

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK ASIA LIMITED

We have audited the accompanying consolidated financial statements of Bank Asia Limited and its subsidiaries (the Group) as well as the separate financial statements of Bank Asia Limited (the Bank) which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2013, and the consolidated and separate profit and loss statements, consolidated and separate cash flow statements, consolidated and separate statements of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes and annexures thereto. The financial statements of one of subsidiaries, BA Exchange Company (UK) Limited as of 31 December 2013 were audited by other auditors which were relied upon by us.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in the relevant notes and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies 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.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2013 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in the relevant notes.

Report on other legal and regulatory requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the auditors' responsibility section in forming the above opinion on the consolidated financial statement of the Group and the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
 - (i) internal audit, internal control and risk management arrangements of the Group and the Bank appeared to be materially adequate;
 - (ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of all subsidiaries of the Bank have been audited by us, except BA Exchange Company (UK) Limited which was audited by other auditors, have been properly reflected in the consolidated financial statements;
- (d) 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;
- (e) the consolidated balance sheet and consolidated profit and loss statement of the Group and the separate balance sheet and separate profit and loss statement of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditures incurred during the year were for the purposes of the business of the Bank;
- (g) 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 with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the information and explanations required by us have been received and found to be satisfactory; and
- (j) we have reviewed over 80% of risk-weighted assets of the Bank and we have spent approximately 3,200 man hours for the audit of the books and account of the Bank.

Auditors

S.F. AHMED & CO

Chartered Accountants

House # 51 (3rd Floor). Road # 9, Block-F

Banani, Dhaka 1213, Bangladesh

Dated, March 05, 2014

CONSOLIDATED BALANCE SHEET

at 31 December 2013

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
PROPERTY AND ASSETS			
Cash	4(a)	9,710,625,661	6,595,671,727
In hand (including foreign currencies)	4.1(a)	1,623,748,920	1,164,965,704
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	8,086,876,741	5,430,706,023
Balance with other banks and financial institutions	5(a)	1,368,921,853	3,710,892,710
In Bangladesh		1,330,150,719	1,924,092,237
Outside Bangladesh		38,771,134	1,786,800,473
Money at call and on short notice	6(a)	-	220,000,000
Investments	7(a)	34,111,552,052	25,268,882,682
Government		30,512,642,417	19,511,797,233
Others		3,598,909,635	5,757,085,449
Loans and advances/investments	8(a)	107,942,564,235	93,410,427,870
Loans, cash credits, overdrafts, etc/investments		104,106,039,712	89,186,791,710
Bills purchased and discounted		3,836,524,523	4,223,636,160
Fixed assets including premises, furniture and fixtures	9(a)	5,310,777,180	4,548,895,099
Other assets	10(a)	6,622,755,197	7,480,601,751
Non - banking assets		-	-
Total assets		165,067,196,178	141,235,371,839
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	2,359,117,075	4,275,010,476
Subordinated non-convertible zero coupon bonds	11(aa)	599,998,411	599,998,411
Deposits and other accounts	12(a)	133,682,889,808	110,175,528,580
Current/Al-wadeeah current accounts and other accounts		17,318,034,961	14,844,632,927
Bills payable		1,667,720,280	1,502,901,195
Savings bank/Mudaraba savings bank deposits		12,827,249,596	10,613,363,599
Fixed deposits/Mudaraba fixed deposits		101,869,884,971	83,214,630,859
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	13,867,771,828	13,070,669,484
Total liabilities		150,509,777,122	128,121,206,951
Capital/shareholders' equity			
Total shareholders' equity		14,557,419,056	13,114,164,888
Paid-up capital	14.2	6,936,323,590	6,305,748,720
Share premium		330	330
Statutory reserve	15	4,208,075,877	3,503,958,171
Revaluation reserve	16(a)	2,705,391,603	2,592,675,837
General reserves		8,166,144	8,166,144
Retained earnings	17(a)	699,449,908	703,603,495
Non-controlling (minority) interest	17(b)	11,604	12,191
Total liabilities and shareholders' equity		165,067,196,178	141,235,371,839

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	67,164,264,930	59,215,736,602
Acceptances and endorsements		22,488,214,073	24,478,480,979
Letters of guarantee		17,820,912,163	9,877,524,764
Irrevocable letters of credit		17,909,992,216	16,854,877,413
Bills for collection		8,945,146,478	8,004,853,446
Other contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		67,164,264,930	59,215,736,602

See annexed notes, for Bank Asia Limited



Chairman



Director



Director



Director



President and Managing Director



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

CONSOLIDATED PROFIT AND LOSS STATEMENT

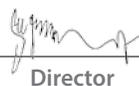
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Amount in Taka	
		Year ended 31 Dec 2013	Year ended 31 Dec 2012
OPERATING INCOME			
Interest income	20(a)	14,718,904,894	13,888,800,933
Interest paid on deposits and borrowings, etc	21(a)	(11,675,083,980)	(10,182,880,501)
Net interest income		3,043,820,914	3,705,920,432
Investment income	22(a)	3,055,009,284	1,840,646,106
Commission, exchange and brokerage	23(a)	1,912,082,603	1,881,617,259
Other operating income	24(a)	504,516,651	456,577,293
		5,471,608,538	4,178,840,658
Total operating income (A)		8,515,429,452	7,884,761,090
OPERATING EXPENSES			
Salaries and allowances	25(a)	1,487,461,781	1,322,836,874
Rent, taxes, insurance, electricity, etc	26(a)	388,742,958	346,012,541
Legal expenses	27(a)	9,144,734	7,470,346
Postage, stamp, telecommunication, etc	28(a)	68,512,059	57,517,258
Stationery, printing, advertisements, etc	29(a)	70,553,652	71,173,902
Managing Director's salary and fees	30	13,000,000	12,200,000
Directors' fees	31(a)	1,840,750	2,190,240
Auditors' fees	32(a)	1,956,800	1,930,785
Depreciation and repairs of Bank's assets	33(a)	387,349,133	347,908,531
Other expenses	34(a)	786,170,032	705,479,815
Total operating expenses (B)		3,214,731,899	2,874,720,292
Profit before provision (C=A-B)		5,300,697,553	5,010,040,798
Provision for loans and advances/investments			
General provision		49,000,849	15,174,646
Specific provision		1,519,802,819	2,075,183,808
		1,568,803,668	2,090,358,454
Provision for off-balance sheet items		79,485,283	130,572,366
Provision for diminution in value of investments	34(c)	247,053,414	100,220,768
Other provisions		-	7,877,361
Total provision (D)		1,895,342,365	2,329,028,949
Total profit before tax (C-D)		3,405,355,188	2,681,011,849
Provision for taxation			
Current tax	13.4.1(a)	2,055,629,854	1,804,625,023
Deferred tax	13.4.2(a)	19,186,932	26,445,459
		2,074,816,786	1,831,070,482
Net profit after tax		1,330,538,402	849,941,367
Appropriations			
Statutory reserve	15	704,117,706	544,599,399
General reserve		-	-
		704,117,706	544,599,399
Retained surplus		626,420,696	305,341,968
Attributable to:			
Equity holders of Bank Asia Limited		626,421,283	305,340,948
Non-controlling (minority) interest		(587)	1,020
		626,420,696	305,341,968
Earnings Per Share (EPS)	37(a)	1.92	1.23

See annexed notes, for Bank Asia Limited



Chairman



Director



Director



Director



President and Managing Director



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House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

CONSOLIDATED

CASH FLOW STATEMENT

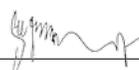
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Amount in Taka	
		Year ended 31 Dec 2013	Year ended 31 Dec 2012
Cash flows from operating activities (A)			
Interest receipts		16,971,625,817	14,650,869,920
Interest payments		(11,662,030,769)	(10,164,442,793)
Fees and commission receipts		1,912,082,603	1,881,617,259
Cash payment to employees		(1,455,244,654)	(1,172,836,874)
Cash payment to suppliers		(142,189,633)	(134,592,764)
Income tax paid		(2,221,014,583)	(1,614,561,904)
Receipts from other operating activities	35 (a)	683,238,602	897,957,106
Payments for other operating activities	36 (a)	(2,346,233,760)	(1,092,167,921)
Operating profit before changes in operating assets & liabilities		1,740,233,623	3,251,842,029
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(14,532,136,365)	(9,979,709,207)
Other assets		197,172,716	(552,228,677)
Deposits from customers		23,507,361,228	14,938,972,076
Trading liabilities		(359,393,401)	3,048,267,191
Other liabilities		(29,143,504)	(94,131,807)
Net increase in operating liabilities		8,783,860,674	7,361,169,576
Net cash from operating activities		10,524,094,297	10,613,011,605
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(11,000,845,184)	(8,125,466,733)
Sale/ (Purchase) of trading securities		2,151,875,814	(1,064,329,054)
Purchase of fixed assets		(1,120,518,175)	(244,948,397)
Net cash used in investing activities		(9,969,487,545)	(9,434,744,184)
Cash flows from financing activities (C)			
Payment for finance lease		(2,035,865)	(16,601,538)
Subordinated Non-Convertible Zero Coupon Bond		-	599,998,411
Net cash from/(used) in financing activities		(2,035,865)	583,396,873
Net increase in cash and cash equivalents (A+B+C)		552,570,887	1,761,664,294
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		10,529,761,537	8,768,097,243
Cash and cash equivalents at end of the year		11,082,332,424	10,529,761,537
Cash and cash equivalents:			
Cash		1,623,748,920	1,164,965,704
Balance with Bangladesh Bank and its agent bank(s)		8,086,876,741	5,430,706,023
Balance with other banks and financial institutions		1,368,921,853	3,710,892,710
Money at call and on short notice		-	220,000,000
Prize bonds		2,784,910	3,197,100
		11,082,332,424	10,529,761,537

See annexed notes, for Bank Asia Limited



Chairman



Director



Director



Director



President and Managing Director



S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Share premium	Revaluation reserve	General reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2012	5,254,790,600	2,959,358,772	330	2,934,436,025	8,166,144	1,449,223,838	12,605,975,709	10,000	12,605,985,709
Transferred during the year	-	544,599,399	-	-	-	(544,599,399)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	-	(341,760,188)	-	-	(341,760,188)	-	(341,760,188)
Issue of bonus shares	1,050,958,120	-	-	-	-	(1,050,958,120)	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-	-
Dividend paid to Minority interest	-	-	-	-	-	-	-	(2,000)	(2,000)
Non-controlling interest on retained earnings	-	-	-	-	-	-	-	3,162	3,162
Net profit for the year	-	-	-	-	-	849,937,176	849,937,176	1,029	849,938,205
Balance at 31 December 2012	6,305,748,720	3,503,958,171	330	2,592,675,837	8,166,144	703,603,495	13,114,152,697	12,191	13,114,164,888
Transferred during the period	-	704,117,706	-	-	-	(704,117,706)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	-	112,715,766	-	-	112,715,766	-	112,715,766
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-	-	-
Net profit for the year	-	-	-	-	-	1,330,538,989	1,330,538,989	(587)	1,330,538,402
Balance at 31 December 2013	6,936,323,590	4,208,075,877	330	2,705,391,603	8,166,144	699,449,908	14,557,407,452	11,604	14,557,419,056

