1,785,121,030)	-4.59%	(490,552,964)
	19.95%	2,300,000,000	32.73%	3,500,000,000

### 13.1.5(g) Consolidated Reconciliation of effective tax rate

	2023		2023	
	%	Amount	%	Amount
Profit before provision		11,719,612,855		10,869,236,428
Income Tax as per applicable tax rate	37.50%	4,394,854,821	37.50%	4,075,963,661
Tax exempted income (on govt. treasury securities)	-2.04%	(238,906,782)	-0.18%	(19,998,890)
On probable deductible/non deductible expenses	-15.40%	(1,804,839,350)	-4.49%	(487,992,063)
	20.06%	2,351,108,689	32.83%	3,567,972,708

### 13.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months. Details of unrecognized entries are shown in Annex I.

### 13.1.7 Provision for diminution in value of shares

Balance as at 1 January	363,383,553	363,383,553
Add: Provision made during the year	90,000,000	-
Adjustment during the year	-	-
Balance as at 31 December	453,383,553	363,383,553

Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	429,314,378	234,605,554
Provision maintained	453,383,553	363,383,553
Surplus provision maintained	24,069,175	128,777,999

### 13.1.8 Provision for other assets

Balance as at 1 January	612,228,003	393,106,522
Add: Provision made during the year	26,041,590	219,121,481
Adjustment during the year	-	-
Balance as at 31 December	638,269,593	612,228,003

Provision requirement	501,813,218	514,840,623
Provision maintained	638,269,593	612,228,003
Surplus provision maintained	136,456,375	97,387,380

(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 4 dated April 12, 2022)

### 13.1.9 Provision for start up fund

Balance as at 1 January	78,344,687	47,466,168
Add: Provision made during the year		
For the year 2022 (1% of profit after tax)	-	30,878,519
For the year 2023 (1% of profit after tax)	23,958,410	-
Adjustment during the year	-	-
Balance as at 31 December	102,303,097	78,344,687

(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)

### 13.1.10 Lease liabilities

Balance as at 1 January	341,388,331	467,223,023
Add: Addition during the year	792,458,162	180,064,817
Add: Interest charge during the year	150,849,047	104,674,165
Less: Payment made during the year	487,848,255	410,573,674
Balance as at 31 December	796,847,285	341,388,331



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
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).		
<b>13(a) Consolidated Other liabilities</b>		
Bank Asia PLC.	48,339,788,323	41,701,194,297
Bank Asia Securities Limited	2,262,399,192	2,259,945,347
BA Exchange Company (UK) Limited	62,507,577	65,969,666
BA Express USA, Inc	373,157,891	270,814,608
	<u>51,037,852,983</u>	<u>44,297,923,918</u>
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	69,189,416	56,646,548
BA Express USA, Inc	290,897,132	200,189,787
	<u>50,677,766,435</u>	<u>44,041,087,583</u>
<b>14 Share capital</b>		
<b>14.1 Authorized capital</b>		
1,500,000,000 ordinary shares of Taka 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
<b>14.2 Issued, subscribed and fully paid up capital</b>		
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>
<b>14.3 Initial public offer (IPO)</b>		
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		
<b>14.4 Capital to risk-weighted asset</b>		
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		
<b>Common Equity Tier -1 capital (Going-Concern Capital)</b>	In line of Basel III	In line of Basel III
Paid up capital	11,659,068,600	11,659,068,600
Statutory reserve (Note 15)	11,750,000,000	11,750,000,000
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	3,416,739,131	3,105,969,227
	<u>26,833,973,875</u>	<u>26,523,203,971</u>
<b>Less: Regulatory adjustments</b>		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	41,133,300	39,626,140
Common Equity Tier -1 capital (Going-Concern Capital)	<u>26,792,840,575</u>	<u>26,483,577,831</u>
<b>Additional Tier 1 Capital</b>		-
Perpetual bond	3,680,250,000	3,340,000,000
<b>Total Tier- 1 Capital</b>	<u>30,473,090,575</u>	<u>29,823,577,831</u>

**Tier - 2 Capital (Gone-Concern Capital)**

General provision maintained against unclassified loan/investments	6,796,000,000	9,092,537,000
General provision on off-balance sheet exposure	1,390,000,000	1,195,000,000
Subordinated non-convertible zero coupon bonds (as per Annex 4 of Basel III)	2,000,000,000	6,000,000,000
<b>Total Tier- 2 Capital available</b>	<b>10,186,000,000</b>	<b>16,287,537,000</b>
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	18,322,950,800	17,752,452,437
Adjustment as per RBCA Guideline	-	-
<b>Total admissible Tier-2 Capital</b>	<b>10,186,000,000</b>	<b>16,287,537,000</b>

<b>A) Total capital</b>	40,659,090,575	46,111,114,831
<b>B) Total risk weighted assets (RWA)</b>	247,185,581,946	260,486,878,311
<b>C) Minimum total capital requirement 10%</b>	24,718,558,195	26,048,687,831
<b>D) Capital surplus (A-C)</b>	15,940,532,380	20,062,427,000
<b>E) Minimum total capital plus capital conservation buffer requirement @ 12.50%</b>	30,898,197,743	32,560,859,789
<b>F) Capital surplus (A-E) with capital conservation buffer</b>	9,760,892,832	13,550,255,042
<b>Capital to risk weighted asset ratio</b>		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	10.84%	10.17%
Tier- 1 to RWA ( minimum 6% under Basel III)	12.33%	11.45%
Capital to Risk Weighted Assets against minimum requirement 10%	16.45%	17.70%

**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

**Common Equity Tier -1 capital (Going-Concern Capital)**

	In line of Basel III	In line of Basel III
Paid up capital	11,659,068,600	11,659,068,600
Non-controlling (Minority) interest	10,297	10,285
Statutory reserve (Note 15)	11,750,000,000	11,750,000,000
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	3,350,452,926	2,957,002,831
	26,767,697,967	26,374,247,860

**Less: Regulatory adjustments**

Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	41,133,300	39,626,140
Common Equity Tier -1 capital (Going-Concern Capital)	26,726,564,667	26,334,621,720
Perpetual bond	-	-
<b>Additional Tier 1 Capital</b>	<b>3,680,250,000</b>	<b>3,340,000,000</b>
<b>Total Tier- 1 Capital</b>	<b>30,406,814,667</b>	<b>29,674,621,720</b>

**Tier - 2 Capital (Gone-Concern Capital)**

General provision maintained against unclassified loan/investments	6,796,000,000	9,092,537,000
General provision on off-balance sheet exposure	1,390,000,000	1,195,000,000
Subordinated non-convertible zero coupon bonds	2,000,000,000	6,000,000,000
<b>Total Tier- 2 Capital available</b>	<b>10,186,000,000</b>	<b>16,287,537,000</b>
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	18,222,911,011	17,560,159,598
Adjustment as per RBCA Guideline	-	-
<b>Total admissible Tier-2 Capital</b>	<b>10,186,000,000</b>	<b>16,287,537,000</b>
<b>A) Total capital</b>	<b>40,592,814,667</b>	<b>45,962,158,720</b>
<b>B) Total risk weighted assets (RWA)</b>	<b>249,036,238,180</b>	<b>263,181,642,862</b>
<b>C) Minimum total capital requirement 10%</b>	<b>24,903,623,818</b>	<b>26,318,164,286</b>
<b>D) Capital surplus (A-C)</b>	<b>15,689,190,849</b>	<b>19,643,994,434</b>
<b>E) Minimum total capital plus capital conservation buffer requirement @ 12.50%</b>	<b>31,129,529,773</b>	<b>32,897,705,358</b>
<b>F) Capital surplus (A-E) with capital conservation buffer</b>	<b>9,463,284,894</b>	<b>13,064,453,362</b>
<b>Capital to risk weighted asset ratio</b>		

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Common Equity Tier- 1 to RWA ( minimum 4.5% under Basel III)	10.73%	10.01%
Tier- 1 to RWA ( minimum 6% under Basel III)	12.21%	11.28%
Capital to Risk Weighted Assets against minimum requirement 10%	16.30%	17.46%

### 14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2023		At 31 December 2022	
	No. of shares	%	No. of shares	%
Sponsors & Directors	621,477,148	53.30	622,067,148	53.35
General Public	123,148,457	10.56	123,526,402	10.59
Institutions	270,404,806	23.19	304,842,383	26.15
Investment Companies	148,291,676	12.72	111,733,939	9.58
Non-resident Bangladeshi	710,846	0.06	1,310,082	0.11
Foreign Investors	1,873,927	0.16	2,426,906	0.21
	1,165,906,860	100	1,165,906,860	100

### 14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Less than 5,000	5,506	5,709	0.50	0.52
5,000 to 50,000	1,282	1,303	1.54	1.57
50,001 to 100,000	93	89	0.58	0.56
100,001 to 200,000	46	49	0.56	0.59
200,001 to 300,000	17	23	0.36	0.50
300,001 to 400,000	17	16	0.51	0.48
400,001 to 500,000	7	7	0.27	0.27
500,001 to 1,000,000	34	35	2.06	2.17
1,000,001 to 10,000,000	75	68	23.41	21.83
Over 10,000,000	28	28	70.21	71.50
	7,105	7,327	100.00	100.00

### 14.7 Name of the Directors and their shareholdings as at 31 December 2023

SI	Name of the director	Status	Closing position	Opening position
1	Mr. Romo Rouf Chowdhury	Chairman	23,323,746	23,323,746
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Ms. Zakia Rouf Chowdhury (Representing Amiran Generations Limited)	Vice Chairman	47,558,630	47,558,630
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. Romana Rouf Chowdhury (Representing MAYA Limited)	Director	41,679,196	41,679,196
7	Ms. Farhana Haq	Director	58,230,519	58,230,519
8	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	25,959,122	25,959,122
9	Mr. Nafees Khundker	Director	24,784,734	24,784,734
10	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
11	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-
12	Mr. Md. Abul Quasem (Independent Director)	Director	-	-
13	Mr. M. A. Baqui Khalily (Independent Director)	Director	-	-
14	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-	-

### 15 Statutory reserve

Balance at the beginning of the year	11,750,000,000	10,725,443,940
Add: Addition during the year	-	1,024,556,060
Balance at the end of the year	<u>11,750,000,000</u>	<u>11,750,000,000</u>

### 15.1 General and other reserve

Bank Asia PLC.	<u>8,166,144</u>	<u>8,166,144</u>
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**15.1(a) Consolidated General and other reserve**

Bank Asia PLC.	8,166,144	8,166,144
Bank Asia Securities Limited		
Opening Balance	1,760,387	150,947
Addition during the year	330,482	1,609,440
Adjustment made during the year	-	-
Closing Balance	2,090,869	1,760,387
	<u>10,257,013</u>	<u>9,926,531</u>

**16 Revaluation reserve**

HTM securities (Note 16.1)	107,009,414	82,779,825
HFT securities (Note 16.2)	755,333,928	157,340,380
Fixed Assets revaluation (Note 16.3)	1,823,211,667	1,876,926,919
	<u>2,685,555,009</u>	<u>2,117,047,124</u>

**16.1 Revaluation reserve on HTM securities**

Balance at 1 January	82,779,825	61,048,535
Gain from revaluation on investments	25,471,804	25,706,970
Adjustment for sale/maturity of securities	(1,242,215)	(3,975,680)
	<u>107,009,414</u>	<u>82,779,825</u>

**16.2 Revaluation reserve on HFT securities**

Balance at 1 January	157,340,380	167,454,171
Gain from revaluation on investments	1,352,950,551	449,360,664
Adjustment for sale/maturity of securities	(754,957,003)	(459,474,455)
	<u>755,333,928</u>	<u>157,340,380</u>

**16.3 Revaluation reserve on Fixed Assets**

Balance at 1 January	1,876,926,919	1,930,642,171
Depreciation charged during the year	(53,715,252)	(53,715,252)
	<u>1,823,211,667</u>	<u>1,876,926,919</u>

**16 (a) Consolidated Revaluation reserve**

Bank Asia PLC.	2,685,555,009	2,117,047,124
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,685,555,009</u>	<u>2,117,047,124</u>

**17 Retained earnings**

Balance at 1 January	3,105,969,227	2,804,815,058
Add: Post - tax profit for the year	2,395,840,970	3,045,871,705
Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
	5,555,525,449	5,904,402,015
Less: Issue of cash dividend for the year 2021	-	1,748,860,290
Issue of cash dividend for the year 2022	1,748,860,290	-
Transfer to statutory reserve	-	1,024,556,060
Coupon/dividend on perpetual bond	389,926,028	25,016,438
	2,138,786,318	2,798,432,788
	<u>3,416,739,131</u>	<u>3,105,969,227</u>

**17(a) Consolidated Retained earnings**

Balance at 1 January	2,957,002,831	2,650,999,337
Add: Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
Post- tax profit for the year	2,478,851,655	3,052,330,481
Less: Non controlling interest	12	11
	5,489,569,726	5,757,045,059
Less: Issue of cash dividend for the year 2021	-	1,748,860,290
Issue of cash dividend for the year 2022	1,748,860,290	-
Transferred to statutory reserve	-	1,024,556,060
Coupon/dividend on perpetual bond	389,926,028	25,016,438

## Notes to the financial statements

	Amount in Taka	
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Transferred to General and other reserve	330,482	1,609,440
	2,139,116,800	2,800,042,228
	<u>3,350,452,926</u>	<u>2,957,002,831</u>
<b>17(b) Non-controlling (Minority) interest</b>		
Bank Asia Securities Limited	10,297	10,285
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>10,297</u>	<u>10,285</u>
<b>18 Contingent liabilities</b>		
Conventional and Islamic banking	152,117,045,333	153,506,750,679
Off-shore banking unit	7,666,752	56,521,785
	<u>152,124,712,085</u>	<u>153,563,272,464</u>
<b>18.1 Acceptances and endorsements</b>		
Conventional and Islamic banking	57,164,035,754	57,446,507,689
Off-shore banking unit	-	14,488,854
	<u>57,164,035,754</u>	<u>57,460,996,543</u>
<b>18.2 Letters of guarantee (Note 18.2.1)</b>		
Conventional and Islamic banking	31,447,176,388	38,211,461,475
Off-shore banking unit	2,985,627	667,610
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
<b>18.2.1 Letters of guarantee</b>		
Letters of guarantee (Local)	21,545,790,114	22,825,157,280
Letters of guarantee (Foreign)	9,904,371,901	15,386,971,805
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	19,991,541,105	26,475,797,111
Banks and other financial institutions	1,836,041,269	1,968,793,268
Others	9,622,579,641	9,767,538,706
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
<b>18.3 Irrevocable letters of credit (Note 18.3.1)</b>		
Conventional and Islamic banking	37,276,451,790	28,759,170,485
Off-shore banking unit	4,681,125	16,079,604
	<u>37,281,132,915</u>	<u>28,775,250,089</u>
<b>18.3.1 Irrevocable letters of credit)</b>		
Letters of credit Back to Back (Inland)	4,011,792,181	3,399,516,690
Letters of credit (General)	29,662,670,307	21,707,977,273
Back to back L/C	3,606,670,427	3,667,756,126
	<u>37,281,132,915</u>	<u>28,775,250,089</u>
<b>18.4 Bills for collection (Note 18.4.1)</b>		
Conventional and Islamic banking	21,416,723,231	27,331,428,035
Off-shore banking unit	-	25,285,717
	<u>21,416,723,231</u>	<u>27,356,713,752</u>
<b>18.4.1 Bills for collection</b>		
Local bills for collection	12,514,814,420	16,968,980,243
Foreign bills for collection	8,901,908,811	10,387,733,509
	<u>21,416,723,231</u>	<u>27,356,713,752</u>
<b>18.5 Other commitments</b>		
Forward Assets Purchased and Forward Deposits Placed	4,812,658,170	1,758,182,995

## 18.6 Workers' profit participation fund (WPPF)

As per Bangladesh Labour Act 2006, 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 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)	31,131,854,155	26,605,150,451
Dividend income (Note 22.1)	527,036,928	88,244,680
Fees, commission and brokerage (Note 19.2)	2,014,271,351	1,825,653,628
Gains/ less Losses arising from investment securities	4,700,426	415,604
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	2,963,129,653	5,490,530,270
Other operating income (Note 24)	1,386,508,710	1,138,685,128
	<u>38,027,501,223</u>	<u>35,148,679,761</u>

### Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	17,053,991,947	14,916,319,233
Administrative expenses (Note 19.3)	6,372,671,635	6,116,677,750
Other expenses (Note 34)	2,168,700,864	2,582,537,751
Depreciation on banks assets (Note 33.1)	901,395,944	838,340,083
	<u>26,496,760,390</u>	<u>24,453,874,817</u>
	<u>11,530,740,833</u>	<u>10,694,804,944</u>

### 19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	23,287,064,761	20,423,046,139
Interest on treasury bills/reverse repo/bills	6,861,966,767	5,583,800,846
Interest income on corporate bonds	134,413,617	342,470,619
Interest on debentures	211,324,258	202,502,475
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	637,084,752	53,330,372
	<u>31,131,854,155</u>	<u>26,605,150,451</u>

### 19.2 Fees, commission and brokerage

Commission	2,014,271,351	1,825,653,628
Brokerage	-	-
	<u>2,014,271,351</u>	<u>1,825,653,628</u>

### 19.3 Administrative expenses

Salaries and allowances (Note 25)	5,243,365,548	5,045,556,865
Rent, taxes, insurance, electricity, etc (Note 26)	625,902,063	578,252,761
Legal expenses (Note 27)	28,538,049	25,413,828
Postage, stamp, telecommunication, etc (Note 28)	190,046,039	153,111,892
Stationery, printing, advertisement, etc (Note 29)	168,260,355	174,289,799
Managing Director's salary and fees (Note 30)	13,510,000	18,854,125
Directors' fees (Note 31)	3,776,000	3,024,000
Auditors' fees (Note 32)	1,753,000	955,000
Repair of Bank's assets (Note 33.1)	97,520,581	117,219,480
	<u>6,372,671,635</u>	<u>6,116,677,750</u>

As per BRPD circular letter no. 28 dated 26 July 2022 the expenditure on fuel and electricity was Tk. 61.26 mln for the period January to June 2023 which was Tk 76.82 mln for the period July to December 2022. And as BRPD circular letter no. 30 date 27 July 2022 the expenditure on entertainment, printing & stationeries, business travelling expenses was Tk. was Tk. 103.65 mln for the period January to June 2023 which was Tk. 127.21 mln for the period July to December 2022. On an overall basis, the bank has taken initiative to save extra cost against total target costs for the second half of 2022 under BRPD circular no. 28 dated July 26, 2022 and 30 dated July 27, 2022.