For Bank Asia Limited


Chairman


Director


Director


Director


President and Managing Director



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

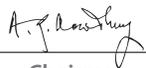
BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
PROPERTY AND ASSETS			
Cash	4	9,708,569,284	6,593,971,845
In hand (including foreign currencies)	4.1	1,621,692,543	1,163,265,822
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	8,086,876,741	5,430,706,023
Balance with other banks and financial institutions	5	1,362,883,245	3,703,560,536
In Bangladesh	5.1	1,325,297,321	1,922,508,491
Outside Bangladesh	5.2	37,585,924	1,781,052,045
Money at call and on short notice	6	-	220,000,000
Investments	7	33,933,356,023	25,114,904,514
Government		30,512,642,417	19,511,797,233
Others		3,420,713,606	5,603,107,281
Loans and advances/investments	8	104,911,261,053	92,328,818,525
Loans, cash credits, overdrafts, etc/investments		101,074,736,530	88,105,182,365
Bills purchased and discounted		3,836,524,523	4,223,636,160
Fixed assets including premises, furniture and fixtures	9	5,288,348,327	4,520,492,208
Other assets	10	8,573,325,470	7,879,626,940
Non - banking assets		-	-
Total assets		163,777,743,402	140,361,374,568
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	1,944,757,246	3,825,000,476
Subordinated non-convertible zero coupon bonds	11 aa	599,998,411	599,998,411
Deposits and other accounts	12	133,489,374,641	110,061,775,383
Current/Al-wadeeah current accounts and other accounts		17,124,519,794	14,730,879,730
Bills payable		1,667,720,280	1,502,901,195
Savings bank/Mudaraba savings bank deposits		12,827,249,596	10,613,363,599
Fixed deposits/Mudaraba fixed deposits		101,869,884,971	83,214,630,859
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	13,125,909,087	12,829,429,952
Total liabilities		149,160,039,385	127,316,204,222
Capital/shareholders' equity			
Total shareholders' equity		14,617,704,017	13,045,170,346
Paid-up capital	14.2	6,936,323,590	6,305,748,720
Share premium		330	330
Statutory reserve	15	4,208,075,877	3,503,958,171
Revaluation reserve	16	2,705,391,603	2,592,675,837
General reserves		8,166,144	8,166,144
Retained earnings	17	759,746,473	634,621,144
Total liabilities and shareholders' equity		163,777,743,402	140,361,374,568

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	67,164,264,930	59,215,736,602
Acceptances and endorsements		22,488,214,073	24,478,480,979
Letters of guarantee		17,820,912,163	9,877,524,764
Irrevocable letters of credit		17,909,992,216	16,854,877,413
Bills for collection		8,945,146,478	8,004,853,446
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		67,164,264,930	59,215,736,602

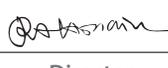
See annexed notes, for Bank Asia Limited



Chairman



Director



Director



Director



President and Managing Director



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

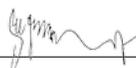
PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Amount in Taka	
		Year ended 31 Dec 2013	Year ended 31 Dec 2012
OPERATING INCOME			
Interest income	20	14,346,305,946	13,296,056,631
Interest paid on deposits and borrowings, etc	21	(11,166,022,060)	(9,616,349,333)
Net interest income		3,180,283,886	3,679,707,298
Investment income	22	3,053,795,319	1,930,644,106
Commission, exchange and brokerage	23	1,801,303,009	1,760,313,609
Other operating income	24	497,738,396	450,010,835
		5,352,836,724	4,140,968,550
Total operating income (A)		8,533,120,610	7,820,675,848
OPERATING EXPENSES			
Salaries and allowances	25	1,448,943,946	1,281,947,224
Rent, taxes, insurance, electricity, etc	26	370,253,838	326,555,893
Legal expenses	27	8,863,980	7,050,981
Postage, stamp, telecommunication, etc	28	64,863,116	53,917,490
Stationery, printing, advertisements, etc	29	69,798,722	70,023,477
Managing Director's salary and fees	30	13,000,000	12,200,000
Directors' fees	31	1,720,000	2,003,240
Auditors' fees	32	1,090,550	1,064,535
Depreciation and repairs of Bank's assets	33	379,304,597	338,464,389
Other expenses	34	759,520,827	675,643,443
Total operating expenses (B)		3,117,359,576	2,768,870,672
Profit before provision (C=A-B)		5,415,761,034	5,051,805,176
Provision for loans and advances/investments			
General provision		49,000,849	15,174,646
Specific provision		1,519,802,819	2,075,183,808
		1,568,803,668	2,090,358,454
Provision for off-balance sheet items		79,485,283	130,572,366
Provision for diminution in value of investments		246,883,553	100,000,000
Other provisions		-	7,877,361
Total provision (D)		1,895,172,504	2,328,808,181
Total profit before tax (C-D)		3,520,588,530	2,722,996,995
Provision for taxation			
Current tax	13.4.1	2,041,583,693	1,788,554,541
Deferred tax	13.4.2	19,186,932	26,445,459
		2,060,770,625	1,815,000,000
Net profit after tax		1,459,817,905	907,996,995
Appropriations			
Statutory reserve	15	704,117,706	544,599,399
General reserve		-	-
		704,117,706	544,599,399
Retained surplus		755,700,199	363,397,596
Earnings Per Share (EPS)	37	2.10	1.31

See annexed notes, for Bank Asia Limited


Chairman


Director


Director


Director


President and Managing Director


Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, March 05, 2014

CASH FLOW STATEMENT

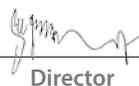
AT 31 DECEMBER 2013

	Notes	Amount in Taka	
		Year ended 31 Dec 2013	Year ended 31 Dec 2012
Cash flows from operating activities (A)			
Interest receipts		16,558,158,931	14,058,125,618
Interest payments		(11,152,968,849)	(9,597,911,625)
Fees and commission receipts		1,801,303,009	1,760,313,609
Cash payment to employees		(1,416,726,819)	(1,131,947,224)
Cash payment to suppliers		(141,434,703)	(134,592,764)
Income tax paid		(2,206,968,422)	(1,614,561,904)
Receipts from other operating activities	35	675,246,382	991,168,994
Payments for other operating activities	36	(1,209,233,751)	(1,061,834,044)
Operating profit before changes in operating assets & liabilities		2,907,375,778	3,268,760,660
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(12,582,442,528)	(9,421,195,123)
Other assets (Investment in subsidiaries need to be segregated)		198,987,567	(524,875,620)
Deposits from customers		23,427,599,258	14,927,193,296
Trading liabilities		(1,880,243,230)	2,598,257,191
Other liabilities		(12,093,188)	(167,287,948)
Net increase in operating liabilities		9,151,807,879	7,412,091,796
Net cash from operating activities (A)		12,059,183,657	10,680,852,456
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(11,003,630,094)	(8,125,466,733)
Sale/(Purchase) of trading securities		2,176,093,675	(1,038,926,592)
Purchase of fixed assets		(1,119,603,415)	(244,124,176)
Investments in subsidiaries		(1,556,500,000)	-
Net cash used in investing activities		(11,503,639,834)	(9,408,517,501)
Cash flows from financing activities (C)			
Payment for finance lease		(2,035,865)	(16,601,538)
Subordinated non-convertible zero coupon bonds		-	599,998,411
Net cash from/(used) in financing activities		(2,035,865)	583,396,873
Net increase in cash and cash equivalents (A+B+C)		553,507,958	1,855,731,828
Effects of exchange rate changes on cash and cash equivalents			
		-	-
Cash and cash equivalents at the beginning of the year		10,520,729,481	8,664,997,653
Cash and cash equivalents at end of the year		11,074,237,439	10,520,729,481
Cash and cash equivalents:			
Cash		1,621,692,543	1,163,265,822
Balance with Bangladesh Bank and its agent bank(s)		8,086,876,741	5,430,706,023
Balance with other banks and financial institutions		1,362,883,245	3,703,560,536
Money at call and on short notice		-	220,000,000
Prize bonds		2,784,910	3,197,100
		11,074,237,439	10,520,729,481

See annexed notes, for Bank Asia Limited



Chairman



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Dated, March 05, 2014

STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2013

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Share premium	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2012	5,254,790,600	2,959,358,772	330	2,934,436,025	8,166,144	1,322,181,668	12,478,933,539
Statutory reserve	-	544,599,399	-	-	-	(544,599,399)	-
Revaluation reserve	-	-	-	(341,760,188)	-	-	(341,760,188)
Issue of bonus shares	1,050,958,120	-	-	-	-	(1,050,958,120)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	907,996,995	907,996,995
Balance at 31 December 2012	6,305,748,720	3,503,958,171	330	2,592,675,837	8,166,144	634,621,144	13,045,170,346
Balance at 01 January 2013	6,305,748,720	3,503,958,171	330	2,592,675,837	8,166,144	634,621,144	13,045,170,346
Statutory reserve	-	704,117,706	-	-	-	(704,117,706)	-
Revaluation reserve	-	-	-	112,715,766	-	-	112,715,766
Issue of bonus shares	630,574,870	-	-	-	-	(630,574,870)	-
Issue of right shares	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	1,459,817,905	1,459,817,905
Balance at 31 December 2013	6,936,323,590	4,208,075,877	330	2,705,391,603	8,166,144	759,746,473	14,617,704,017

For Bank Asia Limited



Chairman



Director



Director



President and Managing Director



Auditors

S. F. AHMED & CO

Chartered Accountants

House-51, Road-9, Block-F, Banani, Dhaka-1213

Dated, March 05, 2014

LIQUIDITY STATEMENT (ANALYSIS OF MATURITY OF ASSETS AND LIABILITIES)

AT 31 DECEMBER 2013

Amount in Taka

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Assets						
Cash in hand and with banks	2,603,669,284	-	-	-	7,104,900,000	9,708,569,284
Balance with other banks and financial institutions	712,883,245	-	650,000,000	-	-	1,362,883,245
Money at call and on short notice	-	-	-	-	-	-
Investments	17,841,500,000	743,140,750	1,146,327,678	205,587,595	14,005,800,000	33,933,356,023
Loans and advances	20,865,230,272	19,142,002,638	30,743,944,056	26,156,922,584	8,003,161,503	104,911,261,053
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,288,348,327	5,288,348,327
Other assets	766,939,070	179,631,341	5,379,985,777	160,179,282	2,086,590,000	8,573,325,470
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	42,790,221,871	20,055,774,729	37,920,257,511	26,522,689,461	36,488,799,830	163,777,743,402
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,924,757,246	-	-	619,998,411	-	2,544,755,657
Deposits	28,682,743,578	29,183,449,862	30,205,135,698	25,254,066,907	20,163,978,596	133,489,374,641
Provision and other liabilities	596,498,831	15,367,826	-	58,332,574	12,455,709,856	13,125,909,087
Total Liabilities (B)	31,203,999,655	29,198,817,688	30,205,135,698	25,932,397,892	32,619,688,452	149,160,039,385
Net Liquidity Excess/(Shortage) (A-B)	11,586,222,216	(9,143,042,959)	7,715,121,813	590,291,569	3,869,111,378	14,617,704,017

For Bank Asia Limited



Chairman



Director



Director



Director



President and Managing Director

Auditors

S. F. AHMED & CO

Chartered Accountants

House-51, Road-9, Block-F, Banani, Dhaka-1213

Dated, March 05, 2014

NOTES TO FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

1. THE BANK AND ITS ACTIVITIES

1.1 Bank Asia Limited

Bank Asia Limited ("the Bank") is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994, governed by the Banking Companies Act 1991. The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 86 branches, 6 SME centres and 90 own ATM booths. The Bank has two subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh and BA Exchange Company (UK) Limited incorporated in United Kingdom. The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

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

The registered office of the Bank is situated at Rangs Tower (2nd to 6th Floors), 68 Purana Paltan, Dhaka 1000, Bangladesh.