## 20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	21,923,476,190	19,005,809,058
Off-shore banking unit	2,115,485,037	1,452,752,732
	<u>24,038,961,227</u>	<u>20,458,561,790</u>
Less: inter transaction between OBU and Conventional banking	751,896,466	35,515,651
	<u>23,287,064,761</u>	<u>20,423,046,139</u>



31-Dec-23

31-Dec-22

**20.1 Conventional and Islamic banking**

Agricultural loan	433,690,863	319,316,834
Cash credit/Bai Murabaha (Muajjal)	457,806,251	385,901,543
Credit card	524,546,287	449,958,131
Credit for poverty alleviation scheme-micro credit	69,855	109,760
Consumer credit scheme	1,489,864,296	1,381,621,172
Demand loan	3,475,512,667	2,078,318,118
Export Development Fund (EDF)	367,283,133	313,368,284
House building loan	99,163,597	130,161,666
Loans (General)	2,449,757,885	2,321,183,500
Loans against trust receipts/ Bai Murabaha post import	622,839,650	768,551,032
Overdrafts/ Guard against scheme	2,840,440,544	2,745,803,049
Packing credit	41,667,434	56,008,697
Payment against documents	8,655,479	20,035,972
Staff loan	84,282,807	87,177,151
Transport loan	169,479,525	169,834,986
Term loan- industrial	2,282,367,829	2,185,309,996
Term loan- others	2,558,002,108	2,249,608,284
Foreign bills purchased	6,296,350	35,128,242
Local bills purchased	91,730,548	121,156,955
Loan Under Covit-19 Stimulus Package	161,992,224	496,557,597
Total interest/profit on loans and advances/investments	18,165,449,332	16,315,110,969
Interest/profit on balance with other banks and financial institutions	3,577,546,395	2,668,233,248
Interest/profit received from foreign banks	180,480,463	22,464,841
	<u>21,923,476,190</u>	<u>19,005,809,058</u>

**20(a) Consolidated Interest income/profit on investments**

Bank Asia PLC.	23,287,064,761	20,423,046,139
Bank Asia Securities Ltd	209,526,705	160,281,453
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>23,496,591,466</u>	<u>20,583,327,592</u>
Less: Inter-company transactions	115,993,009	98,878,292
	<u>23,380,598,457</u>	<u>20,484,449,300</u>

**21 Interest paid/profit shared on deposits and borrowings etc.**

Conventional and Islamic banking (Note 21.1)	16,172,350,460	13,937,691,785
Off-shore banking unit	1,633,537,953	1,014,143,099
	<u>17,805,888,413</u>	<u>14,951,834,884</u>
Less: inter transaction with OBU	751,896,466	35,515,651
	<u>17,053,991,947</u>	<u>14,916,319,233</u>

**21.1 Conventional and Islamic banking**

**Interest paid/profit shared on deposits**

Fixed deposits/ Mudaraba Fixed deposit	8,067,838,221	5,993,819,357
Scheme deposits	4,849,310,932	5,218,663,228
Sanchaya plus	47,774,709	43,627,266
Savings deposits/ Mudaraba Savings bank	1,641,610,137	1,416,936,278
Special notice deposits	830,857,059	643,052,201
	<u>15,437,391,058</u>	<u>13,316,098,330</u>

**Interest on borrowings and others**

Local banks including Bangladesh Bank	249,765,582	51,521,260
Interest on subordinated non-covertable bond	477,993,422	567,929,314
Foreign banks	7,200,398	2,142,881
	<u>734,959,402</u>	<u>621,593,455</u>

	16,172,350,460	13,937,691,785
<b>21(a) Consolidated Interest Expenses/profit paid on Deposits</b>		
Bank Asia PLC.	17,053,991,947	14,916,319,233
Bank Asia Securities Limited	129,341,894	119,900,685
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	<u>17,183,333,841</u>	<u>15,036,219,918</u>
Less: Inter-company transactions	115,993,009	98,878,292
	<u>17,067,340,832</u>	<u>14,937,341,626</u>
<b>22 Investment income</b>		
Conventional and Islamic banking (Note 22.1)	8,376,526,748	6,270,764,596
Off-shore banking unit	-	-
	<u>8,376,526,748</u>	<u>6,270,764,596</u>
<b>22.1 Conventional and Islamic Banking</b>		
Interest on treasury bills	1,060,082,625	1,829,572,795
Interest on treasury bonds	4,645,319,271	3,505,721,296
Interest income on corporate bonds	134,413,617	342,470,619
Interest on Islamic bonds	-	1,300,991
Capital gain from investment in shares	4,700,426	415,604
Dividend on shares	527,036,928	88,244,680
Profit on Govt Investment SUKUK	211,324,258	202,502,475
Capital gain on Government securities	637,084,752	53,330,372
Interest on reverse repo	1,156,564,871	247,205,764
	<u>8,376,526,748</u>	<u>6,270,764,596</u>
Interest income derived from perpetual bond investment is shown as dividend income in the year 2023.		
<b>22(a) Consolidated investment income</b>		
Bank Asia PLC.	8,376,526,748	6,270,764,596
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>8,376,526,748</u>	<u>6,270,764,596</u>
Less: Inter-company transactions	-	-
	<u>8,376,526,748</u>	<u>6,270,764,596</u>
<b>23 Commission, exchange and brokerage</b>		
Conventional and Islamic banking (Note 23.1)	4,986,368,757	7,259,202,384
Off-shore banking unit	(8,967,753)	56,981,514
	<u>4,977,401,004</u>	<u>7,316,183,898</u>
<b>23.1 Conventional and Islamic Banking</b>		
Commission on L/C	702,561,841	276,791,670
Commission on back to back L/C against Export	679,468,384	819,708,152
Fees and commission including Export	286,727,194	288,985,233
Commission on L/G	305,786,556	329,703,175
Commission on Export	11,343,710	11,845,859
Commission on PO, DD, TT, TC, etc	26,965,300	35,422,694
Other commission	10,386,119	6,215,331
	<u>2,023,239,104</u>	<u>1,768,672,114</u>
Foreign exchange gain	2,963,129,653	5,490,530,270
	<u>4,986,368,757</u>	<u>7,259,202,384</u>
<b>23(a) Consolidated Commission, exchange and brokerage</b>		
Bank Asia PLC.	4,977,401,004	7,316,183,898
Bank Asia Securities Ltd	142,385,428	195,774,974
BA Exchange Company (UK) Limited	41,310,306	27,725,518
BA Express USA, Inc	182,355,226	115,659,529
	<u>5,343,451,964</u>	<u>7,655,343,919</u>

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>24 Other operating income</b>		
Conventional and Islamic banking (Note 24.1)	1,371,628,170	1,127,546,959
Off-shore banking unit	14,880,540	11,138,169
	<u>1,386,508,710</u>	<u>1,138,685,128</u>
<b>24.1 Conventional and Islamic banking</b>		
Locker charge	13,345,790	12,967,350
Service and other charges	738,001,076	553,433,147
Master/Visa card fees and charges	440,010,726	359,977,730
Postage/telex/SWIFT/fax recoveries	119,250,265	123,266,754
Non-operating income	21,808,332	22,489,892
Rebate on nostro account	39,211,981	55,412,086
	<u>1,371,628,170</u>	<u>1,127,546,959</u>
<b>24 (a) Consolidated other operating income</b>		
Bank Asia PLC.	1,386,508,710	1,138,685,128
Bank Asia Securities Ltd	45,654,677	76,835,465
BA Exchange Company (UK) Limited	1,818,534	2,205,291
BA Express USA, Inc	637,525	207,532
	<u>1,434,619,446</u>	<u>1,217,933,416</u>
<b>25 Salaries and allowances</b>		
Conventional and Islamic banking (Note 25.1)	5,232,723,857	5,036,303,827
Off-shore banking unit	10,641,691	9,253,038
	<u>5,243,365,548</u>	<u>5,045,556,865</u>
<b>25.1 Conventional and Islamic banking</b>		
Basic salary	1,999,902,824	1,696,369,921
Allowances	1,809,527,332	1,636,072,591
Festival bonus	349,939,006	255,435,041
Gratuity	380,000,000	865,326,617
Provident fund contribution	193,354,695	163,099,657
Performance bonus	500,000,000	420,000,000
	<u>5,232,723,857</u>	<u>5,036,303,827</u>
<b>25(a) Consolidated Salaries and allowances</b>		
Bank Asia PLC.	5,243,365,548	5,045,556,865
Bank Asia Securities Ltd	109,121,769	92,687,337
BA Exchange Company (UK) Limited	18,728,738	14,381,908
BA Express USA, Inc	36,707,151	27,681,514
	<u>5,407,923,206</u>	<u>5,180,307,624</u>
<b>26 Rent, taxes, insurance, electricity etc.</b>		
Conventional and Islamic banking (Note 26.1)	625,571,610	577,966,746
Off-shore banking unit	330,453	286,015
	<u>625,902,063</u>	<u>578,252,761</u>
<b>26.1 Rent, taxes, insurance, electricity etc.</b>		
Rent expenses (26.1.1)	512,261,274	493,825,552
Insurance	319,571,108	267,239,390
Power and electricity	131,068,889	123,087,328
	<u>962,901,271</u>	<u>884,152,270</u>
Less: Adjustment as per "IFRS 16: Leases"	487,848,255	410,573,674
Add: Interest portion on lease liabilities	150,849,047	104,674,165
	<u>625,902,063</u>	<u>578,252,761</u>
<b>26.1.1 The amount represents actual rent expense before adjustment as per IFRS 16: Leases. Business segment wise actual rent expense is given below:</b>		
Conventional banking	497,353,434	481,980,758
Islamic banking	14,577,387	11,558,779

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Off-shore banking unit	330,453	286,015
	<u>512,261,274</u>	<u>493,825,552</u>
<b>26(a) Consolidated Rent, taxes, insurance, electricity etc.</b>		
Bank Asia PLC.	625,902,063	578,252,761
Bank Asia Securities Ltd	8,514,432	9,152,626
BA Exchange Company (UK) Limited	5,761,664	3,479,995
BA Express USA, Inc	19,835,872	16,020,697
	<u>660,014,031</u>	<u>606,906,079</u>
<b>27 Legal expenses</b>		
Conventional and Islamic banking (Note 27.1)	28,538,049	25,338,865
Off-shore banking unit	-	74,963
	<u>28,538,049</u>	<u>25,413,828</u>
<b>27.1 Conventional and Islamic Banking</b>		
Legal expenses	28,538,049	25,338,865
Other professional charges	-	-
	<u>28,538,049</u>	<u>25,338,865</u>
<b>27(a) Consolidated Legal expenses</b>		
Bank Asia PLC.	28,538,049	25,413,828
Bank Asia Securities Ltd	149,685	665,869
BA Exchange Company (UK) Limited	334,965	263,670
BA Express USA, Inc	80,156	-
	<u>29,102,855</u>	<u>26,343,367</u>
<b>28 Postage, stamps, telecommunication etc.</b>		
Conventional and Islamic banking (Note 28.1)	189,517,244	152,491,855
Off-shore banking unit	528,795	620,037
	<u>190,046,039</u>	<u>153,111,892</u>
<b>28.1 Conventional and Islamic banking</b>		
Telephone, courier and postage	108,363,242	92,799,799
Master/VISA card process fee	35,737,937	27,108,934
ATM charge	4,104,013	3,584,107
SWIFT and Reuter charge	37,153,535	24,427,936
Internet	4,158,517	4,571,079
	<u>189,517,244</u>	<u>152,491,855</u>
<b>28(a) Consolidated Postage, stamps, telecommunication etc.</b>		
Bank Asia PLC.	190,046,039	153,111,892
Bank Asia Securities Ltd	2,897,719	2,601,323
BA Exchange Company (UK) Limited	397,563	354,215
BA Express USA, Inc	991,220	1,423,372
	<u>194,332,541</u>	<u>157,490,802</u>
<b>29 Stationery, printing, advertisements etc.</b>		
Conventional and Islamic banking (Note 29.1)	168,127,269	174,196,354
Off-shore banking unit	133,086	93,445
	<u>168,260,355</u>	<u>174,289,799</u>
<b>29.1 Conventional and Islamic banking</b>		
Office and security stationery	69,905,632	68,834,997
Calendar, diary, souvenir, etc	20,000,000	23,348,620
ATM card /Supplies And Stationeries	46,207,614	26,457,880
Books and periodicals	1,563,648	1,991,278
Publicity and advertisement	30,450,375	53,563,579
	<u>168,127,269</u>	<u>174,196,354</u>

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
<b>29(a) Consolidated Stationery, printing, advertisements etc.</b>		
Bank Asia PLC.	168,260,355	174,289,799
Bank Asia Securities Ltd	919,535	660,159
BA Exchange Company (UK) Limited	2,276,829	1,705,328
BA Express USA, Inc	2,905,353	1,016,427
	<u>174,362,072</u>	<u>177,671,713</u>
<b>30 Managing Director's salary and fees</b>		
Basic salary	7,150,000	9,158,649
House rent allowance	825,000	2,032,708
Entertainment allowances	-	423,135
Incentive bonus	650,000	1,471,100
Festival bonus	1,430,000	2,129,600
Utility allowance and others	1,705,000	1,234,177
House maintenance allowance	1,100,000	657,252
Provident fund	-	779,504
Leave fare assistance	650,000	968,000
	<u>13,510,000</u>	<u>18,854,125</u>
<b>31 Directors' fees</b>		
Directors' fees	<u>3,776,000</u>	<u>3,024,000</u>
<b>31(a) Consolidated Directors' fees</b>		
Bank Asia PLC.	3,776,000	3,024,000
Bank Asia Securities Ltd.	544,500	440,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,320,500</u>	<u>3,464,000</u>
<b>32 Auditors' fees</b>		
Audit fees	1,753,000	955,000
Others	-	-
	<u>1,753,000</u>	<u>955,000</u>
<b>32(a) Consolidated Auditors fees</b>		
Bank Asia PLC.	1,753,000	955,000
Bank Asia Securities Ltd	76,667	76,667
BA Exchange Company (UK) Limited	738,521	673,200
BA Express USA, Inc	1,868,495	1,934,922
	<u>4,436,683</u>	<u>3,639,789</u>
<b>33 Depreciation and repair of Bank's assets</b>		
Conventional and Islamic banking (Note 33.1)	998,875,528	955,531,466
Off-shore banking unit	40,997	28,097
	<u>998,916,525</u>	<u>955,559,563</u>
<b>33.1 Conventional and Islamic banking</b>		
Depreciation		
Owned assets	554,377,105	527,090,901
Leased assets	346,977,842	311,221,085
	901,354,947	838,311,986
Repairs		
Building	15,331,422	12,021,430
Furniture and fixtures	4,028,374	4,474,908

Equipments	21,833,279	20,612,629
	41,193,075	37,108,967
Maintenance	56,327,506	80,110,513
	998,875,528	955,531,466

### 33(a) Consolidated Depreciation and repairs of Bank's assets

Bank Asia PLC.	998,916,525	955,559,563
Bank Asia Securities Ltd	24,637,951	21,997,848
BA Exchange Company (UK) Limited	143,309	621,925
BA Express USA, Inc	2,684,505	1,371,372
	1,026,382,290	979,550,708

### 34 Other expenses

Conventional and Islamic banking (Note 34.1)	2,154,628,806	2,563,932,243
Off-shore banking unit	14,072,058	18,605,508
	2,168,700,864	2,582,537,751

#### 34.1 Conventional and Islamic banking

Car expenses	471,246,976	419,487,683
Contractual service expenses	748,033,000	771,548,450
Computer expenses	215,152,872	197,834,767
Other management and administrative expenses	340,167,313	422,098,729
Entertainment	40,112,289	65,181,056
AGM/EGM expenses	1,477,150	11,730,614
Payment to superannuation fund	38,020,000	15,320,000
Donation and subscription to institutions	275,498,141	627,643,701
Travelling expenses	18,192,015	15,666,461
Training and internship	6,158,517	16,920,782
Directors' travelling expenses	70,533	-
Sharia council fees	500,000	500,000
	2,154,628,806	2,563,932,243

#### 34(a) Consolidated other expenses

Bank Asia PLC.	2,168,700,864	2,582,537,751
Bank Asia Securities Ltd	12,713,700	12,896,931
BA Exchange Company (UK) Limited	6,213,566	4,928,273
BA Express USA, Inc	46,230,620	67,322,015
	2,233,858,750	2,667,684,970

#### 34(b) Provision for loans and advances/investments and off-balance sheet items

Conventional and Islamic banking	6,875,935,169	4,193,165,937
Off-shore banking unit	(41,035,306)	(44,232,698)
	4,797,015,250	4,148,933,239

Break up of provision for loans and advances/Investments is shown below:

#### General provision

Conventional and Islamic banking	2,366,393,012	2,511,924,060
Off-shore banking unit	(78,431,369)	(44,632,060)
	2,287,961,643	2,467,292,000

#### Specific provision

Conventional and Islamic banking	4,174,053,607	1,726,641,239
Off-shore banking unit	37,884,613	-
	4,211,938,220	1,726,641,239



## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Provision for off-balance sheet items		
Conventional and Islamic banking	195,488,550	(295,399,362)
Off-shore banking unit	(488,550)	399,362
	195,000,000	(295,000,000)
Provision for diminution in value of investments	90,000,000	-
Other provisions	26,041,590	219,121,481
Provision for start up fund	23,958,410	30,878,519
	<u>6,834,899,863</u>	<u>4,148,933,239</u>
<b>34(c) Consolidated Provision for loans and advances/investments</b>		
Bank Asia PLC.	6,834,899,863	4,148,933,239
Bank Asia Securites Limited:		
Specific Provision	54,752,648	100,000,000
Provision for diminution in value of investments	90,000,000	-
Other provisions	-	-
	144,752,648	100,000,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,979,652,511</u>	<u>4,248,933,239</u>
<b>35 Receipts from other operating activities</b>		
Conventional and Islamic banking (Note 35.1)	2,013,413,348	1,181,292,935
Off-shore banking unit	14,880,540	11,138,169
	<u>2,028,293,888</u>	<u>1,192,431,104</u>
<b>35.1 Conventional and Islamic banking</b>		
Locker charge	13,345,790	12,967,350
Service and other charges	738,001,076	553,433,147
Master card fees and charges	440,010,726	359,977,730
Postage/telex/SWIFT/ fax recoveries	119,250,265	123,266,754
Other non-operating income	702,805,491	131,647,954
	<u>2,013,413,348</u>	<u>1,181,292,935</u>
<b>35(a) Consolidated Receipts from other operating activities</b>		
Bank Asia PLC.	2,028,293,888	1,192,431,104
Bank Asia Securities Ltd	45,654,677	76,835,465
BA Exchange Company (UK) Limited	1,818,534	2,205,291
BA Express USA, Inc	637,525	207,532
	2,076,404,624	1,271,679,392
Less: inter- companies transactions	-	-
	<u>2,076,404,624</u>	<u>1,271,679,392</u>
<b>36 Payments for other operating activities</b>		
Conventional and Islamic banking (Note 36.1)	3,017,823,504	3,343,257,834
Off-shore banking unit	14,402,511	18,891,523
	<u>3,032,226,015</u>	<u>3,362,149,357</u>
<b>36.1 Conventional and Islamic banking</b>		
Rent, rates and taxes	625,571,610	577,966,746
Legal expenses	28,538,049	25,413,828
Directors' fees	3,776,000	3,024,000
Postage, stamp, telecommunication, etc	190,046,039	153,111,892
Other expenses	2,154,628,806	2,563,932,243
Managing Director's salary	13,510,000	18,854,125
Auditors' fee	1,753,000	955,000
	<u>3,017,823,504</u>	<u>3,343,257,834</u>

**36(a) Payments for other operating activities**

Bank Asia PLC.	3,032,226,015	3,362,149,357
Bank Asia Securities Ltd	24,896,703	25,833,416
BA Exchange Company (UK) Limited	13,446,279	9,699,353
BA Express USA, Inc	69,006,363	86,701,006
	<u>3,139,575,360</u>	<u>3,484,383,132</u>

**37 Net Assets Value per Share (NAV)**

Total shareholders' equity	29,519,528,884	28,640,251,095
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Assets Value per Share (NAV)	<u>25.32</u>	<u>24.56</u>

**37(a) Consolidated Net Assets Value per Share (NAV)**

Total shareholders' equity	29,402,737,678	28,463,837,649
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Assets Value per Share (NAV)	<u>25.22</u>	<u>24.41</u>

**37(b) Earnings per share (EPS)**

Net profit after tax (Numerator)	2,005,914,942	3,045,871,705
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.72</u>	<u>2.61</u>

**37(c) Consolidated Earnings per share (EPS)**

Net profit after tax (Numerator)	2,088,925,627	3,052,330,481
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.79</u>	<u>2.62</u>

**37(d) Net Operating Cash Flows per Share (NOCFPS)**

Net cash flows from operating activities	(6,759,077,311)	16,576,983,362
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Operating Cash Flows per Share (NOCFPS)	<u>(5.80)</u>	<u>14.22</u>

**37(e) Consolidated Net Operating Cash Flows per Share (NOCFPS)**

Net cash flows from operating activities	(6,637,402,302)	16,114,504,873
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Operating Cash Flows per Share (NOCFPS)	<u>(5.69)</u>	<u>13.82</u>

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

<b>Profit before tax as per profit and loss account</b>	4,695,840,970	6,545,871,705
Adjustment for non-cash items:		
Provision for Loans and advances	6,499,899,863	4,193,933,239
Provision for Off balance sheet items	195,000,000	(295,000,000)
Provision for Diminution in value of investments	90,000,000	-
Provision for other assets	50,000,000	250,000,000
Depreciation of Property plant and equipment	998,916,525	955,559,563
<b>Increase/decrease in operating assets &amp; liabilities:</b>		
Loans and advances to customers	(13,454,684,742)	(15,603,656,638)
Other operating assets	(400,309,832)	348,218,683
Deposits from customers and banks	23,921,730,475	19,912,982,535
Other operating liabilities	(24,887,942,769)	3,153,827,892
Trading liabilities	(1,658,375,958)	(386,603,576)
Income tax paid	(2,809,151,843)	(2,498,150,041)
Cash flows from operating activities as per cash flow statement	<u>(6,759,077,311)</u>	<u>16,576,983,362</u>

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

<b>Profit before tax as per profit and loss account</b>	4,829,960,344	6,620,303,189
Adjustment for non-cash items:		
Provision for Loans and advances	6,554,652,511	4,293,933,239
Provision for Off balance sheet items	195,000,000	(295,000,000)
Provision for Diminution in value of investments	90,000,000	-

## Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Provision for other assets	50,000,000	250,000,000
Depreciation of Property plant and equipment	1,026,382,290	979,550,708
<b>Increase/decrease in operating assets &amp; liabilities:</b>		
Loans and advances to customers	(13,480,958,476)	(15,591,983,473)
Other operating assets	(538,335,941)	411,064,662
Deposits from customers and banks	23,947,603,858	19,428,195,021
Other operating liabilities	(24,887,942,769)	3,153,827,892
Trading liabilities	(1,563,578,265)	(565,596,792)
Income tax paid	(2,860,185,854)	(2,569,789,573)
Cash flows from operating activities as per cash flow statement	<u>(6,637,402,302)</u>	<u>16,114,504,873</u>

### 39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,751 (2022: 2,865).

### 40 Audit committee

The Audit Committee of the Board of Directors of Bank Asia PLC. 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 494th meeting held on 30th April, 2023, 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.
Mr. M. A. Baqui Khalily	Member	Ph.D.
Mr. Nafees Khundker	Member	MBA

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

No. of meeting	Date	No. of meeting	Date
231st Audit	12th January 2023	236th Audit	17 <sup>th</sup> August 2023
232nd Audit	18th March 2023	237th Audit	10 <sup>th</sup> October 2023
233rd Audit	9th April 2023	238th Audit	19 <sup>th</sup> October 2023
234th Audit	30th April 2023	239th Audit	23 <sup>rd</sup> November 2023
235th Audit	27th July 2023		

In the year 2023, 9 (Nine) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- External Audit Report of the Bank and the recommendations made there under.
- Bangladesh Bank comprehensive inspection report and the recommendations made therein.
- 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.
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
- 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.
- Management Report on Accounts of the Bank for the year ended on 31.12.2022.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.

The Audit Committee has further satisfied 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.
- \* Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- \* The system of internal control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- \* The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- \* The Financial Statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and 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 2023 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	18,006,812
Garda Shield Security Service Ltd.	-do-	Maintenance	524,911
Rangs workshop Ltd	-do-	Car repair and Services	534,094
Ranks ITT Ltd.	-do-	Network Connectivity fees	27,266,670
DHS Motors	-do-	Car providers & Car repair and Services	136,708
Shield Security Service	-do-	Security Service providers	515,734,035
Reliance Insurance	-do-	Insurance Service	42,431,779
Ali Estates Limited	-do-	Office Rent	299,929,710
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	396,000
Opex Fashions Limited	-do-	Office Rent	8,276,259

##### 41.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2023 is given below:

Particulars	Amount Tk
Short-term employee benefit	132,165,024

Key Management personnel includes Managing Director, Additional Managing Director, Deputy Managing Director, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

#### 42 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, MABS & J Partners, Chartered Accountants worked about 5,800 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 2023 was Tk. 20.20 (2022: Tk. 20.50) at DSE and Tk. 20.50 at CSE (2022: 20.20).

#### 44 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 524th meeting held on April 28, 2024 has recommended 15% Cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

The name of Bank Asia PLC. has been changed to Bank Asia PLC. with effect from April 16, 2024 as per approval of Bangladesh Bank. 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 PLC.

## Highlights on the overall activities

as at and for the year ended 31 December 2023

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2023	2022	2023	2022
1	Paid-up Capital	11,659,068,600	11,659,068,600	106,475,512.33	115,436,323
2	Total Capital	40,659,090,575	46,111,114,831	371,315,895.66	456,545,691
3	Capital (deficit)/surplus	15,940,532,380	20,062,427,000	1,462,150,595.36	198,637,891
4	Total Asset	474,228,612,424	468,400,943,572	4,330,854,907.98	4,637,633,105
5	Total Deposit	361,617,147,912	337,695,417,437	3,302,439,706.96	3,343,518,985
6	Total loans and advances / investments	291,325,043,145	277,870,358,403	2,660,502,677.12	2,751,191,667
7	Total contingent liabilities and commitments	152,124,712,085	153,563,272,464	1,389,266,777.03	1,520,428,440
8	Credit deposit ratio	72.48%	68.17%	72.48%	68.17%
9	Percentage of classified loans / investments against total loans and advances / investments	6.70%	4.87%	6.70%	4.87%
10	Profit after tax and provision	2,395,840,970	3,045,871,705	21,879,826.21	30,157,146
11	Amount of classified loans/investments during current year	19,510,359,705	13,519,786,227	178,176,800.96	133,859,267
12	Provisions kept against classified loans / investments	15,620,000,000	10,517,463,001	142,648,401.83	104,133,297
13	Provision surplus (shortfall) against classified loans / investments	42,043,418	222,615,901	1,665,534.11	2,204,118
14	Cost of fund	7.00%	5.96%	7.00%	5.96%
15	Interest earning assets	432,199,114,747	426,187,538,664	3,947,023,878.97	4,219,678,601
16	Non-interest earning assets	42,029,497,677	42,213,404,908	383,831,029.01	417,954,504
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	3.73%	3.42%	4.23%	3.42%
18	Return on assets (ROA) [PAT/ Average assets]	0.51%	0.67%	0.79%	0.67%
19	Income from investment	8,376,526,748	6,270,764,596	76,497,961.17	62,086,778
20	Capital to Risk Weighted Asset (CRAR)	16.45%	17.70%	16.45%	17.70%
21	Earnings per share	1.72	2.61	1.72	2.61
22	Net income per share	1.72	2.61	1.72	2.61
23	Price earning ratio	11.74	7.85	11.74%	7.85

Exchange rate used 1 USD equivalent to BDT 109.50 to BDT (2022 :101)

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

Annex A

as at 31 December 2023

Name of the Bank	Account type	Currency type	2023		2022	
			FC amount	Exchange rate	FC amount	Exchange rate
<b>Conventional and Islamic banking:</b>						
<b>Interest bearing</b>						
Citibank NA, New York	CD	USD	9,298,813	103.50	962,427,095	103.50
Habib American Bank, New York	CD	USD	15,664,649	103.50	1,621,291,197	103.50
Mashreqbank psc, New York	CD	USD	-	-	-	-
Wells Fargo Bank N.A, New York	CD	USD	443,239	103.50	45,875,238	-
Zhejiang Chouzhou Commercial Bank (USD)	CD	USD	98,213	103.50	10,165,019	103.49
Zhejiang Chouzhou Commercial Bank (CNY)	CD	CNY	1,257,362	14.80	18,608,959	14.80
					<b>2,658,367,508</b>	<b>1,173,967,897</b>
<b>Non-interest bearing :</b>						
AB Bank Ltd, Mumbai	CD	ACU	67,810	103.50	7,018,353	103.50
AKTIF Bank, Istanbul -JPY	CD	JPY	2,857,516	0.76	2,171,712	0.76
AI Rajhi Bank, KSA	CD	SAR	519,786	27.50	14,294,123	27.50
AXIS Bank Ltd	CD	ACU	451,537	103.50	46,734,051	103.50
Bank of Sydney	CD	AUD	-	-	-	69.45
Bank Alfalah Limited , Karachi PAK (ACU )	CD	ACU	47,780	103.50	4,945,257	103.50
Bhutan National Bank Ltd, Thimphu	CD	USD	143,816	103.50	14,885,003	103.50
Citibank N.A., London	CD	GBP	11,281	126.05	1,421,985	126.05
Citibank N.A., London (EURO)	CD	EURO	857	109.75	94,056	-
Commerzbank AG, Frankfurt (EURO)	CD	EURO	317,503	109.75	34,845,968	109.75
Commerzbank AG, Frankfurt (USD)	CD	USD	141,571	103.50	14,652,634	103.50
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	392,568	103.50	40,630,766	103.50
HDFC Bank Limited, Mumbai, India	CD	ACU	198,691	103.50	20,564,528	-
ICICI Bank Ltd, Hongkong	CD	USD	69,220	103.50	7,164,234	103.50
ICICI Bank Ltd, Mumbai	CD	ACU	580,201	103.50	60,052,537	103.50
JP Morgan Chase Bank, New York	CD	USD	3,418,516	103.50	353,841,392	-
Mashreqbank PSC (Dubai AE)	CD	AED	1,046,661	28.20	29,515,831	28.20
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,104	109.75	889,403	109.75
Muslim Commercial Bank Ltd, Colombo	CD	ACU	75,036	103.50	7,766,255	103.50
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	65,364	103.50	6,765,163	103.50
Rivad Bank, Rivadh ( SAR)	CD	SAR	44,557	27.50	1,225,318	27.50
Standard Chartered Bank, Mumbai	CD	ACU	10,034	103.50	1,038,506	103.50
Standard Chartered Bank, New York	CD	USD	151,237	103.50	15,653,079	103.50
Unicredit Bank AG Munich	CD	EURO	-	109.75	-	109.75
Wells Fargo Bank N.A, London	CD	EURO	1,222,967	109.75	134,220,662	109.75
Zurcher Kantonal Bank, Switzerland	CD	CHF	18,245	110.95	2,024,243	110.95
					<b>822,415,059</b>	<b>673,362,315</b>
<b>Off-shore banking unit:</b>						
Commerzbank AG, Frankfurt	CD	EURO	25,801	147.82	3,813,977	133.04
Habib American Bank, New York	CD	USD	732,792	109.50	80,240,688	101.00
Sonali Bank, London	CD	GBP	3	175.30	575	161.59
					<b>84,055,240</b>	<b>616,552,858</b>
					<b>3,564,837,807</b>	<b>2,463,883,070</b>