1.2 Principal activities

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

1.3 Bank Asia Securities Limited

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

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

1.4 BA Exchange Company (UK) Limited

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

1.5 Islamic banking unit

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

1.6 Off-shore banking unit

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

1.7 BA Express USA, Inc (Proposed)

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

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38) of the Banking Companies Act 1991 as amended by BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BAS), etc. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Banking Companies Act 1991
- ii. Companies Act 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. Bangladesh Securities and Exchange Rules 1987
- v. Bangladesh Securities and Exchange Ordinance 1969
- vi. Bangladesh Securities and Exchange Commission Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2006
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

2.2 Basis of measurement

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

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

2.3 Use of estimates and judgments

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

2.4 Foreign currency transactions

Functional and presentation currency

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

Foreign currency translation

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

Assets and liabilities in foreign currencies as at December 31, 2013 have been converted into Taka currency at the notional rate determined by the Bank.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting / crediting exchange gain or loss account.

Commitment

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

Translation gain and losses

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

Foreign operations

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

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

2.5 Basis of consolidation

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

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

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Separate Financial Statements and Bangladesh Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial period ended on December 31, 2013.

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

2.5.1 Subsidiary

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

Name of Subsidiary	Ownership	Date of Commercial Operation	Country of Operation	Status	Regulator
Bank Asia Securities Limited	99.99%	17.04.2011	Bangladesh	Majority Owned	BSEC, Bangladesh
BA Exchange Company (UK) Limited	100%	16.05.2011	United Kingdom	Wholly Owned	FSA, UK

2.6 Cash flow statement

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

2.7 Statement of changes in equity

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

Investment in securities

All investments in securities (bills & 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 lower of cost and book value
Quoted shares (ordinary)	At lower of cost and market value at balance sheet date.

3.1.3 Investment in listed securities

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

3.1.4 Investment in unquoted securities

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

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

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

3.1.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the BAS 27 "Consolidated and Separate Financial Statements" and BFRS 3 "Business Combination".

3.1.6 Loans and advances/investments

- 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.

- c) Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- d) Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circulars no. 5 dated May 29, 2013, 14 dated September 23, 2012, 16 of dated December 06, 1998, 9 of May 14, 2001, 9 and 10 of August 20, 2005, 5 of June 05, 2006, 8 of August 07, 2007, 10 of September 18, 2007, 5 of April 29, 2008 and 32 of October 27, 2010.

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

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

- e) Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

3.1.7 Impairment of Financial Assets

At each balance sheet date, Bank Asia Limited assesses whether there is objective evidence that a financial asset or a group of financial assets ie, loans and advances, off balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

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

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

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

3.1.8 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

- its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- (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. In case of acquisition of fixed assets, depreciation is charged in the year of acquisition, whereas depreciation on disposed off fixed assets is charged up to the year prior to the year of disposal. Asset category-wise depreciation rates are as follows:

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

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

3.1.9 Leased assets

Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per BAS 17 "Leases". All other leases are classified as operating leases as per BAS 17 "Leases"

Assets held under finance lease are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

3.1.10 Impairment of fixed assets

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

3.1.11 Investment properties

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

3.1.12 Other assets

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

3.1.13 Inventories

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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

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

3.2.3 Other liabilities

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

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

3.3 Capital/shareholders' equity

Authorised capital

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

Paid-up capital

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

Statutory reserve

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

Revaluation reserve

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

Non-controlling (minority) interest

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

3.4 Contingent liabilities

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

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

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

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

3.5 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment. Stock of traveller's cheques, value of savings certificates (sanchaya patra), etc fall under the memorandum items.

3.6 Revenue recognition

Interest income

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

Profit on investment (Islamic Banking)

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

Investment income

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

Interest and fees receivable on credit cards

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

Fees and commission income

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

Dividend income on shares

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

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

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis as per provisional rate.

Other operating expenses

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

3.7 Employee benefits

3.7.1 Provident Fund

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

3.7.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank. Actuarial valuation is not considered essential since amount payable at the date of balance sheet is recognised and accounted for as at that date based on actual rate.

3.7.3 Superannuation Fund

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

3.7.4 Hospitalisation insurance

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

3.8 Provision for off-balance sheet exposures

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

3.9 Provision for nostro accounts

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

3.10 Taxation

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

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

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

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

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

3.11 Leases

Upon initial recognition, the leased asset is measured at the amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.12 Earnings Per Share

Earnings per Share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at December 31, 2013 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share issued for the year 2012. Details are shown in note 37.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year.

The basis of computation of number of shares is in line with the provisions of BAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

3.13 Reconciliation of inter-bank/inter-branch account

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

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

3.14 Risk Management at Bank Asia Ltd.

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

The Board of Director and Senior Management of the bank need to remain positive toward adaptation of active risk management culture throughout the bank. Such awareness (risk) has helped the bank to do more than just regulatory compliance as far as risk management practice is concerned, the consequence of such initiatives has helped the bank to safeguard valuable capital and ensure consistent profitability, through avoiding excessive credit, market and operation loss and inadequate capital allocation under Basel II. 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:

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

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

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

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

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

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

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

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

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

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

Similar to credit risk, RMU is in the process of implementation of Value-at-Risk (VaR) to assess the 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.

The RMU 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 & Compliance Department undertakes periodical and special audit and inspection of the branches and departments at corporate office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The audit Committee of the Board reviews the audit and inspection reports periodically and provides necessary instructions and recommendations for rectifications of lapses and observations identified by the audit team.

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

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

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

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

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

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

3.15 Events after Reporting Period

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

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

3.16 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.

3.17 Directors' responsibilities on statement

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

3.18 Segment Reporting

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

- 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)
- 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
- for which discrete financial information is available.

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

3.19 Compliance checklist of Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs)

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

Name of the standards	Ref.	Status
Investments in Associates	BAS-28	Complied
Interests in Joint Ventures	BAS-31	N/A
Financial Instruments: Presentation	BAS-32	Complied
Earnings Per Share	BAS-33	Complied
Interim Financial Reporting	BAS-34	Complied
Impairment of Assets	BAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Complied
Intangible Assets	BAS-38	Complied
Financial Instruments: Recognition and Measurement	BAS-39	Complied
Investment property	BAS-40	Complied
Agriculture	BAS-41	N/A

3.20 Approval of financial statements

The financial statements were approved by the board of directors on 05 March 2014.

3.21 General

(i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.

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

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

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
4 CASH			
4.1 In hand			
Conventional and Islamic banking:			
Local currency		1,610,300,083	1,151,790,672
Foreign currencies		11,392,460	11,475,150
		1,621,692,543	1,163,265,822
Off-shore banking unit		-	-
		1,621,692,543	1,163,265,822
4.1(a) Consolidated cash in hand			
Bank Asia Limited		1,621,692,543	1,163,265,822
Bank Asia Securities Limited		14,857	78,740
BA Exchange Company (UK) Limited		2,041,520	1,621,142
		1,623,748,920	1,164,965,704
4.2 Balance with Bangladesh Bank and its agent bank			
Conventional and Islamic banking :			
Balance with Bangladesh Bank			
Local currency (statutory deposit)		7,949,014,646	5,224,908,621
Foreign currencies		95,017,949	121,390,059
		8,044,032,595	5,346,298,680
Balance with agent bank (Sonali Bank Limited)			
Local currency		42,844,146	84,407,343
Foreign currencies		-	-
		42,844,146	84,407,343
		8,086,876,741	5,430,706,023
Off-shore banking unit		-	-
		8,086,876,741	5,430,706,023
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank			
Bank Asia Limited		8,086,876,741	5,430,706,023
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
		8,086,876,741	5,430,706,023
4.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)			

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Banking Companies Act 1991, BRPD circular nos. 11 and 12, dated 25 August 2005 and MPD 4 & 5 dated 1 December 2010.

The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate 6% has been calculated and maintained with Bangladesh Bank in local currency and 19% (11.5% for Islamic Banking) Statutory Liquidity Ratio, including CRR, on the same liabilities has also

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012

been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

4.3.1 Cash Reserve Requirement (CRR)

Conventional Banking

As per Bangladesh Bank MPD Circular No. 04 dated December 01, 2010, Bank has to maintain CRR @ 6% on fortnightly cumulative average basis and minimum @ 5.5% on daily basis.

i. Daily Bank's CRR maintenance:		
Required reserve (5.5 % on Demand and Time Liabilities)	6,512,848,276	5,573,700,000
Actual reserve maintained	7,733,746,000	6,527,678,000
Surplus	1,220,897,724	953,978,000
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6% of Demand and Time Liabilities)	7,104,925,392	6,080,400,000
Actual reserve maintained (average)	7,179,982,000	6,138,738,765
Surplus	75,056,608	58,338,765
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (5.5% Demand and Time Liabilities)	188,830,090	112,702,141
Actual reserve maintained	207,209,000	132,735,000
Surplus	18,378,910	20,032,859
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (6% of Demand and Time Liabilities)	205,996,460	122,947,790
Actual reserve maintained (Average)	207,221,941	137,804,706
Surplus	1,225,481	14,856,916

4.3.2 Statutory Liquidity Ratio (SLR)

Conventional Banking

19% of Average Demand and Time Liabilities including 6% of CRR :		
Required reserve (including CRR)	22,498,930,408	19,254,527,710
Actual reserve maintained (including CRR)	37,699,127,770	25,036,754,770
Surplus	15,200,197,362	5,782,227,060
Islamic Banking		
11.5% of Average Demand and Time Liabilities including 6% of CRR :		
Required reserve (including CRR)	394,826,560	235,649,920
Actual reserve maintained (including CRR)	418,042,000	266,083,514
Surplus	23,215,440	30,433,594
	15,223,412,802	5,812,660,654