# Bank Asia PLC. Investment in Shares

as at 31 December 2023

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 2023	Total market value as at 31 Dec 2023	Unrealized profit/(loss) as at 31 Dec 2023
<b>Quoted Shares</b>								
1	AB Bank PLC.	10	164,373	9,721,019	59.14	9.70	1,594,418	(8,126,601)
2	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	85.00	85,000,000	27,350,000
3	Dhaka Bank PLC.	10	658,548	15,811,737	24.01	12.50	8,231,850	(7,579,887)
4	Exim Bank PLC.	10	1,924,051	38,577,223	20.05	10.40	20,010,130	(18,567,093)
5	Golden Son Limited	10	119,185	8,586,791	72.05	18.20	2,169,167	(6,417,624)
6	Lanka Bangla Finance Limited	10	1,310,017	59,762,976	45.62	26.00	34,060,442	(25,702,534)
7	Mercantile Bank PLC.	10	570,314	10,493,778	18.40	13.30	7,585,176	(2,908,602)
8	Phoenix Finance and Investments Limited	10	1,398,248	49,440,057	35.36	16.30	22,791,442	(26,648,615)
9	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	11.50	834,624	(11,167,197)
10	Prime Insurance Company Limited	10	6,362	574,298	90.27	82.80	526,774	(47,524)
11	Southeast Bank PLC.	10	1,503,655	34,749,467	23.11	13.30	19,998,612	(14,750,855)
12	United Commercial Bank PLC.	10	3,182,718	63,781,669	20.04	12.40	39,465,703	(24,315,966)
13	Energypac Power Generation Limited	10	1,192,800	49,978,320	41.90	34.50	41,151,600	(8,826,720)
<b>A. Provision requirement for quoted shares</b>				<b>411,129,156</b>			<b>283,419,938</b>	<b>(127,709,218)</b>
Available cash balance				52,920,538				
				<b>464,049,694</b>				
<b>Close-End Mutual Fund</b>								
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,169	6.90	6.10	44,213,300	(5,786,869)
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	6.70	33,500,000	(16,500,000)
16	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	6.50	145,444,267	(4,220,733)
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.10	197,917,475	(52,082,525)
18	EXIM Bank 1st Mutual Fund	10	17,078,783	119,209,905	6.98	5.80	99,056,941	(20,152,964)
<b>B. Provision requirement for Mutual Fund as per BB Circular</b>				<b>90,510,254</b>			<b>520,131,983</b>	<b>(98,743,091)</b>

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)	Unrealized profit (loss)
<b>Un Quoted Shares</b>							
1	Industrial and Infrastructure Development Finance Co. Ltd.	10	13,380,903	59,000,260	4.41	(9.29)	(59,000,260)
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	39.31	41,769,597
3	SEML PBSL Fixed Income Fund	10	5,000,000	50,000,000	10.00	10.27	1,350,000
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	18.80	(2,599,670)
5	ERA InfoTech Ltd	100	97,843	191,926	1.96	236.66	22,963,599
6	UFS Bank Asia Unit Fund	10	2,900,000	29,000,000	10.00	12.46	(29,000,000)
<b>C. Unrealized profit of unquoted stocks</b>						<b>97,149,593</b>	<b>(24,516,734)</b>
7	Provision required for subsidiaries		<b>22,553,122</b>	<b>144,532,588</b>			<b>(178,345,335)</b>
<b>D. Provision for unquoted stock</b>							<b>(202,862,069)</b>
<b>E. Total Provision Requirement (A+B+D)</b>							<b>(429,314,378)</b>
<b>F. Provision maintained</b>							<b>453,383,553</b>
<b>G. Provision Excess / (Shortfall) for quoted and unquoted share</b>							<b>24,069,175</b>

Considered quoted and unquoted shares together as part of its investment portfolio for required provision calculation.

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

Annex C-1

as at 31 December 2023

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2023		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	
<b>Own assets</b>									
Land	2,646,764,306	-	(19,931,040)	2,626,833,266	-	-	-	-	2,626,833,266
Building	3,278,306,682	11,448,161	19,931,040	3,309,685,883	5	1,750,014,955	135,237,779	53,715,252	1,938,967,986
Furniture and fixtures	1,675,529,937	67,141,476	(6,362,042)	1,736,309,371	20	1,289,519,770	116,332,230	(5,370,117)	1,400,481,883
Machinery & Equipments	1,693,976,877	98,809,517	(39,940,450)	1,752,845,944	20	1,196,216,348	178,918,769	(39,940,450)	1,335,194,667
Computer and accessories	536,115,440	223,204,400	(498,800)	758,821,040	20	478,101,497	44,363,599	(594,392)	521,870,704
Motor vehicles	286,585,354	-	(25,636,792)	260,948,562	16.67	215,774,403	25,809,476	(25,541,198)	216,042,681
<b>Sub-total</b>	<b>10,117,278,596</b>	<b>400,603,554</b>	<b>(72,438,084)</b>	<b>10,445,444,066</b>		<b>4,929,626,973</b>	<b>500,661,853</b>	<b>53,715,252</b>	<b>5,412,557,921</b>
<b>Leased assets</b>									
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
<b>Sub-total</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>		<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>
<b>Total</b>	<b>10,471,846,683</b>	<b>400,603,554</b>	<b>(72,438,084)</b>	<b>10,800,012,153</b>		<b>5,284,195,060</b>	<b>500,661,853</b>	<b>53,715,252</b>	<b>5,767,126,008</b>
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
<b>Sub-total</b>	<b>24,000,000</b>	<b>-</b>	<b>-</b>	<b>24,000,000</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>24,000,000</b>
<b>Work in progress -building</b>									
Kawran bazar building <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
Renovation & Decoration	10,000,000	16,872,891	-	26,872,891	-	-	-	-	26,872,891
<b>Sub-total</b>	<b>10,000,000</b>	<b>16,872,891</b>	<b>-</b>	<b>26,872,891</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>26,872,891</b>
<b>Total</b>	<b>10,505,846,683</b>	<b>417,476,445</b>	<b>(72,438,084)</b>	<b>10,850,885,044</b>		<b>5,284,195,060</b>	<b>500,661,853</b>	<b>53,715,252</b>	<b>5,767,126,008</b>
<b>Right-of-use assets</b>									
Office space <sup>(3)</sup>	1,566,361,844	792,458,162	(63,582,302)	2,295,237,704		1,191,403,382	336,999,208	-	1,528,402,590
ATM	27,516,272	18,502,341	-	46,018,613		8,215,376	9,978,634	-	18,194,010
<b>Sub-total</b>	<b>1,593,878,116</b>	<b>810,960,503</b>	<b>(63,582,302)</b>	<b>2,341,256,317</b>		<b>1,199,618,758</b>	<b>346,977,842</b>	<b>-</b>	<b>1,546,596,600</b>
<b>Grand Total</b>	<b>12,099,724,799</b>	<b>1,228,436,948</b>	<b>(136,020,386)</b>	<b>13,192,141,361</b>		<b>6,483,813,818</b>	<b>847,639,695</b>	<b>53,715,252</b>	<b>7,313,722,608</b>

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

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) 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 2022

Annex C-2

Particulars	Balance as at 01 Jan 2022			Cost			Rate of dep. %	Balance as at 31 Dec 2022	Depreciation			Written down value as at 31 Dec 2022	
	Balance as at 01 Jan 2022	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2022	Disposal/adjustment during the year	Charged during the year			Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2022		
<b>Own assets</b>													
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	-	-	-	2,646,764,306
Building	3,251,439,208	26,867,474	-	3,278,306,682	-	-	5	1,573,094,461	123,205,230	53,715,264	-	1,750,014,955	1,528,291,727
Furniture and fixtures	1,336,770,966	341,108,971	(2,350,000)	1,675,529,937	20	1,182,405,353	20	1,182,405,353	108,579,000	-	(1,464,583)	1,289,519,770	386,010,167
Machinery & Equipments	1,453,607,795	240,433,817	(64,735)	1,693,976,877	20	1,016,971,883	20	1,016,971,883	179,294,095	-	(49,630)	1,196,216,348	497,760,529
Computer and accessories	508,248,485	27,866,955	-	536,115,440	20	451,704,683	20	451,704,683	26,396,814	-	-	478,101,497	58,013,943
Motor vehicles	279,461,817	10,442,592	(3,319,055)	286,585,354	20	181,588,751	20	181,588,751	35,900,497	-	(1,714,845)	215,774,403	70,810,951
<b>Sub-total</b>	<b>9,476,292,577</b>	<b>646,719,809</b>	<b>(5,733,790)</b>	<b>10,117,278,596</b>		<b>4,405,765,131</b>		<b>4,405,765,131</b>	<b>473,375,636</b>	<b>53,715,264</b>	<b>(3,229,058)</b>	<b>4,929,626,973</b>	<b>5,187,651,623</b>
<b>Leased assets</b>													
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	20	167,162,848	-	-	-	167,162,848	-
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	20	106,201,139	-	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	20	72,204,100	-	-	-	72,204,100	-
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	20	9,000,000	-	-	-	9,000,000	-
<b>Sub-total</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>		<b>354,568,087</b>		<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>	<b>-</b>
<b>Total</b>	<b>9,830,860,664</b>	<b>646,719,809</b>	<b>(5,733,790)</b>	<b>10,471,846,683</b>		<b>4,760,333,218</b>		<b>4,760,333,218</b>	<b>473,375,636</b>	<b>53,715,264</b>	<b>(3,229,058)</b>	<b>5,284,195,060</b>	<b>5,187,651,623</b>
<b>Intangible assets</b>													
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000	-	-	-	-	-	-	-	-	24,000,000
<b>Work in progress - building</b>													
Kawran bazar building <sup>2</sup>	338,910,783	31,386,062	(370,296,845)	-	-	-	-	-	-	-	-	-	-
Renovation & Decoration	20,834,613	4,685,277	(15,519,890)	10,000,000	-	-	-	-	-	-	-	-	10,000,000
<b>Total</b>	<b>359,745,396</b>	<b>36,071,339</b>	<b>(385,816,735)</b>	<b>10,000,000</b>		<b>10,000,000</b>		<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Grand Total</b>	<b>10,214,606,060</b>	<b>682,791,148</b>	<b>(391,550,525)</b>	<b>10,505,846,683</b>		<b>4,760,333,218</b>		<b>4,760,333,218</b>	<b>473,375,636</b>	<b>53,715,264</b>	<b>(3,229,058)</b>	<b>5,284,195,060</b>	<b>5,221,651,623</b>
<b>Right-of-use assets</b>													
Office space <sup>3</sup>	1,536,519,798	180,064,817	(150,222,771)	1,566,361,844	-	-	-	968,207,920	305,899,674	-	(82,704,212)	1,191,403,382	374,958,462
ATM	20,874,406	6,641,866	-	27,516,272	-	-	-	4,317,222	3,898,154	-	-	8,215,376	19,300,896
<b>Sub-total</b>	<b>1,557,394,204</b>	<b>186,706,683</b>	<b>(150,222,771)</b>	<b>1,593,878,116</b>		<b>972,525,142</b>		<b>972,525,142</b>	<b>309,797,828</b>	<b>-</b>	<b>(82,704,212)</b>	<b>1,199,618,758</b>	<b>394,259,358</b>
<b>Grand Total</b>	<b>11,772,000,264</b>	<b>869,497,831</b>	<b>(541,773,296)</b>	<b>12,099,724,799</b>		<b>5,732,858,360</b>		<b>5,732,858,360</b>	<b>783,173,464</b>	<b>53,715,264</b>	<b>(85,933,270)</b>	<b>6,483,813,818</b>	<b>5,615,910,981</b>

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

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.

# Bank Asia PLC. and its Subsidiaries

Annex C-3

## Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2023

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2023		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2023	
<b>Own assets</b>										
Land	2,646,764,306	-	(19,931,040)	2,626,833,266	0	-	-	-	-	2,626,833,266
Building	3,293,890,517	14,880,767	23,734,378	3,332,505,662	5	1,764,795,525	135,923,094	53,715,252	4,763,285	1,959,197,156
Furniture and fixtures	1,711,112,801	78,207,915	(7,427,843)	1,781,892,873	20	1,310,480,442	124,742,536	-	(5,370,117)	1,429,852,861
Machinery & Equipments	1,712,114,518	102,012,055	(39,365,441)	1,774,761,132	20	1,208,988,250	181,616,383	-	(42,911,391)	1,347,693,242
Computer and accessories	550,184,741	223,567,858	(498,800)	773,253,799	20	487,938,167	45,742,813	-	(498,798)	533,182,182
Motor vehicles	286,585,354	-	(25,636,792)	260,948,562	16.67	215,774,404	25,809,476	-	(25,541,198)	216,042,682
<b>Sub-total</b>	<b>10,200,652,237</b>	<b>418,668,595</b>	<b>(69,125,538)</b>	<b>10,550,195,294</b>	<b>4,987,976,788</b>	<b>513,834,302</b>	<b>53,715,252</b>	<b>(69,558,219)</b>	<b>5,485,968,123</b>	<b>5,064,227,171</b>
<b>Leased assets</b>										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	-	-
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	-	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	-	-
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	-	-
<b>Sub-total</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>	<b>-</b>
<b>Total</b>	<b>10,555,220,324</b>	<b>418,668,595</b>	<b>(69,125,538)</b>	<b>10,904,763,381</b>	<b>5,342,544,875</b>	<b>513,834,302</b>	<b>53,715,252</b>	<b>(69,558,219)</b>	<b>5,840,536,210</b>	<b>5,064,227,171</b>
<b>Intangible assets</b>										
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000	-	-	-	-	-	24,000,000
<b>Sub-total</b>	<b>24,000,000</b>	<b>-</b>	<b>-</b>	<b>24,000,000</b>	<b>24,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,000,000</b>
<b>Work in progress -building</b>										
Renovation & Decoration	10,000,000	16,872,891	-	26,872,891	-	-	-	-	-	26,872,891
<b>Total</b>	<b>10,000,000</b>	<b>16,872,891</b>	<b>-</b>	<b>26,872,891</b>	<b>26,872,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,872,891</b>
<b>Grand Total</b>	<b>10,589,220,324</b>	<b>435,541,486</b>	<b>(69,125,538)</b>	<b>10,955,636,272</b>	<b>5,342,544,875</b>	<b>513,834,302</b>	<b>53,715,252</b>	<b>(69,558,219)</b>	<b>5,840,536,210</b>	<b>5,115,100,062</b>
<b>Right-of-use assets</b>										
Office space <sup>(3)</sup>	1,664,903,580	792,458,162	(67,066,451)	2,390,295,291	1,226,867,048	349,196,509	-	-	1,576,063,557	814,231,734
ATM	27,516,272	18,502,341	-	46,018,613	8,215,376	9,978,634	-	-	18,194,010	27,824,603
<b>Sub-total</b>	<b>1,692,419,852</b>	<b>810,960,503</b>	<b>(67,066,451)</b>	<b>2,436,313,904</b>	<b>1,235,082,424</b>	<b>359,175,143</b>	<b>-</b>	<b>-</b>	<b>1,594,257,567</b>	<b>842,056,337</b>
<b>Grand Total</b>	<b>12,281,640,176</b>	<b>1,246,501,989</b>	<b>(136,191,989)</b>	<b>13,391,950,176</b>	<b>6,577,627,299</b>	<b>873,009,444</b>	<b>53,715,252</b>	<b>(69,558,219)</b>	<b>7,434,793,776</b>	<b>5,957,156,399</b>

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

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.



# Bank Asia PLC. and its Subsidiaries

## Consolidated Schedule of fixed assets including premises, furniture and fixtures

Annex C-4

as at 31 December 2022

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 Dec 2022
	Balance as at 01 Jan 2022	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2022		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	
<b>Own assets</b>									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,264,531,173	26,867,474	2,491,870	3,293,890,517	5	1,584,372,511	124,446,237	53,715,264	1,764,795,525
Furniture and fixtures	1,371,912,970	341,346,971	(2,147,140)	1,711,112,801	20	1,196,535,769	115,409,256	(1,464,583)	1,310,480,442
Machinery & Equipments	1,470,402,673	241,239,174	472,671	1,712,114,518	20	1,026,843,865	181,760,307	-	1,208,988,250
Computer and accessories	520,045,586	30,139,155	-	550,184,741	20	460,186,801	27,751,366	-	487,938,167
Motor vehicles	279,461,817	10,442,592	(3,319,055)	286,585,354	20	181,588,751	35,900,497	(1,714,844)	215,774,404
<b>Sub-total</b>	<b>9,553,118,525</b>	<b>650,035,366</b>	<b>(2,501,654)</b>	<b>10,200,652,237</b>	<b>4,449,527,697</b>	<b>485,267,663</b>	<b>53,715,264</b>	<b>(533,836)</b>	<b>4,987,976,788</b>
<b>Leased assets</b>									
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
<b>Sub-total</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>	<b>354,568,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,568,087</b>
<b>Total</b>	<b>9,907,686,612</b>	<b>650,035,366</b>	<b>(2,501,654)</b>	<b>10,555,220,324</b>	<b>4,804,095,784</b>	<b>485,267,663</b>	<b>53,715,264</b>	<b>(533,836)</b>	<b>5,342,544,875</b>
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
<b>Work in progress -building</b>									
Kawran bazar building <sup>(2)</sup>	338,910,783	31,386,062	(370,296,845)	-	-	-	-	-	-
Renovation & Decoration	20,834,613	4,685,277	(15,519,890)	10,000,000	-	-	-	-	10,000,000
<b>Total</b>	<b>359,745,396</b>	<b>36,071,339</b>	<b>(385,816,735)</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>
<b>Grand Total</b>	<b>10,291,432,008</b>	<b>686,106,705</b>	<b>(388,318,389)</b>	<b>10,589,220,324</b>	<b>4,804,095,784</b>	<b>485,267,663</b>	<b>53,715,264</b>	<b>(533,836)</b>	<b>5,342,544,875</b>
<b>Right-of-use assets</b>									
Office space <sup>(3)</sup>	1,633,538,025	183,016,663	(151,651,108)	1,664,903,580	992	1,664,903,580	317,410,299	(82,704,212)	438,036,532
ATM	20,874,406	6,641,866	-	27,516,272	4,317,222	4,317,222	3,898,154	-	19,300,896
<b>Sub-total</b>	<b>1,654,412,431</b>	<b>189,658,529</b>	<b>(151,651,108)</b>	<b>1,692,419,852</b>	<b>996,478,183</b>	<b>321,308,453</b>	<b>-</b>	<b>(82,704,212)</b>	<b>457,337,428</b>
<b>Grand Total</b>	<b>11,945,844,439</b>	<b>875,765,234</b>	<b>(539,969,497)</b>	<b>12,281,640,176</b>	<b>5,800,573,967</b>	<b>806,576,116</b>	<b>53,715,264</b>	<b>(83,238,048)</b>	<b>5,704,012,877</b>

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

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.



# Bank Asia PLC.

## Statement of tax position

Annex D

as at 31 December 2023

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 Finalized
2020	2021-2022	Assessment Under Appellate Tribunal Level
2021	2022-2023	Assessment Under DCT Level
2022	2023-2024	Return Submitted

# Bank Asia PLC.

## Details of Large Loan

Annex E

as at 31 December 2023

	2023	2022
<b>Number of clients</b>	12	9
<b>Amount of outstanding advances (Taka)</b>	85,746	60,136
<b>Amount of classified advances (Taka)</b>	-	-
<b>Measures taken for recovery (Taka)</b>	-	-

### Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2023			Outstanding (Taka) 2022		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Akij GROUP	3,199	3,566	6,765	-	-	-
2	X-Index Group	4,806	1,041	5,847	-	-	-
3	Abul Khair	2,207	3,380	5,587	-	-	-
4	Meghna Group	3,438	4,385	7,823	-	-	-
5	ACI Group	4,890	3,623	8,513	4,426	509	4,935
6	Summit Group	5,566	2,779	8,345	4,561	1,275	5,836
7	BSRM	3,863	3,779	7,642	3,418	3,674	7,092
8	Bashundhara Group	7,148	77	7,225	6,793	87	6,880
9	CITY Group	6,040	1,991	8,030	4,424	3,437	7,861
10	Pran Group	4,306	4,553	8,858	4,937	3,541	8,478
11	Echotex Group	1,565	4,424	5,989	1,024	4,579	5,602
12	MAX Group	3,012	2,110	5,122	3,121	3,179	6,300
13	Doreen Power Group	-	-	-	5,267	1,885	7,152
	<b>Total</b>	<b>50,040</b>	<b>35,706</b>	<b>85,746</b>	<b>37,972</b>	<b>22,165</b>	<b>60,136</b>

# Bank Asia PLC.

## Names of Directors and their interest in different entities

Annex F

as at 31 December 2023

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	<b>Mr. Romo Rouf Chowdhury</b>	Chairman	Ranks Telecom Limited
			Softex Communications Limited
			Ranks ITT Limited
			Shield Security Services Limited
			Rangs Properties Limited
			Rangs Limited
			Rangs Workshop Limited
			Rancon Motors Limited
			Rancon Automobiles Limited
			Ranks Petroleum Limited
			Rancon Electronics Limited
			Rancon Engineering Limited
			Rancon Holdings Limited
			Rancon Car Hubs Limited
			Rancon Infrastructure & Engineering Limited
			Rancon Electronic Limited
			Rancon Oceana Limited
			Rancon Hospitality Limited
			Rancon Auto Industries Limited
			Rancon Eccessories Limited
			Rancon Sea Fishing Limited
			Rancon Trucks & Buses Limited
			Rancon Motor Bikes Limited
			Ranks Agro Bioteq Limited
			Metro Foils Limited
			Agro Food Services Limited
			Sea Resources Limited
			Sea Fishers Limited
			Deep Sea Fishers Limited
			Sea Resources Agencies Limited
			Fishers Shipyard Limited
			Bank Asia PLC.
Anandaniketan Ltd.			
Bank Asia PLC.			
FIVDB			
JVS Ltd.			
2.	<b>Mr. Mohd. Safwan Choudhury</b> (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	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.

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
3	<b>Ms. Zakia Rouf Chowdhury</b> (Representing Amiran Generations Limited)	Vice Chairman	Bank Asia PLC.
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Metro Foils Limited
			Rancon Motor Bikes Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Rancon Engineering Limited
			Ranks Agro Biotech Limited
			Ranks Appliance Limited
			Ranks Commercial Vehicles Limited
			Ranks Dolonchapa Express Ltd.
			Rancon Electronic Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Telecom Limited
Sea Fishers Limited			
Sea Resources Cold Storage Limited			
Sea Resources Limited			
Shield Security Services Limited			
Softex Communications Limited			
4	<b>Mr. Rumeen A Hossain</b>	Director	Bank Asia PLC.
			Rangs Industries Ltd.
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Petroleum Ltd.
Ranks Telecom Limited			
Romask Limited			

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.			
5.	<b>Ms. Hosneara Sinha</b>	Director	Bank Asia PLC.			
			Pritha Fashions Ltd.			
			Sinha Auto Spinning Mills Ltd.			
			Agro Food Services Ltd.			
			Amiran Romana Ltd.			
			Amreen Romana Ltd.			
			Bank Asia PLC.			
			Deep Sea Fishers Limited			
			Fishers Shipyard Limited			
			Mavis Ispat Limited			
			Maya 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			
6.	<b>Ms. Romana Rouf Chowdhury</b> (Representing Maya Limited)	Director	Rangs Properties Limited			
			Rangs Workshop Limited			
			Ranks Agro Biotech Limited			
			Ranks Interiors Limited			
			Ranks ITT Limited			
			Ranks Real Estate Limited			
			Ranks Telecom Limited			
			Romask Limited			
			Sash Limited			
			Sea Fishers Limited			
			Sea Natural Food Ltd.			
			Sea Natural Ltd.			
			Sea Resources Agencies Limited			
			Sea Resources Limited			
			Shield Security Services Limited			
			SRL Marine Product Ltd.			
			Ali Estates Limited			
			7.	<b>Ms. Farhana Haq</b>	Director	Bank Asia PLC.
						DHS Automobiles Limited
						DHS Autos Limited
DHS Commercial Vehicles Limited						
DHS Motors Limited						
DHS Motor Bikes Limited						
FAR Limited						
Platform Services Limited						
Platform Solutions Limited						
Rancon Home Solutions Limited						

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
8.	<b>Mr. Enam Chowdhury</b> (Representing Zest Polymers Limited)	Director	Agro Food Services Ltd.
			ASAP Healthy Food Limited
			Bank Asia PLC.
			Deep Sea Fishers Limited
			Nessbit Technologie Limited
			Rangs Pharmaceuticals Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			SEAMUMS Cold Storage Limited
			Tiger Digital Ventures Limited
			9.
DHS Motors Limited			
Rangs Motors Workshop Limited			
Rangs Pharmaceuticals Limited			
Rangs Construction Ltd.			
Rangs Interiors Limited			
Rangs Power Tech Limited			
Rangs Telecom Limited			
Sash Limited			
10.	<b>Mr. Dilwar H Choudhury</b> (Independent Director)	Director	Bank Asia PLC.
			DHC-Associates
			Latif Center
11.	<b>Mr. Ashraful Haq Chowdhury</b> (Independent Director)	Director	Bank Asia PLC.
			Star Allied Venture Limited
12.	<b>Mr. Md. Abul Quasem</b> (Independent Director)	Director	Anwar Galvanizing Ltd.
			Bank Asia PLC.
			Baraka Patenga Power Limited
13.	<b>Mr. M. A. Baqui Khaliy</b> (Independent Director)	Director	Bank Asia PLC.
14.	<b>Mr. Helal Ahmed Chowdhury</b> (Independent Director)	Director	Bank Asia PLC.



# Bank Asia PLC.

## Islamic Banking Operations

Annex G

as at and for the year ended 31 December 2023

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 2023

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.08.2023	
	Client	Bank
Mudaraba Term Deposit Account (MTDA) 1 month tenure	50%	50%
Mudaraba Term Deposit Account (MTDA) 2 month tenure	50%	50%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Below Tk.1 Crore)	80%	20%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Tk.1 Crore & below 10 Crore)	86%	14%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Tk.10 Crore & above)	88%	12%
Mudaraba Term Deposit Account (MTDA) 6 month tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 6 month tenure (Institute)	86%	14%
Mudaraba Term Deposit Account (MTDA) 1 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 1 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 2 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 2 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 4 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 4 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 5 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 5 Year tenure (Institute)	90%	10%
Corporate Term Deposit Account (CTDA) 3 month tenure (Tk. 1 Crore and below 10 Crore)	86%	14%
Corporate Term Deposit Account (CTDA) 3 month tenure (Tk. 10 Crore and above)	88%	12%
Corporate Term Deposit Account (CTDA) 6 month tenure (Tk. 1 Crore and below 10 Crore)	88%	12%
Corporate Term Deposit Account (CTDA) 6 month tenure (Tk. 10 Crore and above)	90%	10%
Corporate Term Deposit Account (CTDA) 1 Year tenure (Tk. 1 Crore and below 10 Crore)	90%	10%
Corporate Term Deposit Account (CTDA) 1 Year tenure (Tk. 10 Crore and above)	90%	10%
Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 - 2 years	85%	15%
Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	90%	10%
Mudaraba Deposit Pension Scheme (MDPS) 3 – 12 Years	85%	15%

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.08.2023	
	Client	Bank
Mudaraba Hajj Savings Scheme (MHSS) 1 Year – 10 Years	90%	10%
Cash Waqf	90%	10%
Mudaraba Savings Account (MSA)	45%	55%
Mudaraba Savings Account-Staff (MSA-Staff)	45%	55%
Mudaraba Savings Account - Smart (MSA - Smart)	45%	55%
Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
Mudaraba Special Notice Deposit Account (MSND)	40%	60%
Smart Junior Saver (School Banking)	50%	50%

## 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 PLC. Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2023

	Amount in Taka	
	31 Dec 2023	31 Dec 2022
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>	1,697,086,233	1,409,700,260
Cash in hand (including foreign currencies)	48,490,726	56,422,354
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	1,648,595,507	1,353,277,906
<b>Balance with other banks and financial institutions</b>	10,502,424,299	8,702,502,662
In Bangladesh	10,502,424,299	8,702,502,662
Outside Bangladesh	-	-
<b>Placement with other banks and financial institutions</b>	-	-
<b>Investments in shares and securities</b>	5,017,750,000	4,817,750,000
Government	4,317,750,000	4,317,750,000
Others	700,000,000	500,000,000
<b>Investments</b>	20,972,415,882	15,827,529,858
General Investment	20,934,478,371	15,738,040,803
Bills purchased and discounted	37,937,511	89,489,055
<b>Fixed assets including premises, furniture and fixtures</b>	3,653,564	3,522,869
<b>Other assets</b>	1,496,885,579	3,183,585,297
<b>Non - banking assets</b>	-	-
<b>Total assets</b>	<u>39,690,215,557</u>	<u>33,944,590,946</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from other banks, financial institutions and agents</b>	125,800,677	-
<b>Deposits and other Accounts</b>		
Al-wadeeah current and other deposits accounts, etc.	1,722,006,211	1,661,221,019
Bills payable	28,163,080	56,160,215
Mudaraba savings deposits	6,132,159,865	5,455,180,165
Mudaraba term deposits	25,889,636,213	23,146,572,918
	33,771,965,369	30,319,134,317
<b>Other liabilities</b>	5,792,449,511	3,625,456,629
<b>Total liabilities</b>	<u>39,690,215,557</u>	<u>33,944,590,946</u>
<b>OFF- BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	20,582,853	-
Letters of guarantee	471,168,289	411,507,356
Irrevocable letters of credit	560,679,905	-
Bills for collection	48,572,315	-
Other contingent liabilities	-	-
	1,101,003,362	411,507,356
Other commitments	-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<u>1,101,003,362</u>	<u>411,507,356</u>

# Bank Asia PLC. Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2023

Amount in Taka

	31 Dec 2023	31 Dec 2022
<b>Operating income</b>		
Investment income	1,722,453,742	1,244,096,784
Profit paid on deposits, borrowings, etc.	1,806,806,867	1,272,698,114
<b>Net investment income</b>	(84,353,125)	(28,601,330)
Profit on Investment with bank and financial institutions	250,674,258	240,603,466
Commission, exchange and brokerage	75,022,923	94,598,765
Other operating income	31,424,289	16,976,613
<b>Total operating income</b>	272,768,345	323,577,514
Salaries and allowances	113,703,092	101,783,021
Rent, taxes, insurance, electricity, etc.	17,416,816	13,664,062
Legal expenses	1,168,136	15,000
Postage, stamp, telecommunication, etc.	1,170,040	1,278,160
Stationery, printing, advertisement, etc.	1,895,659	945,359
Depreciation and repair of Bank's assets	2,523,071	2,230,602
Other expenses	35,966,307	34,622,805
<b>Total operating expenses</b>	173,843,121	154,539,009
<b>Profit before provision</b>	98,925,224	169,038,505

# Bank Asia PLC. Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2023

	Notes	31 Dec 2023		31 Dec 2022	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>					
	3	-	-	-	-
In Bangladesh		-	-	10,000,000	1,010,000,000
Outside Bangladesh		767,628	84,055,240	6,104,484	616,552,858
		767,628	84,055,240	16,104,484	1,626,552,858
<b>Investments</b>					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Loans and advances</b>					
	4				
Loans, cash credits, overdrafts, etc.		31,333,245	3,430,990,300	36,793,185	3,716,111,667
Bills purchased and discounted		127,872,219	14,002,008,006	211,590,103	21,370,600,408
		159,205,464	17,432,998,306	248,383,288	25,086,712,075
<b>Fixed assets including premises, furniture &amp; fixtures</b>					
		-	-	-	-
<b>Other assets</b>					
	5	169,698	18,581,925	285,115	28,796,606
<b>Non - banking assets</b>					
		-	-	-	-
<b>Total assets</b>		<u>160,142,790</u>	<u>17,535,635,471</u>	<u>264,772,887</u>	<u>26,742,061,539</u>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions and agents</b>					
	6	144,984,654	15,875,819,645	254,773,844	25,732,158,197
<b>Deposits and other accounts</b>					
	7				
Current deposits		9,812,745	1,074,495,629	8,847,110	893,558,137
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		5,183,341	567,575,881	1,062,248	107,287,003
Bearer certificate of deposit		-	-	-	-
		14,996,087	1,642,071,510	9,909,358	1,000,845,140
<b>Other liabilities</b>	8	162,049	17,744,316	89,685	9,058,202
<b>Total liabilities</b>		<u>160,142,790</u>	<u>17,535,635,471</u>	<u>264,772,887</u>	<u>26,742,061,539</u>
<b>OFF- BALANCE SHEET ITEMS</b>					
<b>Contingent liabilities</b>					
Acceptances and endorsements	9	-	-	143,454	14,488,854
Letters of guarantee		27,266	2,985,627	6,610	667,610
Irrevocable letters of credit	10	42,750	4,681,125	159,204	16,079,604
Bills for collection		-	-	230,920	25,285,717
Other contingent liabilities		-	-	-	-
		70,016	7,666,752	540,188	56,521,785
Other commitments		-	-	-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<u>70,016</u>	<u>7,666,752</u>	<u>540,188</u>	<u>56,521,785</u>

# Bank Asia PLC. Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2023

	Notes	31 Dec 2023		31 Dec 2022	
		USD	Taka	USD	Taka
<b>Operating Income</b>					
Interest income	11	19,793,086	2,115,485,037	15,715,629	1,452,752,732
Interest paid on deposits and borrowings, etc.	12	15,283,851	1,633,537,953	10,970,825	1,014,143,099
<b>Net interest/net profit on investments</b>		4,509,235	481,947,084	4,744,803	438,609,633
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	57,293	(8,967,753)	64,120	56,981,514
Other operating income	14	139,227	14,880,540	120,491	11,138,169
<b>Total operating income (A)</b>		4,705,755	487,859,871	4,929,414	506,729,316
		-	-	-	-
Salaries and allowances		99,567	10,641,691	100,098	9,253,038
Rent, taxes, insurance, electricity, etc.		3,092	330,453	3,094	286,015
Legal expenses		-	-	811	74,963
Postage, stamp, telecommunication, etc.		4,948	528,795	6,707	620,037
Stationery, printing, advertisements, etc.		1,245	133,086	1,011	93,445
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		384	40,997	304	28,097
Other expenses		131,662	14,072,058	201,271	18,605,508
<b>Total operating expenses (B)</b>		240,897	25,747,080	313,296	28,961,103
<b>Profit before provision (C=A-B)</b>		4,464,858	462,112,791	4,616,118	477,768,213