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
4.3.3 Held for Statutory Liquidity Ratio			
Conventional Banking			
Cash in hand		1,447,540,000	1,011,104,000
Balance with Bangladesh Bank		7,733,746,000	6,527,678,000
Balance with agent bank (Sonali Bank Limited)		41,355,770	84,378,490
Government securities		28,468,701,090	17,352,896,919
Other securities		7,784,910	60,697,361
		37,699,127,770	25,036,754,770
Islamic Banking			
Cash in hand		23,333,000	20,948,341
Balance with Bangladesh Bank		207,209,000	132,735,173
Balance with agent bank (Sonali Bank Limited)		-	-
Government securities		187,500,000	112,400,000
Other securities		-	-
		418,042,000	266,083,514
		38,117,169,770	25,302,838,284

5. BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

In Bangladesh

Conventional and Islamic banking (Note 5.1.1)	1,325,297,321	1,922,508,491
Off-shore banking unit	-	-
	1,325,297,321	1,922,508,491

Outside Bangladesh

Conventional and Islamic banking (Note 5.2.1)	30,350,600	1,612,386,531
Off-shore banking unit	7,235,324	168,665,514
	37,585,924	1,781,052,045
	1,362,883,245	3,703,560,536

5.1 In Bangladesh

5.1.1 Conventional and Islamic banking

Current accounts

AB Bank Limited	41,480	41,480
Agrani Bank Limited	826,280	826,280
National Bank Limited	752,918	942,964
Sonali Bank Limited	61,252,979	78,833
Standard Chartered Bank	366,707	9,627,210
Prime Bank Limited	-	308
Trust Bank Limited	(34,602,703)	2,199,438
	28,637,661	13,716,513

Short-notice deposit accounts

BRAC Bank Limited	4,685,599	2,578,694
AB Bank Limited	489,190	476,196
Islami Bank Bangladesh Limited	160,042	154,902
Rupali Bank Limited	-	3,000,000
Uttara Bank Limited	1,771,057	2,582,186
	7,105,888	8,791,978

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
Fixed deposit accounts/ MTD			
Islamic Finance and Investment Limited		100,000,000	30,000,000
Hajj Finance Company Limited		150,000,000	150,000,000
Shahjalal Islami Bank Limited		-	300,000,000
Southeast Bank Limited		200,000,000	200,000,000
The Premier Bank Limited		200,000,000	400,000,000
Social Islamic Bank Limited		-	400,000,000
Al-Arafah Islami Bank limited		439,553,772	420,000,000
Union Bank Limited		200,000,000	-
		1,289,553,772	1,900,000,000
		1,325,297,321	1,922,508,491

5.2 Outside Bangladesh

5.2.1 Conventional and Islamic banking

Current accounts

Interest bearing :

Citibank N.A., London (EURO)	752,522	455,373
Citibank N.A., London (GBP)	319,791	608,664
Citibank NA, New York (USD)	150,771	1,474,729,557
Habib American Bank, New York	6,913	45,396,454
Mashreqbank psc, New York	1,816,270	159,396
National Westminster Bank plc, London	125,970	38,914
Standard Chartered Bank, Mumbai	1,900,097	6,269,456
Standard Chartered Bank, New York	495,162	833,635
	5,567,496	1,528,491,449

Non-interest bearing :

AB Bank Limited, Mumbai	41,091	272,639
Bhutan National Bank Limited, Thimphu	702,167	2,367,047
Canadian Imperial Bank of Commerce	-	78,962
Commerzbank AG, Frankfurt	1,813,503	4,061,850
Credit Suisse First Boston, Zurich	-	700,808
Habib Metropolitan Bank Limited, Karachi	1,688,249	14,061,176
HSBC Australia Limited, Sydney	25,493	433,319
HSBC, New York	3,542,797	566,725
Hypo Vereinsbank, Munich	46,932	334,924
ICICI Bank Limited, Kowloon	891,184	13,661,055
ICICI Bank Limited, Mumbai	993,418	320,056
Muslim Commercial Bank Limited, Colombo	2,751,569	6,878,066
Muslim Commercial Bank Limited, Karachi	3,719,191	2,770,887
Nepal Bangladesh Bank Limited, Kathmandu	2,012,529	3,589,373
UBAF, Tokyo	1,388,798	786,521
Sonali Bank (UK) Limited, London	282,710	1,851,521
Wachovia Bank N.A, New York	82,119	199,254
JP Morgan Chase Bank N.A New York, U.S.A	1,290,761	294,219
Al Rajhi Bank K.S.A	1,988,360	18,260,000
Saudi Hollandi K.S.A	109,714	5,939,857

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Wachovia Bank, London	54,819	6,466,823
Zurcher Kantonal Bank, Switzerland	339,950	-
Habib Bank UK, London	650,000	-
National Australia Bank Limited	92,750	-
Casissse Centrale Desjardins	275,000	-
	24,783,104	83,895,082
	30,350,600	1,612,386,531

5.3 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	712,883,245	1,803,560,536
More than 1 month but not more than 3 months	-	250,000,000
More than 3 months but not more than 6 months	650,000,000	1,450,000,000
More than 6 months but not more than 1 year	-	200,000,000
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	1,362,883,245	3,703,560,536

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

In Bangladesh		
Bank Asia Limited	1,325,297,321	1,922,508,491
Bank Asia Securities Limited	6,302,861	2,642,694
BA Exchange Company (UK) Limited	-	-
	1,331,600,182	1,925,151,185
Less: Inter-company transactions	1,449,463	1,058,948
	1,330,150,719	1,924,092,237
Outside Bangladesh		
Bank Asia Limited	37,585,924	1,781,052,045
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	1,185,210	5,748,428
	38,771,134	1,786,800,473
	1,368,921,853	3,710,892,710

6 MONEY AT CALL AND ON SHORT NOTICE

Call money		
With Banking companies (Note 6.1)	-	220,000,000
With Non-banking financial institutions	-	-
	-	220,000,000

6.1 Call Money- with Banking companies:

South East Bank Limited	-	170,000,000
Mutual Trust Bank Limited	-	50,000,000
	-	220,000,000

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
6(a) Consolidated Money at call and on short notice			
Bank Asia Limited		-	220,000,000
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
		-	220,000,000

7 INVESTMENTS

Government (Note 7.1)	30,512,642,417	19,511,797,233
Others (Note 7.2)	3,420,713,606	5,603,107,281
	<u>33,933,356,023</u>	<u>25,114,904,514</u>

7.1 Government

Conventional and Islamic banking (Note 7.1.1)	30,512,642,417	19,511,797,233
Off-shore banking unit	-	-
	<u>30,512,642,417</u>	<u>19,511,797,233</u>

7.1.1 Conventional and Islamic banking

Treasury bills (Note 7.1.1.1)	9,101,643,856	1,360,186,216
Treasury bonds (Note 7.1.1.2)	21,403,213,651	18,140,913,917
Debentures of House Building Finance Corporation	5,000,000	7,500,000
Prize bonds	2,784,910	3,197,100
	<u>30,512,642,417</u>	<u>19,511,797,233</u>

7.1.1.1 Treasury bills

91 days treasury bills	147,949,221	171,380,681
182 days treasury bills	363,616,692	383,870,465
364 days treasury bills	8,590,077,943	236,155,838
30 days Bangladesh Bank bills	-	568,779,232
2-5 years treasury bills	-	-
	<u>9,101,643,856</u>	<u>1,360,186,216</u>

7.1.1.2 Treasury bonds

Bangladesh Bank Islamic bond	187,500,000	112,400,000
30 days Bangladesh Government treasury bonds	777,576,373	-
2 years Bangladesh Government treasury bonds	1,629,864,237	-
5 years Bangladesh Government treasury bonds	9,116,194,613	11,805,157,702
10 years Bangladesh Government treasury bonds	8,595,324,426	5,738,513,694
15 years Bangladesh Government treasury bonds	920,286,261	374,188,504
20 years Bangladesh Government treasury bonds	176,467,741	110,654,017
	<u>21,403,213,651</u>	<u>18,140,913,917</u>

7.2 Others

Conventional and Islamic banking (Note 7.2.1)	3,420,713,606	5,603,107,281
	<u>3,420,713,606</u>	<u>5,603,107,281</u>

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	544,835,589	542,966,867
Unquoted share	142,115,780	285,118,145
	686,951,369	828,085,012
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st Bangladesh Fixed Income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
Exim Bank 1st Mutual Fund	248,740,000	-
	748,405,000	499,665,000
c) Debentures		
Beximco Denims Limited	10,514,422	10,514,422
Beximco Textiles Limited	8,227,537	8,593,828
	18,741,959	19,108,250
d) Bonds		
ACI Zero Coupon Bonds	16,615,278	26,249,019
MTBL subordinated bond	150,000,000	150,000,000
Orascom Telecom Bangladesh Limited	160,000,000	240,000,000
Prime Bank Limited	140,000,000	140,000,000
	466,615,278	556,249,019
e) Placements		
With Banking companies (Note 7.2.1(a))	-	1,000,000,000
With Non-banking financial institutions (Note 6.3)	1,500,000,000	2,700,000,000
	1,500,000,000	3,700,000,000
	3,420,713,606	5,603,107,281
7.2.1(a) Placement- with Banking companies:		
Prime Bank Limited	-	1,000,000,000
	-	1,000,000,000
7.2.1(b) Placement- with Non-banking financial institutions:		
Investment Corporation of Bangladesh	1,150,000,000	2,400,000,000
Lanka Bangla Finance Limited	-	150,000,000
Phoenix Finance and Investment Company Limited	200,000,000	-
Hajj Finance Co. Ltd	-	50,000,000
Union Capital Limited	100,000,000	100,000,000
Bangladesh Finance	50,000,000	-
	1,500,000,000	2,700,000,000

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
7.3 Investments classified as per Bangladesh Bank circular:			
Held for trading (HFT)		18,637,156,919	9,859,031,996
Held to maturity (HTM)		11,680,200,588	9,529,668,138
Other securities		3,615,998,516	5,726,204,380
		33,933,356,023	25,114,904,514
7.4 Maturity-wise grouping			
On demand		14,657,300,000	5,321,186,236
Up to 3 months		3,918,340,750	2,390,920,628
More than 3 months but not more than 1 year		1,146,327,678	2,557,965,589
More than 1 year but not more than 5 years		205,587,595	10,328,857,704
More than 5 years		14,005,800,000	4,515,974,357
		33,933,356,023	25,114,904,514
7(a) Consolidated Investments			
Government			
Bank Asia Limited		30,512,642,417	19,511,797,233
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
		30,512,642,417	19,511,797,233
Others			
Bank Asia Limited		3,420,713,606	5,603,107,281
Bank Asia Securities Limited		178,196,029	153,978,168
BA Exchange Company (UK) Limited		-	-
		3,598,909,635	5,757,085,449
		34,111,552,052	25,268,882,682
8 LOANS AND ADVANCES/INVESTMENTS			
Loans, cash credits, overdrafts, etc/investments (Note 8.1)		101,074,736,530	88,105,182,365
Bills purchased and discounted (Note 8.2)		3,836,524,523	4,223,636,160
		104,911,261,053	92,328,818,525
8.1 Loans, cash credits, overdrafts, etc/investments Conventional and Islamic banking			
Inside Bangladesh			
Overdrafts/ Quard against deposit		23,045,160,010	22,914,848,467
Cash credit/Bai Murabaha (Muajjal)		794,776,624	201,450,223
Loans (General)/ Musharaka		16,534,053,688	11,540,451,227
House building loans		204,978,595	283,864,953
Loan against trust receipts/ Bai Murabaha post import		14,356,815,703	18,134,934,894
Payment against documents		592,809,509	1,038,058,493
Consumer credit scheme		3,326,870,132	2,893,418,730
Transport loan		967,743,358	1,066,464,520
Term loan- industrial		6,830,057,095	6,047,038,582
Term loan- others/ Hire purchase under Shirkatul Melk		27,835,722,087	19,575,504,166

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
Staff Loan		814,286,807	605,219,890
Credit card		951,977,130	865,300,974
Small and medium enterprise (SME)		2,605,569,547	2,487,977,103
Credit for poverty alleviation scheme-micro credit		11,313,151	15,948,429
		98,872,133,436	87,670,480,651
Outside Bangladesh		-	-
		98,872,133,436	87,670,480,651
Off-shore banking unit		2,202,603,094	434,701,714
		101,074,736,530	88,105,182,365

8.2 Bills purchased and discounted

Conventional and Islamic banking	3,789,937,684	4,221,184,554
Off-shore banking unit	46,586,839	2,451,606
	3,836,524,523	4,223,636,160

8.3 Maturity-wise grouping

Repayable on demand	20,865,230,272	12,838,600,000
Not more than 3 months	19,142,002,638	23,519,000,000
More than 3 months but not more than 1 year	30,743,944,056	39,283,600,000
More than 1 year but not more than 5 years	26,156,922,584	7,967,618,525
More than 5 years	8,003,161,503	8,720,000,000
	104,911,261,053	92,328,818,525

8.4 Net loans and advances/investments

Gross loans and advances/investments	104,911,261,053	92,328,818,525
Less: Interest suspense (Note 13.3)	687,051,851	461,780,702
Provision for loans and advances/investments	4,112,634,273	3,630,307,775
	4,799,686,124	4,092,088,477
	100,111,574,929	88,236,730,048

8.5 Loans and advances/investments under the following broad categories

In Bangladesh:		
Loans	77,234,799,896	64,988,883,675
Cash credits	794,776,624	201,450,223
Overdrafts	23,045,160,010	22,914,848,467
Bills purchased and discounted	3,464,833,678	3,899,493,717
	104,539,570,208	92,004,676,082
Outside Bangladesh:		
Bills purchased and discounted	371,690,845	324,142,443
	104,911,261,053	92,328,818,525

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
8.6 Significant concentration wise grouping			
a) Directors		-	-
b) Chief Executive and other senior executives			
i) Managing Director		795,000	1,164,000
ii) Other senior executives		146,850,000	80,520,000
		147,645,000	81,684,000
c) Consumers			
i) Commercial lending		26,100,355,171	21,950,238,000
ii) Export financing		812,304,707	516,192,000
iii) House building loan		204,978,595	283,864,953
iv) Consumer credit scheme		3,326,870,132	2,893,328,000
v) Small and medium enterprises		2,605,569,547	2,487,977,103
vii) Staff loan		666,641,807	523,535,890
vi) Credit card		951,900,000	865,300,974
vi) Non-banking financial institutions		3,764,364,501	607,411,000
		38,432,984,460	30,127,847,920
d) Industries			
i) Agricultural and jute		3,216,349,128	4,699,894,000
ii) Cement		1,046,486,977	1,336,111,000
iii) Chemical		1,219,165,619	1,083,588,000
iv) Electronics		986,861,461	1,085,749,000
v) Food and allied		5,883,242,696	3,465,632,000
vi) Paper		3,583,731,833	3,102,541,000
vii) Readymade garments		7,924,203,832	3,272,491,000
viii) Real estate		3,947,282,449	3,145,325,000
ix) Steel		6,882,155,171	3,945,062,000
x) Textile		6,985,004,244	5,870,497,000
xi) Other		15,264,792,205	23,821,941,605
		56,939,275,614	54,828,831,605
e) Infrastructural			
i) Power		1,713,704,880	906,356,000
ii) Telecom		847,553,434	1,369,681,000
iii) Construction		3,232,798,025	1,164,470,000
iv) Transport		3,597,299,640	3,849,948,000
		9,391,355,978	7,290,455,000
		104,911,261,053	92,328,818,525

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
8.7 Geographical location-wise grouping			
Inside Bangladesh			
Urban			
Dhaka Division		64,625,851,053	57,834,117,947
Chittagong Division		28,228,040,000	24,869,628,527
Khulna Division		1,331,570,000	1,114,425,174
Rajshahi Division		2,163,750,000	1,552,792,590
Barisal		125,500,000	114,177,357
Sylhet Division		843,110,000	827,402,971
		97,317,821,053	86,312,544,566
Rural			
Dhaka Division		4,558,810,000	3,946,867,857
Chittagong Division		2,347,470,000	1,737,480,754
Khulna Division		-	-
Sylhet Division		206,470,000	101,109,479
Rajshahi Division		480,690,000	230,815,869
		7,593,440,000	6,016,273,959
Outside Bangladesh			
		-	-
		104,911,261,053	92,328,818,525

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

Collateral of movable/immovable assets	66,562,030,353	56,772,734,390
Local banks and financial institutions' guarantee	1,829,805,576	2,093,589,830
Foreign banks' guarantee	274,331,815	185,020,274
Export documents	5,136,166,289	2,147,637,003
Cash and quasi cash	5,484,601,432	5,905,896,151
Personal guarantee	14,495,168,248	17,302,346,638
Other securities	11,129,157,340	7,921,594,239
	104,911,261,053	92,328,818,525

8.9 Details of large loan/investments

As at 31 December 2013 there were twelve (2012: seventeen) 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 15,574.84 million as at 31 December 2013 (Taka 13,930.18 million in 2012).

Details are shown in Annex E.

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
8.10 Particulars of loans and advances/investments			
i)	Loans/investments considered good in respect of which the Bank is fully secured	79,286,935,465	67,104,877,648
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	14,495,168,248	17,302,346,638
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	11,129,157,340	7,921,594,239
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<u>104,911,261,053</u>	<u>92,328,818,525</u>
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	814,286,807	605,219,890
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.	<u>814,286,807</u>	<u>605,219,890</u>
viii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from banking companies	<u>3,836,524,523</u>	<u>4,223,636,160</u>
x)	Classified loans/investments for which interest has not been charged:		
a)	Decrease of provision (specific)	381,959,758	1,919,022,242
	Amount of loan written off	1,341,135,730	455,830,000
	Amount realised against the loans previously written off		
b)	Provision kept against loans/investments classified as bad debts	2,857,152,000	2,475,192,242
c)	Interest credited to interest suspense account	687,051,851	461,780,702
xi)	Cumulative amount of written off loans/investments		
	Opening balance	1,314,161,493	858,331,493
	Amount written off during the year	1,341,135,730	455,830,000
	The amount of written off loans/investments for which law suit has been filed	2,655,297,223	1,314,161,493

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
8.11 Grouping as per classification rules			
Unclassified:			
Standard including staff loan		95,482,873,558	85,977,825,111
Special mentioned account		3,549,596,639	1,099,509,120
Classified:			
Sub-standard		517,380,895	531,549,128
Doubtful		544,310,529	780,234,525
Bad/loss		4,817,099,432	3,939,700,641
		5,878,790,856	5,251,484,294
		104,911,261,053	92,328,818,525

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2013	Base for provision	% of required provision	Required provision	
For loans and advances/Investments:					
Unclassified - general provision					
All unclassified loans (other than SME financing, house building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA	76,490,898,625	76,490,898,625	1% to 5%	780,814,050	658,826,919
Small and medium enterprise financing	10,273,498,000	10,273,498,000	0.25%	25,683,745	31,838,452
House building loan and loan for professional	2,158,549,000	2,158,549,000	2%	43,170,980	39,864,621
Loans to BH	2,976,136,000	2,976,136,000	2%	59,522,720	86,177,270
Consumer finance	1,334,602,000	1,334,602,000	5%	66,730,100	82,894,125
Special mentioned account	3,549,596,639	3,540,350,804	0.25% to 5%	39,786,000	54,876,434
				1,015,707,595	954,477,821
Off-shore unit					
Unclassified loans (general)	2,249,189,933	2,249,189,933	1%	22,491,899	4,371,533
Special mentioned account				-	-
				22,491,899	4,371,533

	Notes	Amount in Taka			
		At 31 Dec 2013	At 31 Dec 2012		
Classified - specific provision:					
Sub-standard	517,380,895	355,168,000	20% / 5%	71,032,778	44,399,799
Doubtful	544,310,529	292,499,000	50%	146,250,000	121,517,088
Bad/loss	4,817,099,432	2,857,152,000	100%	2,857,152,000	2,475,192,242
				3,074,434,778	2,641,109,129
Required provision for loans and advances				4,112,634,272	3,599,958,483
Total provision maintained					
Conventional and Islamic Banking (Note 13.1)				4,090,142,374	3,625,936,242
Off-shore Banking Unit				22,491,899	4,371,533
				4,112,634,273	3,630,307,775
Excess provision at 31 December				1	30,349,292

8.13 Suits filed by the Bank (Branch wise details)

Bashundhara Branch	25,530,188	25,949,834
CDA Avenue Branch	310,512,049	12,983,420
Corporate Branch	315,304,262	286,700,280
Dhanmondi Branch	55,533,265	7,250,553
Dilkusha Branch	82,173,919	55,210,157
Gulshan Branch	101,159,943	101,159,943
Khatunganj Branch	1,921,020,832	772,417,366
Malkhanagar Branch	112,901,027	89,742,510
Mirpur Branch	10,741,694	4,775,474
North South Road Branch	196,604,599	196,703,158
Principal Office Branch	397,235,006	321,791,549
Scotia Branch	627,520,232	660,525,498
Sheikh Mujib Road Branch	378,212,291	178,292,752
Sylhet Main Branch	17,534,302	13,790,574
Uttara Branch	590,000	590,000
Credit cards	58,705	58,705
Agrabad Branch	382,273,224	211,174,937
Mitford Branch	217,001,014	25,635,919
Rajshai Branch	2,752,675	547,173
Sylhet Upashahar Branch	156,159,197	5,557,250
Jatrabari SME Service Centre	644,879	644,879
Jurain SME service Centre	941,349	838,651
Anderkilla Branch	58,795,183	-
MCB Banani Branch	36,512,219	-
Chatkhil Branch	17,361,013	-
Kamal Bazar Branch	315,335	-
Khulna Branch	77,394,034	-
Mohakhali Branch	593,321	-
Ramgonj SME/Agri	2,617,904	-
Rekabi bazar SME Center	244,975	-