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

Annex H-2

as at and for the year ended 31 December 2023

## 1 Status of the unit

Off-shore banking Unit ("the Unit") is a separate business unit of Bank Asia PLC., 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 109.50 (2022 : BDT 101.00). Income and expenses are translated at an average rate @ USD 1 = BDT 106.88 (2022 : BDT 92.44). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 103.50

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka

## 3 Balance with other banks and financial institutions

In Bangladesh	-	-	-	-
Placements with Eastern Bank Limited	-	-	10,000,000	1,010,000,000
	-	-	10,000,000	1,010,000,000
Outside Bangladesh				
Commerzbank A.G, Frankfurt	34,831	3,813,977	9,996	1,009,613
Habib American Bank, New York	732,792	80,240,688	6,094,482	615,542,715
Sonali Bank (UK) Limited, London	5	575	5	530
	767,628	84,055,240	6,104,484	616,552,858
	767,628	84,055,240	16,104,484	1,626,552,858

## 4 Loans and advances

Loans, cash credit, overdrafts etc. (Note 4.1)	31,333,245	3,430,990,300	36,793,185	3,716,111,667
Bills purchased and discounted (Note 4.2)	127,872,219	14,002,008,006	211,590,103	21,370,600,408
	159,205,464	17,432,998,306	248,383,288	25,086,712,075

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka
<b>4.1 Loans, cash credit, overdrafts etc.</b>				
Term loan industrial	31,179,764	3,414,184,152	36,377,614	3,674,138,997
Loan against trust receipts	-	-	215,184	21,733,560
Overdraft	153,481	16,806,148	200,387	20,239,110
	<u>31,333,245</u>	<u>3,430,990,300</u>	<u>36,793,185</u>	<u>3,716,111,667</u>
<b>4.2 Bills purchased and discounted</b>				
Payable in Bangladesh	127,872,219	14,002,008,006	211,590,103	21,370,600,408
Payable outside Bangladesh	-	-	-	-
	<u>127,872,219</u>	<u>14,002,008,006</u>	<u>211,590,103</u>	<u>21,370,600,408</u>
<b>5 Other assets</b>				
Branch adjustment account	169,698	18,581,925	169,698	17,139,488
Prepaid expenses	-	-	100,417	10,142,109
Income receivable	-	-	15,000	1,515,009
	<u>169,698</u>	<u>18,581,925</u>	<u>285,115</u>	<u>28,796,606</u>
<b>6 Borrowings from other banks, financial institutions and agents</b>				
Borrowing from other banks (Note 6.1)	64,500,000	7,062,750,000	215,190,000	21,734,190,000
Borrowing from Bank Asia Treasury Division	57,000,000	6,241,500,000	270,000	27,270,000
Borrowing - ECA	16,817,984	1,841,569,280	19,313,842	1,950,697,995
Borrowing from IFC	6,666,670	730,000,365	20,000,002	2,020,000,202
	<u>144,984,654</u>	<u>15,875,819,645</u>	<u>254,773,844</u>	<u>25,732,158,197</u>
<b>6.1 Borrowing from other banks</b>				
<b>In Bangladesh</b>				
Jamuna Bank Limited	5,000,000	547,500,000	-	-
<b>Outside Bangladesh</b>				
Yes Bank, Mumbai	-	-	5,000,000	505,000,000
SCB Singapore	-	-	15,000,000	1,515,000,000
National Bank of RAK, UAE	-	-	25,000,000	2,525,000,000
Bank Muscat, Oman	-	-	3,000,000	303,000,000
Asian Development Bank	7,500,000	821,250,000	-	-
Fimbank, Malta	10,000,000	1,095,000,000	-	-
Caixa Bank, Barcelona	32,000,000	3,504,000,000	72,700,000	7,342,700,000
Standard Chartered Bank, Thailand	-	-	5,000,000	505,000,000
HDFC, Gift City, Mumbai	-	-	10,000,000	1,010,000,000
Bank Muscat SAOG	-	-	25,000,000	2,525,000,000
Indusind Bank Limited	-	-	3,000,000	303,000,000
State Bank of India, Hongkong	10,000,000	1,095,000,000	22,500,000	2,272,500,000
Nepal Bangladesh Bank Limited	-	-	7,500,000	757,500,000
DBS Bank Singapore	-	-	6,900,000	696,900,000
Emirates Islami Bank	-	-	4,590,000	463,590,000
Ajman Bank, U.A.E.	-	-	10,000,000	1,010,000,000
	<u>59,500,000</u>	<u>6,515,250,000</u>	<u>215,190,000</u>	<u>21,734,190,000</u>
	<u>64,500,000</u>	<u>7,062,750,000</u>	<u>215,190,000</u>	<u>21,734,190,000</u>
<b>7 Deposits and other accounts</b>				
Customer deposits and other accounts (Note 7.1)	<u>14,996,087</u>	<u>1,642,071,510</u>	<u>9,909,358</u>	<u>1,000,845,140</u>

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

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka
<b>7.1 Customer deposits and other accounts</b>				
Foreign currency (Current)	4,650,905	509,274,119	6,734,203	680,154,510
Other demand deposits (Current)	5,161,840	565,221,510	2,112,907	213,403,627
Fixed deposit	5,183,341	567,575,881	1,062,248	107,287,003
	<u>14,996,087</u>	<u>1,642,071,510</u>	<u>9,909,358</u>	<u>1,000,845,140</u>
<b>8 Other liabilities</b>				
Provision for loans and advances	(376,141)	(41,187,391)	(474,836)	(47,958,416)
Provision for off balance sheet items	(4,462)	(488,550)	3,954	399,362
Due to Head Office	380,602	41,675,941	470,882	47,559,054
FDR on Export Bill	136,713	14,970,088	50,494	5,099,911
Interest suspense account	25,335	2,774,233	39,191	3,958,291
	<u>162,049</u>	<u>17,744,321</u>	<u>89,685</u>	<u>9,058,202</u>
<b>9 Acceptances and endorsements</b>				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	-	-	143,454	14,488,854
	<u>-</u>	<u>-</u>	<u>143,454</u>	<u>14,488,854</u>
<b>10 Irrevocable letters of credit</b>				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	42,750	4,681,125	159,204	16,079,604
	<u>42,750</u>	<u>4,681,125</u>	<u>159,204</u>	<u>16,079,604</u>
<b>11 Interest income</b>				
Demand loan	-	-	402	37,190
Loan against trust receipt	593	63,374	20,102	1,858,188
Term loan - industrial	1,453,419	155,341,432	1,203,713	111,271,238
Foreign bill purchased	18,046,836	1,928,845,878	14,287,435	1,320,730,530
Overdraft	18,343	1,960,502	13,088	1,209,825
	<u>19,519,191</u>	<u>2,086,211,186</u>	<u>15,524,740</u>	<u>1,435,106,971</u>
Interest/profit on balance with other banks and financial institutions	171,486	18,328,434	143,858	13,298,263
Interest/profit received from foreign banks	102,408	10,945,417	47,030	4,347,498
	<u>19,793,086</u>	<u>2,115,485,037</u>	<u>15,715,629</u>	<u>1,452,752,732</u>
<b>12 Interest paid on deposits and borrowings etc.</b>				
Interest on deposit	272,446	29,119,047	29,871	2,761,295
Interest on borrowings	15,011,404	1,604,418,906	10,940,954	1,011,381,804
	<u>15,283,851</u>	<u>1,633,537,953</u>	<u>10,970,825</u>	<u>1,014,143,099</u>
<b>13 Commission, exchange and brokerage</b>				
Commission on L/C	3,973	424,634	8,231	760,874
Commission on export	38,252	4,088,334	45,090	4,168,108
Commission on PO, DD, TT, TC, etc	15,068	1,610,499	10,799	998,259
Foreign exchange gain and charges	-	(15,091,220)	-	51,054,273
	<u>57,293</u>	<u>(8,967,753)</u>	<u>64,120</u>	<u>56,981,514</u>
<b>14 Other operating income</b>				
SWIFT charge recovery	4,205	449,457	4,410	407,660
Other	135,021	14,431,083	116,081	10,730,509
	<u>139,227</u>	<u>14,880,540</u>	<u>120,491</u>	<u>11,138,169</u>

## Bank Asia PLC. Statement of outstanding unreconciled entries (nostro account)

Annex I

as at 31 December 2023

*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.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Less than 1 month	18	6,972,874	89	5,008,886	222	26,368,461	456	16,983,530
2	More than 1 month but less than 3 months	-	-	3	1,243	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Total</b>		<b>18</b>	<b>6,972,874</b>	<b>92</b>	<b>5,010,129</b>	<b>222</b>	<b>26,368,461</b>	<b>456</b>	<b>16,983,530</b>

# Bank Asia PLC.

## Reconciliation between Bangladesh Bank statement and Bank's book

as at 31 December 2023

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	13,850,250,078.82	14,565,198,738.89	(714,948,660.07)
Bangladesh Bank, Dhaka (Al-wadeeah current account)	1,552,406,831.43	1,648,595,507.05	(96,188,675.62)
Bangladesh Bank, Chittagong	189,433,228.89	189,433,228.89	-
Bangladesh Bank, Sylhet	42,097,385.40	55,097,385.40	(13,000,000.00)
Bangladesh Bank, Khulna	26,486,656.95	26,486,656.95	-
Bangladesh Bank, Rajshahi	18,270,246.92	18,270,246.92	-
Bangladesh Bank, Bogra	75,439,994.26	15,434,894.26	60,005,100.00
Bangladesh Bank, Barishal	30,100,145.29	30,097,145.29	3,000.00
Bangladesh Bank, Rangpur	849,424.14	771,306.83	78,117.31
Total	15,785,333,992.10	16,549,385,110.48	(764,051,118.38)

Bank credited but not debited by Bangladesh Bank

282.50

Bank debited but not credited by Bangladesh Bank

676,188,675.62

Bangladesh Bank credited but not debited by Bank

118,021,511.82

Bangladesh Bank debited but not credited by Bank

205,884,237.08

(764,051,118.38)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	10,273,498.88	12,675,248.56	1,311,888,225.96	(2,401,749.68)
Total	10,273,498.88	12,675,248.56	1,311,888,225.96	(2,401,749.68)

Bank credited but not debited by Bangladesh Bank

2,500,203.41

Bank debited but not credited by Bangladesh Bank

500,000.00

Bangladesh Bank credited but not debited by Bank

-

Bangladesh Bank debited but not credited by Bank

4,401,953.09

(2,401,749.68)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	15,253.36	15,253.36	1,922,686.03	-
	15,253.36	15,253.36	1,922,686.03	-
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	191,568.34	191,568.34	21,024,625.32	-
	191,568.34	191,568.34	21,024,625.32	-
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				-
				-

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)			17,884,255,029	

## Bank Asia PLC. Segment Reporting

The Bank reports its operations under the following business segments as per International Financial Reporting Standards (IFRS) 8 “Operating segment”

Amount in Taka

Particulars	Bank Asia PLC.				Bank Asia PLC. and its subsidiaries				Inter company transaction	Consolidated
	Inside Bangladesh		Outside Bangladesh		Inside Bangladesh		Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.			
Interest income	19,449,125,982	1,722,453,742	2,115,485,037	23,287,064,761	209,526,705	-	-	(115,993,009)	23,380,598,457	
Interest paid on deposits and borrowings, etc	13,613,647,127	1,806,806,867	1,633,537,953	17,053,991,947	129,341,894	-	-	(115,993,009)	17,067,340,832	
<b>Net interest income</b>	<b>5,835,478,855</b>	<b>(84,353,125)</b>	<b>481,947,084</b>	<b>6,233,072,814</b>	<b>80,184,811</b>	-	-	-	<b>6,313,257,625</b>	
Investment income	8,125,852,490	250,674,258	-	8,376,526,748	-	-	-	-	8,376,526,748	
Commission, exchange and brokerage	4,911,345,834	75,022,923	(8,967,753)	4,977,401,004	142,385,428	41,310,306	182,355,226	-	5,343,451,964	
Other operating income	1,340,203,881	31,424,289	14,880,540	1,386,508,710	45,654,677	1,818,534	637,525	-	1,434,619,446	
<b>Total operating income (A)</b>	<b>20,212,881,060</b>	<b>272,768,345</b>	<b>487,859,871</b>	<b>20,973,509,276</b>	<b>268,224,916</b>	<b>43,128,840</b>	<b>182,992,751</b>	-	<b>15,154,598,158</b>	
Salaries and allowances	5,119,020,765	113,703,092	10,641,691	5,243,365,548	109,121,769	18,728,738	36,707,151	-	5,407,923,206	
Rent, taxes, insurance, electricity, etc	608,154,794	17,416,816	330,453	625,902,063	8,514,432	5,761,664	19,835,872	-	660,014,031	
Legal expenses	27,369,913	1,168,136	-	28,538,049	149,685	334,965	80,156	-	29,102,855	
Postage, stamp, telecommunication, etc	188,347,204	1,170,040	528,795	190,046,039	2,897,719	397,563	991,220	-	194,332,541	
Stationery, printing, advertisements, etc	166,231,610	1,895,659	133,086	168,260,355	919,535	2,276,829	2,905,353	-	174,362,072	
Managing Director's salary and fees	13,510,000	-	-	13,510,000	-	-	-	-	13,510,000	
Directors' fees	3,776,000	-	-	3,776,000	544,500	-	-	-	4,320,500	
Auditors' fees	1,753,000	-	-	1,753,000	76,667	738,521	1,868,495	-	4,436,683	
Depreciation and repairs of Bank's assets	996,352,457	2,523,071	40,997	998,916,525	24,637,951	143,309	2,684,505	-	1,026,382,290	
Other expenses	2,118,662,499	35,966,307	14,072,058	2,168,700,864	12,713,700	6,213,566	46,230,620	-	2,233,858,750	
<b>Total operating expenses (B)</b>	<b>9,243,178,242</b>	<b>173,843,121</b>	<b>25,747,080</b>	<b>9,442,768,443</b>	<b>159,575,958</b>	<b>34,595,155</b>	<b>111,303,372</b>	-	<b>9,748,242,928</b>	
<b>Profit before provision (C=A-B)</b>	<b>10,969,702,818</b>	<b>98,925,224</b>	<b>462,112,791</b>	<b>11,530,740,833</b>	<b>108,648,958</b>	<b>8,533,685</b>	<b>71,689,379</b>	-	<b>11,719,612,855</b>	
<b>Provision:</b>										
Provision for loans and advances/investments				6,499,899,863	54,752,648	-	-	-	6,554,652,511	
Provision for off-balance sheet items				195,000,000	-	-	-	-	195,000,000	
Provision for diminution in value of investments				90,000,000	-	-	-	-	90,000,000	
Other provisions				50,000,000	-	-	-	-	50,000,000	
<b>Total provision (D)</b>				<b>6,834,899,863</b>	<b>54,752,648</b>	-	-	-	<b>6,889,652,511</b>	
<b>Profit before tax provision (E=C-D)</b>				<b>4,695,840,970</b>	<b>53,896,310</b>	<b>8,533,685</b>	<b>71,689,379</b>	-	<b>4,829,960,344</b>	
<b>Provision for taxation</b>				<b>2,300,000,000</b>	<b>51,108,689</b>	-	-	-	<b>2,351,108,689</b>	
<b>Profit after tax provision</b>				<b>2,395,840,970</b>	<b>2,787,621</b>	<b>8,533,685</b>	<b>71,689,379</b>	-	<b>2,478,851,655</b>	



# Bank Asia PLC. Segment Reporting

Annex K-1

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

Amount in Taka

Particulars	Bank Asia PLC.				Bank Asia PLC. and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit	Total	Outside Bangladesh		Inter company transaction		
	Conventional Banking	Islamic Banking			Bank Asia Bangladesh	BA Exchange Company (UK) Ltd			
<b>PROPERTY AND ASSETS</b>									
Cash	20,079,791,620	1,697,086,233	-	21,776,877,853	8,699	59,402	53,251	-	21,776,999,205
Balance with other banks and financial institutions	13,090,274,691	10,502,424,299	84,055,240	23,676,754,230	572,829,729	15,610,502	217,988,625	(351,884,444)	24,131,298,642
Money at call and on short notice	300,000,000	-	-	300,000,000	-	-	-	-	300,000,000
Investments	109,742,402,372	5,017,750,000	-	114,760,152,372	1,041,252,282	-	-	-	115,801,404,654
Loans and advances/investments	252,919,628,957	20,972,415,882	17,432,998,306	291,325,043,145	4,552,939,579	-	-	(1,805,556,804)	294,072,425,920
Fixed assets including premises, furniture and fixtures	5,874,765,189	3,653,564	-	5,878,418,753	74,782,943	353,472	3,601,231	-	5,957,156,399
Other assets	14,995,898,567	1,496,885,579	18,581,925	16,511,366,071	423,152,169	1,963,221	164,840,429	(2,507,226,548)	14,594,095,342
Non - banking assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>417,002,761,396</b>	<b>39,690,215,557</b>	<b>17,535,635,471</b>	<b>474,228,612,424</b>	<b>6,664,965,401</b>	<b>17,986,597</b>	<b>386,483,536</b>	<b>(4,664,667,796)</b>	<b>476,633,380,162</b>
<b>LIABILITIES AND CAPITAL</b>									
Liabilities									
Borrowings from other banks, Financial institutions and agents	11,070,276,983	125,800,677	15,875,819,645	27,071,897,305	1,805,556,804	-	-	(1,805,556,804)	27,071,897,305
Subordinated Non-Convertible Zero Coupon Bond	7,680,250,000	-	-	7,680,250,000	-	-	-	-	7,680,250,000
Deposits and other accounts	326,203,111,033	33,771,965,369	1,642,071,510	361,617,147,912	535,465,276	-	-	(351,884,444)	361,800,728,744
Other liabilities	41,807,229,342	5,792,449,511	17,744,316	48,339,788,323	2,262,399,192	62,507,577	373,157,891	(360,086,548)	50,677,766,435
<b>Total liabilities</b>	<b>386,760,867,358</b>	<b>39,690,215,557</b>	<b>17,535,635,471</b>	<b>444,709,083,540</b>	<b>4,603,421,272</b>	<b>62,507,577</b>	<b>373,157,891</b>	<b>(2,517,527,796)</b>	<b>447,230,642,484</b>
Total shareholders' equity	29,519,528,884	-	-	29,519,528,884	2,061,544,129	(44,520,980)	13,325,645	(2,147,140,000)	29,402,737,678
<b>Total liabilities and shareholders' equity</b>	<b>416,280,396,242</b>	<b>39,690,215,557</b>	<b>17,535,635,471</b>	<b>474,228,612,424</b>	<b>6,664,965,401</b>	<b>17,986,597</b>	<b>386,483,536</b>	<b>(4,664,667,796)</b>	<b>476,633,380,162</b>

# 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**, which comprise the statement of financial position as at 31 December 2023, 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 respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our 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.

### Other Matter

The financial statements of Bank Asia Securities Limited for the year ended 31 December 2022, were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants who expressed an unmodified opinion on those financial statements on 14 March 2023.

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

Management of Bank Asia Securities Limited is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other application laws and regulations and 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 the 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 judgment 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 Company'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 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.

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.

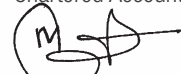
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other Legal and Regulatory Requirements**

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure was incurred for the purpose of the company's business.

Sign Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Masud Alam Chowdhury** ACA  
Partner  
ICAB Enrollment No: 2088  
DVC: 2404252088AS502004

Dhaka, 25 April 2024

# Bank Asia Securities Limited

## Statement of Financial Position

as at 31 December 2023

	Notes	31 Dec 2023	31 Dec 2022
<i>Amount in Taka</i>			
<b>Non-current assets</b>			
Property, plant and equipment	4	74,782,943	85,357,425
Demutualization membership of DSE	5	114,839,239	114,839,239
<b>Total non- current assets</b>		189,622,182	200,196,664
<b>Current Assets</b>			
Advances, deposits and prepayments	6	61,157,340	67,508,148
Investment in shares	7	926,413,043	874,306,412
Margin loans to customer	8	4,552,939,579	3,977,674,827
Accounts receivable	9	30,417,122	12,093,453
Advance income tax	10	331,577,707	372,449,376
Deferred tax assets	23	6,050,614	4,671,014
Cash and cash equivalents	11	572,838,428	598,386,140
<b>Total current assets</b>		6,481,393,833	5,907,089,369
<b>Total assets</b>		6,671,016,015	6,107,286,033
<b>Shareholders' equity and liabilities</b>			
Share capital	12	2,000,000,000	2,000,000,000
Capital reserve	12.1	2,090,869	1,760,387
Retained earnings	13	65,503,874	61,667,135
<b>Shareholders' equity</b>		2,067,594,743	2,063,427,521
<b>Non-current liabilities</b>			
Financial lease obligation	14	31,771,220	47,356,532
<b>Total non- current liabilities</b>		31,771,220	47,356,532
<b>Current Liabilities</b>			
Clients' payable (customer deposits)	15	535,465,276	527,347,378
Loans and borrowings	16	1,805,556,804	1,256,565,786
Accounts payable	17	32,566,056	28,985,927
Other liabilities	18	28,400,491	27,897,120
Interest suspense account	19	890,799,214	890,799,214
Provision for diminution in value of investments	20	84,911,772	84,911,772
Provision for client margin loan	21	909,690,466	854,937,818
Provision for corporate income tax	22	284,259,973	325,056,964
<b>Total current liabilities</b>		4,571,650,052	3,996,501,979
<b>Total liabilities</b>		4,603,421,272	4,043,858,511
<b>Total equity and liabilities</b>		6,671,016,015	6,107,286,033

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

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Chairman

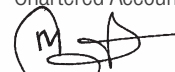
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Director

-sd-

Chief Executive Officer

Sign Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Masud Alam Chowdhury** ACA  
Partner  
ICAB Enrollment No: 2088  
DVC: 2404252088AS502004

Dhaka, 25 April 2024

# Bank Asia Securities Limited

## Statement of Profit or loss and Other Comprehensive Income

for the period ended 31 December 2023

		<i>Amount in Taka</i>	
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Brokerage commission</b>	24	142,385,428	195,774,974
Interest income	25	209,526,705	160,281,453
Interest expense	26	(129,341,894)	(119,900,685)
<b>Net interest income</b>		80,184,811	40,380,767
Other operating income/(loss)	27	45,654,677	76,835,465
<b>Total operating income</b>		268,224,916	312,991,207
Operating expenses	28	(159,575,958)	(141,178,759)
<b>Profit before provision</b>		108,648,958	171,812,447
Provision for diminution in value of investments	20	-	-
Provision for client margin loan	21	(54,752,648)	(100,000,000)
<b>Profit /(Loss) before tax</b>		53,896,310	71,812,447
Current tax expense	22	(51,108,689)	(67,972,708)
Deferred tax Income/(expense)	23	1,379,600	1,074,520
<b>Income tax expense</b>		(49,729,089)	(66,898,188)
<b>Profit after tax</b>		4,167,221	4,914,259
Other comprehensive income		-	-
<b>Total comprehensive income/(loss)</b>		4,167,221	4,914,259
<b>Appropriation to</b>			
Capital reserve		(330,482)	(1,609,440)
<b>Total Comprehensive income</b>		3,836,739	3,304,820
<b>Earnings per share</b>	29	0.21	0.25

These financial statements should be read in conjunction with the annexed notes

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Chairman

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Director

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Chief Executive Officer

Sign Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants



**Masud Alam Chowdhury** ACA  
Partner

ICAB Enrollment No: 2088

DVC: 2404252088AS502004

Dhaka, 25 April 2024

# Bank Asia Securities Limited

## Statement of Cash Flows

for the period ended 31 December 2023

Amount in Taka

	2023	2022
<b>A. Cash flows from operating activities</b>		
Cash received from		
Interest income	209,526,705	160,281,453
Brokerage commission	142,385,428	195,774,974
Cash payment for		
Interest expenses	(115,993,010)	(98,878,292)
Operating expenses	(134,434,635)	(121,712,814)
Customers' deposits	8,117,898	(194,004,332)
Margin loan to customers	(555,060,123)	312,177,557
Other assets	(11,972,861)	22,556,070
Accounts Payable	3,580,130	(76,679,377)
Income tax paid	(51,034,011)	(71,639,532)
<b>Net cash flows from/ (used in) operating activities</b>	<u>(504,884,480)</u>	<u>127,875,705</u>
<b>B. Cash flows from investing activities</b>		
Investment in shares	(52,106,631)	(58,902,218)
Acquisition of property and equipment	(17,547,619)	(3,315,557)
<b>Net cash used in investing activities</b>	<u>(69,654,250)</u>	<u>(62,217,775)</u>
<b>C. Cash flows from financing activities</b>		
Loans and borrowings	548,991,018	(255,016,925)
<b>Net cash from financing activities</b>	<u>548,991,018</u>	<u>(255,016,925)</u>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<u>(25,547,712)</u>	<u>(189,358,994)</u>
E. Opening cash and cash equivalents	598,386,140	787,745,134
<b>F. Closing cash and cash equivalents</b>	<u>572,838,428</u>	<u>598,386,140</u>

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

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Chairman

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Director

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Chief Executive Officer

# Bank Asia Securities Limited

## Statement of Changes in Equity

for the period ended 31 December 2023

Particulars	Amount in Taka			
	Share capital	Capital reserve	Retained earnings/ (Accumulated Losses)	Total
<b>Period ended 31 Dec 2022</b>				
Opening balance	2,000,000,000	150,947	58,362,315	2,058,513,262
Net profit for the period	-	-	4,914,259	4,914,259
Transfer during the year	-	1,609,440	(1,609,440)	-
<b>Closing balance</b>	<b>2,000,000,000</b>	<b>1,760,387</b>	<b>61,667,135</b>	<b>2,063,427,522</b>
<b>Period ended 31 Dec 2023</b>				
Opening balance	2,000,000,000	1,760,387	61,667,135	2,063,427,522
Net profit for the period	-	-	4,167,221	4,167,221
Transfer during the year	-	330,482	(330,482)	-
<b>Closing balance</b>	<b>2,000,000,000</b>	<b>2,090,869</b>	<b>65,503,874</b>	<b>2,067,594,743</b>

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

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Chairman

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Director

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Chief Executive Officer



# Bank Asia Securities Limited

## Notes to the Financial Statements

as at and for the period ended 31 December 2023

### 1. Reporting Entity

Bank Asia Securities Limited (“the Company”), a majority owned subsidiary company of Bank Asia PLC. 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), 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 Changes in Equity;
- d) Statement of Cash Flows; 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
- \* ROU assets and lease 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 2023 to 31 December 2023.

#### 2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 25 April 2024

#### 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 cost 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 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.

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 recognized 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 recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

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

## 2.12 Taxation

### Current tax

Provision for current tax is made in accordance with the provision of Income Tax Act, 2023 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 six number of Branch offices, three digital booth and Two Extension Office (excluding Head Office), with no overseas branch as on December 31, 2023.

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 recognized on daily basis in the Statement of Profit or loss and other Comprehensive Income after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited and Chittagong 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 2023 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 recognized 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-wise depreciation rates are as follows:

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

**3.5 Intangible assets**

**Computer software**

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

**Subsequent costs**

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

**Amortization of intangible assets**

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

**3.6 Lease assets**

The company has applied "IFRS 16: Lease" using the modified retrospective approach.

**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:

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

**3.10 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 authorized for issue. Two types of events can be identified:

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

### 3.11 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 2023 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 Act 2023. In case any requirements of the 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 letter no. BSEC/MSMID/NE/2023/840 dated October 22, 2023, provision has been made for impairment of margin loan arising out of year-end (31.12.2023) 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 31.12.2023 in accordance with the aforesaid Directives.

#### 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
- IAS- 38 Intangible Assets

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

IFRS- 7 Financial Instruments : Disclosures;  
IFRS- 9 Financial Instruments  
IFRS- 13 Fair Value Measurement  
IFRS- 15 Revenue  
IFRS- 16 Lease

**3.15 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 2023	31 Dec 2022
Opening balance	22,279,353	29,451,019
Add: Addition during the period	17,547,619	3,315,557
Less: Depreciation charge for the period	12,440,651	10,487,223
A. Closing balance	27,386,322	22,279,353

**4.1 Right of use of assets**

Opening balance	63,078,070	73,065,185
Add: Addition during the year	-	2,951,846
	63,078,070	76,017,031

	31 Dec 2023	31 Dec 2022
Less: Adjustment/disposal	3,484,149	1,428,336
Less: Depreciation charge for right of use of assets	12,197,301	11,510,625
B. Closing balance	47,396,621	63,078,070
<b>Grand Total (A+B)</b>	<b>74,782,943</b>	<b>85,357,424</b>

Details are given in Annex I

#### 5. Demutualization Membership of Dhaka Stock Exchange

	31 Dec 2023	31 Dec 2022
	114,839,239	114,839,239

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

Investment in Xpert Fintec(Old BTSL)	30,000,000	30,000,000
Advance for Renovation of New Branch	-	7,111,658
Security Deposit for CSE TREC	30,000,000	30,000,000
Advance for Legal Advice & Stamp	77,340	96,490
Collateral amount for digital booth to DSE	400,000	300,000
Own subscription in IPOs but not yet allotted	680,000	-
	<b>61,157,340</b>	<b>67,508,148</b>

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

	31 Dec 2023	31 Dec 2022
	926,413,043	874,306,412

##### 7.1 Investment in shares in Dealer Account

	31 Dec 2023	31 Dec 2022
	543,432,726	491,329,492

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. **Details are given in Annex II**

##### 7.2 Investment In share Under SFCM

	31 Dec 2023	31 Dec 2022
	382,980,317	382,976,919

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 (**Details are given in Annex III**).

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

Proprietary positions in Equity securities		
Value of "A" category instruments	797,185,763	807,807,861
Value of "B/G/N/..." category instruments	17,017,868	10,572,987
Value of "Z" category instruments	-	-
Value of "OTC" category instruments	-	-
Value of Non-Listed Instruments	-	-
Proprietary positions in MFs & CISs		
Value of listed funds	107,959,029	42,396,974
Value of non-listed funds	-	9,287,940



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

	31 Dec 2023	31 Dec 2022
Value of listed debt instruments	4,250,383	4,240,650
	<u>926,413,043</u>	<u>874,306,412</u>

**8. Margin Loans to Customers**

Opening balance	3,977,674,827	4,244,364,917
Add: Interest charged during the period	192,087,839	135,002,089
	4,169,762,666	4,379,367,006
Less: Repayment of Margin Loan during the period/(addition)	(383,176,913)	401,692,179
Closing balance	<u>4,552,939,579</u>	<u>3,977,674,827</u>

The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ratio during the year based on directives issued by Bangladesh Securities and Exchange Commission.

**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)	2,561,991,353	2,851,413,305
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	125,819,633	86,897,980
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	108,188,411	86,322,793
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	1,756,940,182	953,040,749
Total margin loan	<u>4,552,939,579</u>	<u>3,977,674,827</u>

**9. Accounts Receivable**

Receivable from Dhaka Stock Exchange Ltd (Broker) (note 9.1)	19,263,830	380,003
Receivable from Chittagong Stock Exchange PLC (Broker)	10,327	1
Receivable Dividend (Dealer & SFCM)	11,142,964	11,713,449
	<u>30,417,122</u>	<u>12,093,453</u>

**9.1 Receivable from Dhaka Stock Exchange Ltd (Broker)**

Receivable against A,B,G and N category	16,009,681	-
Receivable against Z category	2,107,231	380,003
Receivable against DVP category	1,146,918	-
Total receivable from DSE	<u>19,263,830</u>	<u>380,003</u>

**10. Advance Income Tax**

Opening balance	372,449,376	338,893,462
Tax deducted at source from brokerage commission	33,783,524	44,026,410
Tax deducted at source from dividend income	5,278,998	6,157,480
Advance Tax as per Section 64 & 74 (New 173 & 214)	8,110,010	17,516,100
Advance tax others (Trade Licence)	15,000	3,000
Tax deducted at source from bank interest	3,846,479	3,936,541
	51,034,011	71,639,532
Less: Adjusted during the period	91,905,680	38,083,618
<b>Closing balance</b>	<u>331,577,707</u>	<u>372,449,376</u>



	31 Dec 2023	31 Dec 2022
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## 11. Cash and Cash Equivalents

Cash in hand (note 11.1)	8,699	107
Cash at Bank (note 11.2)	572,829,729	598,386,033
	<u>572,838,428</u>	<u>598,386,140</u>

### 11.1 Cash in hand

Head-office & Branch	8,699	107
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### 11.2 Cash at Bank

Bank Asia PLC. (Consolidated Customer A/C-00836000674)	351,729,120	369,482,673
ONE Bank Limited (Consolidated Customer A/C-0015025406003)	82,319,517	124,965,113
Midland Bank Ltd (Consolidated Customer A/C-0001-1060000011)	137,959,225	102,862,201
Bank Asia PLC. (Current Deposit Account-00833007917)	151,337	157,256
Bank Asia PLC. (BP A/C for BGTB-00836000739)	3,988	-
ONE Bank Limited (Dealer Account-0015025405007)	666,542	918,790
	<u>572,829,729</u>	<u>598,386,033</u>

## 12. Share Capital

Authorized capital :

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

20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
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The Company's shareholding position as at 31 December 2023 was as under:

Name of shareholder	No. of shares	% of holding	Value/Taka
Bank Asia PLC.	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	1,760,387	150,947
Add: Addition during the year	330,482	1,609,440
	2,090,869	1,760,387
Less: Adjusted during the period	-	-
Closing balance	<u>2,090,869</u>	<u>1,760,387</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**