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Shantingar Branch	65,700,500	-
Station Road Branch	150,817,448	-
Tarail Branch	7,532,431	-
	<u>5,730,289,014</u>	<u>2,972,340,582</u>

8.14 Bills purchased and discounted

Payable in Bangladesh	3,464,833,678	3,899,493,717
Payable outside Bangladesh	371,690,845	324,142,443
	<u>3,836,524,523</u>	<u>4,223,636,160</u>

8.15 Maturity-wise grouping of bills purchased and discounted

Payable within 1 month	1,923,279,869	1,516,600,000
More than 1 month but less than 3 months	1,372,171,918	1,844,900,000
More than 3 months but less than 6 months	541,072,736	419,936,160
More than 6 months	-	442,200,000
	<u>3,836,524,523</u>	<u>4,223,636,160</u>

8.(a) Consolidated Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	101,074,736,530	88,105,182,365
Bank Asia Securities Limited	5,580,299,642	4,913,963,024
BA Exchange Company (UK) Limited	-	-
	<u>106,655,036,172</u>	<u>93,019,145,389</u>
Less: Inter- companies transactions	2,548,996,460	3,832,353,679
	<u>104,106,039,712</u>	<u>89,186,791,710</u>
Bills purchased and discounted		
Bank Asia Limited	3,836,524,523	4,223,636,160
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	<u>3,836,524,523</u>	<u>4,223,636,160</u>
	<u>107,942,564,235</u>	<u>93,410,427,870</u>

9 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

Conventional and Islamic banking (Note 9.1)	5,288,050,203	4,520,492,208
Off-shore banking unit	298,124	-
	<u>5,288,348,327</u>	<u>4,520,492,208</u>

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
9.1 Conventional and Islamic banking			
Cost:			
Land		2,643,839,095	2,531,152,000
Building		2,481,719,434	1,731,978,115
Furniture and fixtures		840,526,293	709,500,939
Equipments		511,665,065	443,755,877
Computer and accessories		256,437,890	224,197,219
Motor vehicles		158,008,575	131,986,360
		6,892,196,352	5,772,570,510
Less: Accumulated depreciation		1,559,242,525	1,207,472,802
Adjustment of Assets revaluation		44,605,500	44,605,500
Written down value at the end of the year		5,288,050,203	4,520,492,208

Details are shown in Annex C.

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

Bank Asia Limited	5,288,348,327	4,520,492,208
Bank Asia Securities Limited	9,852,653	13,612,271
BA Exchange Company (UK) Limited	12,576,200	14,790,620
	5,310,777,180	4,548,895,099

Details are shown in Annex C.2

10 OTHER ASSETS

Conventional and Islamic banking (Note 10.1)	8,533,671,497	7,872,670,163
Off-shore banking unit	39,653,973	6,956,777
	8,573,325,470	7,879,626,940

10.1 Conventional and Islamic banking

Income generating other assets		
Income receivable (Note 10.2)	673,555,375	627,416,960
Investment in BA Exchange Company (UK) Limited	39,000,000	32,500,000
Investment in Bank Asia Securities Ltd	1,999,990,000	449,990,000
	2,712,545,375	1,109,906,960
Non-income generating other assets		
Stock of stamps	3,595,391	2,507,576
Stationery, printing materials, etc	27,707,617	17,885,868
Prepaid expenses	7,372,165	5,249,128
Deposits and advance rent	378,522,022	238,887,013
Due from Capital Market Division of the Bank	9,999,998	20,744,552
Branch adjustment account (Note 10.3)	40,645,004	53,875,462
Advances, prepayments and others (Note 10.4)	96,611,166	216,428,464
Advance income tax	5,001,463,755	5,575,514,163
Receivable against government	73,088,401	234,757,049
Sundry debtors	63,361,605	312,592,760

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Protested bills	57,163,704	56,810,639
Receivable from BA Exchange Company (UK) Limited	16,145,334	19,783,539
Investment in BA Express USA Inc	41,300,000	3,150,000
Excise duty recoverable	4,149,960	4,576,990
	5,821,126,122	6,762,763,203
	<u>8,533,671,497</u>	<u>7,872,670,163</u>

10.2 Income receivable

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

10.3 Branch adjustment accounts

This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2013 are given below:

	"Number of unresponded entries (Debit)"	Amount of unresponded entries (Taka)	Number of unresponded entries (Credit)	Amount of unresponded entries (Taka)
Up to 3 months	54	20,084,000	86	6,962,000
More than 3 months				
but within 6 months	14	9,274,000	17	1,208,000
More than 6 months				
but within 1 year	16	17,630,000	24	6,012,000
More than 1 year				
but within 5 years	39	21,068,000	13	1,423,000
Above 5 years	-	-	-	-
	<u>123</u>	<u>68,056,000</u>	<u>140</u>	<u>15,605,000</u>

10.4 Advances, prepayments and others

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

10.5 Receivable from Government in connection with Rang's Properties

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

10 (a) Consolidated Other assets

Bank Asia Limited	8,573,325,470	7,879,626,940
Bank Asia Securities Limited	111,568,819	110,173,218
BA Exchange Company (UK) Limited	2,996,240	2,565,940
	<u>8,687,890,529</u>	<u>7,992,366,098</u>
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	449,990,000
Investment in BA Exchange Company (UK) Limited	39,000,000	32,500,000
Receivable from BASL	9,999,998	15,000,000
Receivable from BA Exchange Company (UK) Limited	16,145,334	14,274,347
	<u>6,622,755,197</u>	<u>7,480,601,751</u>

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
11 Borrowings from other banks, financial institutions and agents			
Conventional and Islamic banking (Note 11.1)		1,944,757,246	3,825,000,476
Off-shore banking unit		-	-
		<u>1,944,757,246</u>	<u>3,825,000,476</u>
11.1 Conventional and Islamic banking			
In Bangladesh (Note 11.1.1)		1,944,757,246	3,825,000,476
Outside Bangladesh		-	-
		<u>1,944,757,246</u>	<u>3,825,000,476</u>
11.1.1 In Bangladesh			
Secured			
Un secured:			
Money at call and on short notice			
Trust Bank Limited		-	200,000,000
State Bank of India		-	150,000,000
Citibank NA		-	-
Sonali Bank		-	-
Agrani Bank		-	-
Rupali Bank		-	-
Dutch Bangla Bank Limited		-	-
		-	<u>350,000,000</u>
Term borrowing			
Bangladesh Bank refinance (Islamic)		-	1,400,000,000
Bangladesh Bank refinance and ALS		1,924,757,246	2,075,000,476
SME Foundation Pre Finance		20,000,000	-
		<u>1,944,757,246</u>	<u>3,475,000,476</u>
		<u>1,944,757,246</u>	<u>3,825,000,476</u>
11(a) Consolidated Borrowings from other banks, financial institutions and agents			
Bank Asia Limited		1,944,757,246	3,825,000,476
Bank Asia Securities Limited		2,963,356,289	4,282,363,679
BA Exchange Company (UK) Limited		-	-
		<u>4,908,113,535</u>	<u>8,107,364,155</u>
Less: inter- companies transactions		<u>2,548,996,460</u>	<u>3,832,353,679</u>
		<u>2,359,117,075</u>	<u>4,275,010,476</u>

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
11(aa) Subordinated Non-Convertible Zero Coupon Bond		
A.K Khan & Company Limited	249,997,004	249,997,004
EBL NRB Mutual Fund	19,920,576	19,920,576
Popular Life 1st Mutual Fund	9,960,288	9,960,288
EXIM Bank 1st Mutual Fund	39,996,781	39,996,781
IFIC Bank 1st Mutual Fund	9,960,288	9,960,288
AB Bank 1st Mutual Fund	37,973,598	37,973,598
EBL First Mutual Fund	9,991,414	9,991,414
First Bangladesh Fixed Income Fund	209,944,195	209,944,195
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	12,254,267	12,254,267
	<u>599,998,411</u>	<u>599,998,411</u>

11.2 Maturity-wise grouping

Payable on demand	1,924,757,246	1,914,300,000
Up to 1 month	-	-
More than 1 month but within 3 months	-	-
More than 3 months but within 1 year	-	1,910,700,476
More than 1 year but within 5 years	619,998,411	-
More than 5 years	-	599,998,411
	<u>2,544,755,657</u>	<u>4,424,998,887</u>

12 DEPOSITS AND OTHER ACCOUNTS

Conventional and Islamic banking (Note 12.1)	132,802,504,952	109,467,216,825
Off-shore banking unit	686,869,689	594,558,558
	<u>133,489,374,641</u>	<u>110,061,775,383</u>

Deposits and other accounts**Current/Al-wadeeah current accounts and other accounts**

Deposits from banks	-	-
Deposits from customers	16,836,782,077	14,543,844,248
	<u>16,836,782,077</u>	<u>14,543,844,248</u>

Bills payable

Deposits from banks	-	-
Deposits from customers	1,667,720,280	1,502,901,195
	<u>1,667,720,280</u>	<u>1,502,901,195</u>

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	12,827,249,596	10,613,363,599
	<u>12,827,249,596</u>	<u>10,613,363,599</u>

Fixed deposits/Mudaraba fixed deposits

Deposits from banks	4,500,000,000	1,111,957,040
Deposits from customers	96,970,752,999	81,695,150,743
	<u>101,470,752,999</u>	<u>82,807,107,783</u>
	<u>132,802,504,952</u>	<u>109,467,216,825</u>