	31 Dec 2023	31 Dec 2022
<b>13. Retained Earnings</b>		
Opening balance	61,667,135	58,362,315
Less: Dividend paid	-	-
	61,667,135	58,362,315
Add: Total comprehensive income during the period	4,167,221	4,914,259
Less: Transfer to capital reserve	(330,482)	(1,609,440)
<b>Closing balance</b>	<b>65,503,874</b>	<b>61,667,135</b>
<b>14. Financial Lease Obligation</b>		
Opening balance	47,356,532	56,158,627
Add: Addition during the year	-	2,951,846
	47,356,532	59,110,473
Less: Conversion to short term	15,585,312	11,753,941
<b>Closing balance</b>	<b>31,771,220</b>	<b>47,356,532</b>
<b>15. Clients' Payable (Customer Deposits)</b>		
	535,465,276	527,347,378
Customer deposits represent uninvest funds lying with the Company's account at the reporting date.		
<b>16. Loans and Borrowings</b>		
Bank Asia PLC.	1,416,909,912	868,403,324
Bank Asia PLC.-(SFCM)	388,646,892	388,162,462
	<b>1,805,556,804</b>	<b>1,256,565,786</b>
<b>17. Accounts Payable</b>		
Payable for IPO Application Process	17,760,000	-
Interest Payable	13,348,884	21,022,393
Dhaka Stock Exchange Ltd (Broker)	1,457,172	7,963,534
	<b>32,566,056</b>	<b>28,985,927</b>
<b>18. Other Liabilities</b>		
	28,400,491	27,897,120
<b>18.1 Liabilities for expenses</b>		
	14,702,731	16,251,885
The amount represents provisions against operating expenses during the period.		
<b>18.2 Current portion of lease obligation</b>		
Opening balance	11,645,236	11,713,533
Add: Interest charge during the year	4,349,213	5,330,929
Add: Conversion from long term	15,585,312	11,753,941
	31,579,761	28,798,403
Less: Paid during the period	17,882,000	17,153,167
Closing balance	<b>13,697,761</b>	<b>11,645,236</b>

31 Dec 2023                      31 Dec 2022

## 19. Interest Suspense Account

Opening balance	890,799,214	890,799,214
Add: Interest suspense during the year	-	-
<b>Closing Balance</b>	<b>890,799,214</b>	<b>890,799,214</b>

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	84,911,772	84,911,772
Add: Provision made during the period	-	-
<b>Closing balance</b>	<b>84,911,772</b>	<b>84,911,772</b>

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 BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 & BSEC/Survalance/Mukhopatro(5th Khondo)/2019/360; Date: 15 March 2023 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss within December 31, 2025.

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

Opening Balance	854,937,818	754,937,818
Add: Provision made during the period for unrealized loss arising for client margin loan	49,000,000	102,666,901
Add: Provision made during the period for outstanding margin loan	5,752,648	(2,666,901)
<b>Closing Balance</b>	<b>909,690,466</b>	<b>854,937,818</b>

### 21.1 Provision for unrealized loss arising for client margin loan

Opening Balance	815,161,070	712,494,169
Add: Provision made during the period	49,000,000	102,666,901
<b>Closing Balance</b>	<b>864,161,070</b>	<b>815,161,070</b>

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 BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 & BSEC/MSMID/NE/2023/840 dated October 22, 2023 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss arising for client margin loan within June 30, 2024.

### 21.2 Provision for outstanding margin exposure

Opening balance	39,776,748	42,443,649
Add: Addition during the year	5,752,648	-
	45,529,396	42,443,649
Less: Adjusted during the period	-	2,666,901
<b>Closing balance</b>	<b>45,529,396</b>	<b>39,776,748</b>

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	325,056,964	295,167,874
Add: Provision made during the period	51,108,689	67,972,708
Less: Adjusted during the period	91,905,680	38,083,618
<b>Closing balance</b>	<b>284,259,973</b>	<b>325,056,964</b>

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

	31 Dec 2023	31 Dec 2022
<b>23. Deferred Tax</b>		
Opening balance	4,671,014	3,596,494
Add: Provision for the during year	-	-
Less: Adjustment during the year	(1,379,600)	(1,074,520)
<b>Closing balance</b>	<b>6,050,614</b>	<b>4,671,014</b>
WDV of fixed assets as per accounts	27,386,323	22,279,354
WDV of fixed assets as per tax base	49,388,553	39,264,858
<b>Temporary difference</b>	<b>(22,002,231)</b>	<b>(16,985,504)</b>
Applicable tax rate	27.50%	27.50%
Deferred tax liabilities/(assets)	<b>(6,050,613)</b>	<b>(4,671,014)</b>
<b>24. Brokerage Commission</b>		
Brokerage commission	167,638,300	230,334,353
Less: Hawla charges	3,950	43,000
Laga charges	16,696,788	21,947,379
Service charge from clients for CDBL	8,552,134	12,569,000
	<b>142,385,428</b>	<b>195,774,974</b>
<b>25. Interest Income</b>		
Income from bank deposits	17,438,866	25,279,364
Income from margin loan	192,087,839	135,002,089
	<b>209,526,705</b>	<b>160,281,453</b>
<b>26. Interest Expense</b>		
Interest on loan	115,993,009	98,878,292
Interest expense agnt. customer deposit	13,348,885	21,022,393
	<b>129,341,894</b>	<b>119,900,685</b>
<b>27. Others Operating Income</b>		
BO account opening fees	737,000	1,200,500
Margin account renewal fees	914,000	734,000
Income from transfer/transmission/corporate action	816,004	1,590,950
Margin account opening fees	162,000	708,000
BO account renewal fees	1,136,700	1,078,700
IPO processing fees	18,660	69,015
Other income*	620,044	767,299
Dividend Income from investment in shares	26,761,563	42,992,987
Capital gain from investment in shares (Note # 27.01)	14,488,706	27,694,015
	<b>45,654,677</b>	<b>76,835,465</b>
Other income includes cheque collection charge, RTGS charge, cheque dishonor charge & other unclassified income		
<b>27.1. Capital gain from investment in shares</b>		
Sales price of shares	135,598,141	170,088,891
Less: Cost Price of Shares	121,109,435	142,394,876
Capital gain from shares investment	<b>14,488,706</b>	<b>27,694,015</b>

	31 Dec 2023	31 Dec 2022
<b>28. Operating Expenses</b>		
Audit fees	76,667	76,667
Bank charges	377,024	359,136
Bank guarantee commission	2,430,636	2,798,336
Business and promotional expenses	346,312	187,145
Cleaning expenses	509,134	413,568
Computer accessories	345,772	343,099
Traveling & Conveyance	325,898	439,552
Depreciation	24,637,951	21,997,848
Directors' remuneration	544,500	440,000
Entertainment	1,732,216	1,909,203
Fuel and oil	72,884	65,230
Insurance premium	699,723	525,594
Internet charges	2,429,697	2,074,393
Internship Allowance	120,000	157,500
Investor protection fund to DSE & CSE	29,213	171,252
License and renewal fees	1,247,765	1,814,437
Newspaper	49,624	66,403
Rent & others (Note: 28.1)	6,082,493	6,717,829
Others	29,089	38,341
Postage and courier	37,960	32,527
Printing and stationery	919,535	660,159
Professional & Legal expenses	149,685	665,869
Repair and maintenance	1,205,404	1,312,911
Salaries and allowances	109,121,769	92,687,337
Telephone & Mobile Bill	430,062	494,403
Training Expenses	219,527	89,997
Utilities	5,405,418	4,640,023
<b>Closing balance</b>	<b>159,575,958</b>	<b>141,178,759</b>

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

	31 Dec 2023	31 Dec 2022
<b>28.1 Rent &amp; others</b>		
Office rent	1,733,280	1,386,900
Interest portion on lease liabilities	4,349,213	5,330,929
	<u>6,082,493</u>	<u>6,717,829</u>

Total rent expenses for the period was Tk. 19,615,280.06 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 Sharess**

Profit After Tax	4,167,221	4,914,259
Number of Ordinary Shares	20,000,000	20,000,000
<b>Earning per shares</b>	<u>0.21</u>	<u>0.25</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	<u>544,500</u>	<u>440,000</u>
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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 69 in 31 December 2023.  
( In 2022 it was 69 employees)

# 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 2023 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 director's report. We have nothing to report in respect of the following matters in relation to which 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



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

- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and 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.

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. 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 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/auditors> responsibilities. 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  
Chartered Accountants  
Statutory Auditor

Date: 4 March 2024  
Q West  
Great West Road  
Brentford  
TW8 0GP

# BA EXCHANGE COMPANY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	323,830	266,761
Cost of Sales		(23,596)	(42,084)
<b>Gross Profit</b>		300,234	224,677
Administrative expenses		(236,161)	(194,054)
Profit before taxation		64,073	30,623
Tax on Profit		-	-
<b>Profit for the financial Year</b>		64,073	30,623

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	8		2,524		1,293
<b>Current assets</b>					
Debtors	9	14,013		28,171	
Cash at bank and in hand		111,848		132,180	
		125,861		160,351	
Creditors: amounts falling due within one year	10	(446,165)		(543,497)	
<b>Net current liabilities</b>			(320,304)		(383,146)
Net liabilities			(317,780)		(381,853)
<b>Capital And Reserves</b>					
Called up share capital			300,000		300,000
Profit and loss reserves			(617,780)		(681,853)
<b>Total Equity</b>			(317,780)		(381,853)

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 4 March 2024 and are signed on its behalf by:

Mr A K H Azad  
**Director**

**Company registration number 7314397 (England and Wales)**

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 (Ground 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 PLC.. 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 profit during the year after a number of years of losses in an ongoing competitive market, and the company is carrying accumulated losses. The results have improved and are in line with expectations.

The director considers that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds by way of the inter company position 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 2023.

#### 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 2023

## 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 2023 (2022 - 100%) have arisen from within the United Kingdom.

## 4 Operating (loss)/profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	2,545	3,000
Depreciation of owned tangible fixed assets	349	298
Operating lease charges	23,110	20,471

## 5 Auditor's remuneration

Fees payable to the company's auditor and associates:

### For audit services

Audit of the financial statements of the company	2,545	3,000
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## 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 7

Management	4	3
Counter Staff	3	4
	7	7

Their aggregate remuneration comprised:

Wages and salaries	140,620	128,181
	140,620	128,181

## 7 Directors' remuneration

Remuneration paid to directors	66,200	66,200
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## 8 Tangible fixed assets Plant & Machinery

	2023
Cost	
At 1 January 2023	21,902
Additions	1580
At 31 December 2023	23,482
Depreciation and impairment	
At 1 January 2023	20,609
Depreciation charged in the year	349
At 31 December 2023	20,958
Carrying amount	
At 31 December 2023	2,524
At 31 December 2022	1,293

## 9 Debtors

Amounts falling due within one year:	2023 £	2022 £
Other debtors	14,013	28,171

## 10 Creditors: amounts falling due within one year

Trade creditors	391,402	485,288
Taxation and social security	3,907	932
Other creditors	50,856	57,277
	446,165	543,497

## 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 PLC. 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 £391,402 (2022 - £485,288 )

## 13 Parent company

The Company's ultimate parent undertaking is Bank Asia PLC., a company incorporated in Bangladesh. The accounts for this entity may be obtained from Head Office Bank Asia Corporate Office, Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar Dhaka-1000, Bangladesh or on their website [www.bankasia-bd.com](http://www.bankasia-bd.com).

# BA EXPRESS USA, INC.

## INDEPENDENT AUDITOR'S REPORT

### MONIS SIDDIQUI, CPA P.C.

Certified Public Accountants

#### 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, 2023, 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, 2023, 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.*

Manhasset Hills, New York

April 09, 2024



# BA EXPRESS USA, INC.

## BALANCE SHEET

Year Ended December 31, 2023

<b>Assets</b>	<b>2023 (\$)</b>
Current Assets:	
Cash, cash equivalents and investments	1,991,250
Accounts receivable	1,457,511
Total current assets	3,448,761
Furniture, equipment & leasehold improvements, net	32,888
Other assets	
Organization costs, net	5,016
Security deposits	42,865
Total other assets	47,881
Total assets	3,529,530
 <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
<b>Liabilities</b>	
Remittance payable	3,074,412
Due to beneficiary	252,808
Other liabilities	80,615
<b>Total liabilities</b>	3,407,835
<b>Stockholder's equity</b>	121,695
<b>Total liabilities and stockholder's equity</b>	3,529,530

See the accompanying notes and auditor's report

# BA EXPRESS USA, INC.

## STATEMENT OF OPERATIONS

Year Ended December 31, 2023

	2023 (\$)
<b>Revenue</b>	
Commissions & fees	88,852
Realized gain on foreign exchange	1,706,223
Interest income	5,965
Total revenues	1,801,040
<b>Expenses</b>	
Payroll and wages	257,757
Payroll taxes	81,202
Commission fees	88,827
Professional fees	17,483
Filing and regulatory costs	22,331
Rent and lease costs	172,951
General and administrative expenses	489,712
Total expenses	1,130,263
<b>Net Income Before Provision For taxes</b>	670,777
Provision For Taxes	-
<b>Net Income</b>	670,777

See the accompanying notes and auditor's report

## STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2023

	Balance Beginning (\$)	Net Change (\$)	Balance Ending (\$)
Common stock, no par value	-	-	-
Paid-in capital	960,000	-	960,000
Deficit	(1,509,082)	670,777	(838,305)
Stockholders' equity	(549,082)	670,777	121,695

See the accompanying notes and auditor's report

# BA EXPRESS USA, INC.

## STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

	2023 (\$)
<b>Cash flows from operating activities :</b>	
Net income	670,777
Adjustments to reconcile net income to net cash provided in operating activities	
Depreciation	25,118
Amortization	860
Changes in operating assets and liabilities	
Accounts receivable	(976,596)
Other current assets	16,435
Security deposits	(2,200)
Remittance payable	775,520
Other liabilities	33,312
Due to beneficiary	(82,330)
Net cash provided by operating activities	<u>460,896</u>
<b>Cash flows from investing activities</b>	
Furniture, equipment & leasehold improvements	<u>(32,418)</u>
<b>Net increase in cash and cash equivalents</b>	428,478
<b>Cash, cash equivalents and investments - beginning of year</b>	<u>1,562,772</u>
<b>Cash, cash equivalents and investments - ending of year</b>	<u><u>1,991,250</u></u>

See the accompanying notes and auditor's report

# BA EXPRESS USA, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 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 Jackson Heights, New York. BA Express USA, Inc is a 100% owned subsidiary of Bank Asia PLC..

#### 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, 2023, with respect to its accounts receivable. The company uses direct write-off method to recognize bad debt expense.

#### 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. The Company has \$71,970 net operating loss carryforwards for federal income tax purposes as of December 31, 2023. 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, 2023

### 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, 2023, 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, 2023:

FDIC insured amount	\$	59,962
Cash in transit		1,431,288
Certificate of deposits		500,000
Cash, cash equivalents and investments	\$	<u>1,991,250</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, 2023:

Furniture and fixtures	\$	16,847
Leasehold improvements		185,643
		<u>202,490</u>
Less: accumulated depreciation		(169,602)
Furniture, equipment and leasehold improvements, net	\$	<u>32,888</u>

Depreciation expense for the year ended December 31, 2023 was \$25,118.

### NOTE 5: ORGANIZATION COSTS

Organization costs consist of the following for the year ended December 31, 2023:

Capitalized organization costs	\$	12,917
Less: accumulated amortization		(7,901)
Organization costs, net	\$	<u>5,016</u>

Amortization expense for the year ended December 31, 2023 was \$860.

# BA EXPRESS USA, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 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.

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, 2023 for each of the next five years are:

2024	\$	89,500
2025		92,650
2026		95,950
2027		99,300
2028		102,700
Thereafter		119,200
Total base rent obligation		<u>599,200</u>

On February 20, 2020, the Company entered into a five-year lease agreement for a retail space in Ozone Park, New York. The lease, commenced on June 1, 2023, provides for base rent of approximately \$2,200 per month with a 2.27% annual increase. Total base rent payable over the lease period is approximately \$138,000. The Company has an option to extend the term of the lease for an additional five-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, 2023 for each of the next five years are:

2024		26,700
2025		27,300
2026		27,900
2027		28,500
2028		14,400
Total base rent obligation	\$	<u>124,800</u>

Rent expense for the year ended December 31, 2023 was \$172,951.

### NOTE 7: BAD DEBT EXPENSE

Bad debt expense for the year ended December 31, 2023 was \$113,210.

### NOTE 8: RELATED PARTY TRANSACTIONS

The Company is a 100% owned subsidiary of Bank Asia PLC. The Company signed paying agent agreement with Bank Asia PLC.. For the year ended December 31, 2023, there was no expense paid for related party agent fee.

### NOTE 9: 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 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, 2023, the Company had \$0 cash and cash equivalents in-excess of the FDIC limits.

### NOTE 10: SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred subsequent to the date of the financial statements through April 9, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.