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
12.1 Conventional and Islamic banking			
Deposits from banks (Note 12.1.1)		4,500,000,000	1,111,957,040
Deposits from customers (Note 12.1.2)		128,302,504,952	108,355,259,785
		<u>132,802,504,952</u>	<u>109,467,216,825</u>
12.1.1 Deposits from banks			
Fixed deposit:			
AB Bank Limited		-	1,222,860
EXIM Bank Limited		-	5,739,640
Sonali Bank Limited		-	4,500,000
Social Islami Bank Limited		-	300,494,540
The Premier Bank Limited		200,000,000	400,000,000
Shajalal Islami Bank		-	200,000,000
Southeast Bank		200,000,000	200,000,000
IFIC Bank Limited		500,000,000	-
Rupali Bank Limited		3,000,000,000	-
One Bank Limited		600,000,000	-
		4,500,000,000	1,111,957,040
Bangladesh Bank refinance		-	-
		<u>4,500,000,000</u>	<u>1,111,957,040</u>
12.1.2 Deposits from customers			
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)		16,836,782,077	14,543,844,248
Bills payable (Note 12.1.2b)		1,667,720,280	1,502,901,195
Savings bank/Mudaraba savings deposits		12,827,249,596	10,613,363,599
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)		96,970,752,999	81,695,150,743
		<u>128,302,504,952</u>	<u>108,355,259,785</u>
12.1.2a Current/Al-wadeeah current accounts and other accounts			
Current/Al-wadeeah current accounts		6,088,225,409	5,335,346,474
Other demand deposit - Local currency		8,704,668,986	7,025,389,232
Other demand deposit - Foreign currencies		1,545,775,165	1,427,978,931
Foreign currency deposits		498,112,517	755,129,611
Export retention quota		-	-
		<u>16,836,782,077</u>	<u>14,543,844,248</u>
12.1.2b Bills payable			
Bills payable - local currency		1,659,276,640	1,497,757,234
Bills payable - foreign currencies		8,443,640	5,143,961
Demand draft		-	-
		<u>1,667,720,280</u>	<u>1,502,901,195</u>

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
12.1.2c Fixed deposits/Mudaraba fixed deposits			
Fixed deposits/Mudaraba fixed deposits		67,486,671,493	58,971,370,666
Special notice deposit		9,444,532,308	9,466,715,034
Foreign currency deposits (interest bearing)		5,469,270	8,257,208
Deposit under schemes		20,034,079,928	13,248,807,835
		<u>96,970,752,999</u>	<u>81,695,150,743</u>

12.2 Payable on demand and time deposits

a) Demand deposits			
Current/Al-wadeeah current accounts and other accounts		6,375,963,126	5,522,381,956
Savings bank/Mudaraba savings deposits		1,154,452,464	955,202,724
Foreign currency deposits (non interest bearing)		2,043,887,682	2,183,108,542
Sundry deposits		8,704,668,986	7,025,389,232
Bills payable		1,667,720,280	1,502,901,195
		<u>19,946,692,538</u>	<u>17,188,983,649</u>
b) Time deposits			
Savings bank/Mudaraba savings deposits		11,672,797,132	9,658,160,875
Fixed deposits/Mudaraba fixed deposits		72,385,803,465	60,490,850,782
Foreign currency deposits (interest bearing)		5,469,270	8,257,208
Special notice deposit		9,444,532,308	9,466,715,034
Security deposits		-	-
Deposits under schemes		20,034,079,928	13,248,807,835
		<u>113,542,682,103</u>	<u>92,872,791,734</u>
		<u>133,489,374,641</u>	<u>110,061,775,383</u>

12.3 Sector-wise break-up of deposits and other accounts

Government	4,301,195,726	3,187,922,000
Deposit from banks	4,500,000,000	1,111,957,040
Other public	4,085,083,986	4,277,966,000
Foreign currencies	2,744,670,281	2,791,068,269
Private	117,858,424,648	98,692,862,074
	<u>133,489,374,641</u>	<u>110,061,775,383</u>

12.4 Maturity-wise grouping

12.4.1 Deposits from banks

Payable on demand	-	-
Up to 1 month	4,100,000,000	6,962,500
Over 1 month but within 6 months	400,000,000	904,994,540
Over 6 months but within 1 year	-	200,000,000
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>4,500,000,000</u>	<u>1,111,957,040</u>

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
12.4.2 Customer deposits excluding bills payable		
Payable on demand	8,216,698,529	16,395,798,805
Up to 1 month	15,122,756,985	34,689,907,118
Over 1 month but within 6 months	48,863,804,454	20,152,205,460
Over 6 months but within 1 year	9,700,348,890	14,864,230,382
Over 1 year but within 5 years	25,254,066,907	15,675,375,383
Over 5 years	20,163,978,596	5,669,400,000
	127,321,654,361	107,446,917,148
12.4.3 Bills payable		
Payable on demand	896,535,874	170,701,195
Up to 1 month	346,752,190	-
Over 1 month but within 6 months	424,432,216	1,332,200,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	1,667,720,280	1,502,901,195
	133,489,374,641	110,061,775,383
12(a) Consolidated Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Bank Asia Limited	17,124,519,794	14,730,879,730
Bank Asia Securities Limited	194,964,630	114,812,145
BA Exchange Company (UK) Limited		
	17,319,484,424	14,845,691,875
Less: Inter-company transactions	1,449,463	1,058,948
	17,318,034,961	14,844,632,927
Bills payable		
Bank Asia Limited	1,667,720,280	1,502,901,195
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	1,667,720,280	1,502,901,195
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	12,827,249,596	10,613,363,599
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	12,827,249,596	10,613,363,599
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	101,869,884,971	83,214,630,859
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
	101,869,884,971	83,214,630,859

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
13 OTHER LIABILITIES			
Provision for loans and advances/investments (Note 13.1)		4,112,634,273	3,630,307,775
Provision on off-balance sheet exposures (Note 13.2)		671,642,649	592,157,366
Interest suspense account (Note 13.3)		687,051,851	461,780,702
Provision for income tax including deferred tax (Note 13.4)		6,651,366,076	7,371,616,027
Provision for performance and festival bonus		184,017,005	151,799,878
Master card and Visa card payables		7,306,276	3,582,759
Expenditures and other payables		80,379,428	72,919,937
Obligation under finance lease (Note 13.5)		10,836,114	14,757,253
Provision for nostro accounts (Note 13.6)		-	-
Other payable		47,448,817	45,406,190
Provision for profit equalisation		20,643,916	14,940,855
Provision for Smart Junior Saver A/c		49,665	13,375
Diminution in value of shares		246,883,553	100,000,000
Payable to Government		32,465,155	45,555,155
Provision for others (Note 13.7)		69,831,098	69,831,323
Unearned income		244,882,150	217,355,521
Clearing adjustment account		28,861,480	33,922,356
Interest payable on subordinated non-convertible zero coupon bond		29,609,581	3,483,480
		13,125,909,087	12,829,429,952

13.1 Provision for loans and advances/investments**A. General**

Balance at the beginning of the year		984,827,113	967,090,995
Add: Provision made during the year			
On general loans and advances/investments etc.		30,880,483	17,736,118
On special mentioned account		-	-
		30,880,483	17,736,118
Less: Provision no longer required			
On general loans and advances/investments etc.		-	-
On special mentioned account		-	-
		-	-
Balance at the end of the year		1,015,707,596	984,827,113

B. Specific

Balance at the beginning of the year		2,641,109,129	772,422,000
Less: Interest waiver during the year		(123,022)	(9,757,429)
Write off during the year		(1,209,667,879)	(380,321,545)
		(1,209,790,901)	(390,078,974)
Add/ Back: Recoveries of amounts previously written off		123,313,731	183,582,295
Specific provision made during the year for other accounts		1,519,802,819	2,075,183,808
		1,643,116,550	2,258,766,103

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
Balance at the end of the year		3,074,434,778	2,641,109,129
C. Total provision on loans and advances/investments (A+B)		4,090,142,374	3,625,936,242
D. General provision maintained for OBU as at 01 January		4,371,533	-
Add: Provision made during the year		18,120,366	4,371,533
Provision on loans and advances for OBU		22,491,899	4,371,533
E. Total provision on loans and advances/investments (C+D)		4,112,634,273	3,630,307,775

13.2 Provision on off-balance sheet exposures

Balance at 1 January	587,637,090	458,168,020
Add: Provision made during the year	80,876,261	129,469,070
	668,513,351	587,637,090
Less: Adjustments made during the year	-	-
	668,513,351	587,637,090
General provision maintained for OBU as at 01 January	4,520,276	-
Add: Provision made during the year	-	4,520,276
Less: Adjustments made during the year	(1,390,978)	-
	3,129,298	4,520,276
Balance at the end of the year	671,642,649	592,157,366

13.3 Interest suspense account

Balance at 1 January	461,780,702	291,160,430
Add: Amount transferred to "interest suspense" account during the year	1,252,245,863	1,097,914,635
	1,714,026,565	1,389,075,065
Less: Amount of interest suspense recovered	990,874,796	919,474,467
Interest waiver during the year	36,099,918	7,819,896
	1,026,974,714	927,294,363
Balance at 31 December	687,051,851	461,780,702

13.4 Provision for taxation

Current tax (Note 13.4.1)	6,350,206,065	7,089,642,948
Deferred tax (Note 13.4.2)	301,160,011	281,973,079
	6,651,366,076	7,371,616,027

13.4.1 Provision for current tax

Balance at 1 January	7,089,642,948	5,301,088,407
Provision made during the year	2,041,583,693	1,788,554,541
	9,131,226,641	7,089,642,948
Adjustments made during the year	(2,781,020,576)	-
	6,350,206,065	7,089,642,948

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
13.4.2 Provision for deferred tax			
Balance at 1 January		281,973,079	255,527,620
Provision made for deferred tax liabilities:			
Charged/(credited) to profit and loss statement		19,186,932	26,445,459
Charged/(credited) to revaluation reserve		-	-
		19,186,932	26,445,459
		301,160,011	281,973,079
Provision made for deferred tax assets		-	-
		301,160,011	281,973,079
13.4.1(a) Consolidated Provision for current tax			
Current Tax		2,041,583,693	1,788,554,541
Bank Asia Limited		14,046,161	16,070,482
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		2,055,629,854	1,804,625,023
13.4.2(a) Consolidated provision for deferred tax			
Bank Asia Limited		19,186,932	26,445,459
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
		19,186,932	26,445,459
13.5 Obligation under finance lease			
Motor vehicles		10,836,114	14,757,253
		10,836,114	14,757,253
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.			
13.7 Provision for others :			
Balance at the beginning of the year		69,831,323	56,810,639
Add: Adjustment during the year		(225)	13,020,684
Less: Adjustment during the year		-	-
Balance at the end of the year		69,831,098	69,831,323

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
13(a) Consolidated Other liabilities			
Bank Asia Limited		13,125,909,087	12,829,429,952
Bank Asia Securities Limited		746,619,173	248,672,189
BA Exchange Company (UK) Limited		21,388,900	21,841,690
		<u>13,893,917,160</u>	<u>13,099,943,831</u>
Less: Inter- companies transactions			
Receivable from capital operation		9,999,998	15,000,000
Receivable from BA Exchange (UK) Limited		16,145,334	14,274,347
		<u>13,867,771,828</u>	<u>13,070,669,484</u>

14 SHARE CAPITAL**14.1 Authorized capital**

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

56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each issued as bonus shares	3,640,107,700	3,640,107,700
Right shares issue @25% for the year 2011	1,050,958,100	1,050,958,100
Issued as bonus shares 20% for the year 2011	1,050,958,120	1,050,958,120
Issued as bonus shares 10% for the year 2012	630,574,870	-
	<u>6,936,323,590</u>	<u>6,305,748,720</u>

14.3 Initial public offer (IPO)

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

14.4 Capital adequacy ratio

The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guidelines, December 2010 vide BRPD Circular no. 35 dated 29 December 2010.

Core capital (Tier-I)		
Paid up capital	6,936,323,590	6,305,748,720
Share premium	330	330
Statutory reserve (Note 15)	4,208,075,877	3,503,958,171
Retained earnings (Note 17)	759,746,473	634,621,144
	<u>11,904,146,270</u>	<u>10,444,328,365</u>
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	1,038,199,495	989,198,646
General provision on off-balance sheet exposure	671,642,649	592,157,366
Subordinated non covertable zero coupon bond	599,998,411	599,998,411
General reserve	8,166,144	8,166,144
Revaluation reserve of Government securities and Fixed assets	1,352,695,802	1,296,337,919
	<u>3,670,702,501</u>	<u>3,485,858,486</u>

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Additional supplementary capital (Tier-III)	-	-
A) Total capital	15,574,848,771	13,930,186,851
B) Total risk weighted assets	140,976,922,828	106,719,000,000
C) Required capital	14,097,692,283	10,671,900,000
D) (Deficit)/Surplus (A-C)	1,477,156,488	3,258,286,851
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.44%	9.79%
On total capital - against standard of minimum 10%	11.05%	13.05%

14.4 (a) Consolidated Capital adequacy ratio

The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guidelines, December 2010 vide BRPD Circular no. 35 dated 29 December 2010.

Core capital (Tier-I)		
Paid up capital	6,936,323,590	6,305,748,720
Non-controlling (Minority) interest	11,604	12,191
Share premium	330	330
Statutory reserve (Note 15)	4,208,075,877	3,503,958,171
Retained earnings (Note 17a)	699,449,908	703,603,495
	11,843,861,309	10,513,322,907
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	1,038,199,495	989,198,646
General provision on off-balance sheet exposure	671,642,649	592,157,366
Subordinated non convertible zero coupon bond	599,998,411	599,998,411
General reserve	8,166,144	8,166,144
Revaluation reserve of Government securities and Fixed assets	1,352,695,802	1,296,337,919
	3,670,702,501	3,485,858,486
Additional supplementary capital (Tier-III)		
A) Total capital	15,514,563,810	13,999,181,393
B) Total risk weighted assets	143,296,500,000	107,678,900,000
C) Required capital	14,329,650,000	10,767,890,000
D) (Deficit)/Surplus (A-C)	1,184,913,810	3,231,291,393
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.27%	9.76%
On total capital - against standard of minimum 10%	10.83%	13.00%

14.5 Percentage of share holdings at the closing date

Category	At 31 December 2013	At 31 December 2013	At 31 December 2012	At 31 December 2012
	No. of shares	%	No. of shares	%
Sponsors & Directors	330,909,211	47.71	323,824,332	51.35
General public	152,975,106	22.05	137,312,651	21.78
Institutions	181,163,697	26.12	134,335,693	21.30
Investment companies	21,468,345	3.09	23,284,460	3.70
Non-resident Bangladeshi	4,912,140	0.71	9,086,436	1.44
Foreign investors	2,203,860	0.32	2,731,300	0.43
	693,632,359	100	630,574,872	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2013	2012	2013	2012
Less than 5000	15,725	14,793	2.11	2.27
5,000 to 50,000	2,041	1,954	3.95	3.99
50,001 to 100,000	124	124	1.28	1.39
100,001 to 200,000	78	74	1.62	1.63
200,001 to 300,000	34	34	1.23	1.35
300,001 to 400,000	18	29	0.90	1.57
400,001 to 500,000	15	14	0.96	1.01
500,001 to 1,000,000	49	47	5.23	5.57
1,000,001 to 10,000,000	77	77	31.76	36.58
Over 10,000,000	18	15	50.96	44.64
	18,179	17,161	100	100

14.7 Name of the Directors and their share holdings as at 31 December 2013

SI	Name of the director	Status	Opening position	Closing position
1	Mr. A Rouf Chowdhury	Chairman	15,553,432	17,108,775
2	Mr. A M Nurul Islam (Independent Director)	Vice Chairman	-	-
3	Mr. Mohammed Lakiotullah (Independent Director)	Vice Chairman	-	-
4	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Director	24,698,364	27,168,200
5	Ms. Hosneara Sinha	Director	28,764,696	31,641,165
6	Mr. Rumeel A Hossain	Director	24,482,412	26,930,653
7	Ms. Farhana Haq Chowdhury	Director	17,154,684	18,870,152
8	Mr. M Irfan Syed (Alternate Director of Mir Shahjahan)	Director	12,991,152	14,290,267
9	Ms. Naheed Akhter Sinha	Director	30,202,320	33,222,552
10	Mr. Nafees Khundker	Director	21,251,976	23,377,173
11	Mr. Shah Md. Nurul Alam (Independent Director)	Director	-	-
12	Ms. Sohana Rouf Chowdhury (Alternate Director of Murshed Sultan Chowdhury)	Director	19,515,156	21,466,671

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
15 STATUTORY RESERVE			
Balance at 1 January		3,503,958,171	2,959,358,772
Add: Addition during the year (20% of pre-tax profit)		704,117,706	544,599,399
Balance at 31 December 2013		4,208,075,877	3,503,958,171
16 REVALUATION RESERVE			
HTM securities (Note 16.1)		2,684,722	2,849,271
HFT securities (Note 16.2)		315,013,379	157,527,564
Fixed Assets revaluation (Note 16.3)		2,387,693,502	2,432,299,002
		2,705,391,603	2,592,675,837
16.1 Revaluation reserve on HTM securities			
Balance at 1 January		2,849,271	4,063,852
Gain from revaluation on investments		2,684,483	(4,075,435)
Adjustment for sale/maturity of securities		(2,849,032)	2,860,854
		2,684,722	2,849,271
16.2 Revaluation reserve on HFT securities			
Balance at 1 January		157,527,564	453,467,671
Gain from revaluation on investments		844,833,025	348,736,684
Adjustment for sale/maturity of securities		(687,347,210)	(644,676,791)
		315,013,379	157,527,564
16.3 Revaluation reserve on Fixed Assets			
Balance at 1 January		2,432,299,002	2,476,904,502
Depreciation charged during the year		(44,605,500)	(44,605,500)
		2,387,693,502	2,432,299,002
16 (a) Consolidated Revaluation reserve			
Bank Asia Limited		2,705,391,603	2,592,675,837
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
		2,705,391,603	2,592,675,837
17 RETAINED EARNINGS			
Balance at 1 January		634,621,144	1,322,181,668
Add: Post - tax profit for the year		1,459,817,905	907,996,995
Less: Issue of bonus shares for the year 2012		630,574,870	-
Issue of bonus shares for the year 2011		-	1,050,958,120
Transfer to Statutory Reserve		704,117,706	544,599,399
		759,746,473	634,621,144

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
17(a) Consolidated Retained earnings			
Balance at 1 January		703,603,495	1,449,223,838
Add: Post- tax profit for the year		1,330,538,402	849,941,367
Less : Non controlling interest for year 2011		-	3,162
Less : Non controlling interest		(587)	1,029
		2,034,142,484	2,299,161,014
Less : Issue of bonus shares		630,574,870	1,050,958,120
Transferred to Statutory Reserve		704,117,706	544,599,399
		1,334,692,576	1,595,557,519
		699,449,908	703,603,495
17(b) Non-controlling (Minority) interest			
Bank Asia Securities Limited		11,604	12,191
BA Exchange Company (UK) Limited		-	-
		11,604	12,191
18 CONTINGENT LIABILITIES			
Conventional and Islamic banking		66,851,335,098	58,763,709,043
Off-shore banking unit		312,929,832	452,027,559
		67,164,264,930	59,215,736,602
Acceptances and endorsements			
Conventional and Islamic banking		22,321,205,553	24,197,548,089
Off-shore banking unit		167,008,520	280,932,890
		22,488,214,073	24,478,480,979
Letters of guarantee			
Conventional and Islamic banking (Note 18.1)		17,820,912,163	9,877,524,764
Off-shore banking unit		-	-
		17,820,912,163	9,877,524,764
Irrevocable letters of credit			
Conventional and Islamic banking (Note 18.2)		17,857,816,246	16,698,993,643
Off-shore banking unit		52,175,970	155,883,770
		17,909,992,216	16,854,877,413
Bills for collection			
Conventional and Islamic banking (Note 18.3)		8,851,401,136	7,989,642,547
Off-shore banking unit		93,745,342	15,210,899
		8,945,146,478	8,004,853,446
Other contingent liabilities			
Conventional and Islamic banking		-	-
Off-shore banking unit		-	-
		-	-
		67,164,264,930	59,215,736,602

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
18.1 Letters of guarantee			
Letters of guarantee (Local)		17,820,912,163	9,877,524,764
Letters of guarantee (Foreign)		-	-
		17,820,912,163	9,877,524,764
Less: Margin		-	-
		17,820,912,163	9,877,524,764
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:			
Directors or officers		-	-
Government		30,744,576	20,845,575
Banks and other financial institutions		5,218,555,530	3,206,134,194
Others		12,571,612,057	6,650,544,995
		17,820,912,163	9,877,524,764
Less: Margin		-	-
		17,820,912,163	9,877,524,764
18.2 Irrevocable letters of credit			
Letters of credit Back to Back (Inland)		2,204,190,166	2,197,006,448
Letters of credit (General)		13,929,029,005	11,798,689,064
Back to back L/C		1,724,597,075	2,703,298,131
		17,857,816,246	16,698,993,643
Less: Margin		-	-
		17,857,816,246	16,698,993,643
18.3 Bills for collection			
Local bills for collection		7,393,137,932	6,102,856,809
Foreign bills for collection		1,458,263,204	1,886,785,738
		8,851,401,136	7,989,642,547
18.4 Acceptances and endorsements			
Conventional and Islamic banking		22,321,205,553	24,197,548,089
Off-shore banking unit		167,008,520	280,932,890
Less: Margin		-	-
		22,488,214,073	24,478,480,979
18.5 Workers' profit participation fund (WPPF)			

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

	Notes	Amount in Taka	
		2013	2012
19 INCOME STATEMENT			
Income:			
Interest, discount and similar income (Note 19.1)		16,934,369,214	14,698,615,152
Dividend income (Note 22)		16,277,211	99,065,910
Fees, commission and brokerage (Note 19.2)		939,473,177	854,747,309
Interest on Others/NBBL		22,464,886	40,796,634
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds		27,270,000	38,651,507
Interest on ACI Convertible zero coupon bond		4,157,628	3,051,746
MTBL unsecured subordinated convertible bond		17,975,478	18,066,438
Prime Bank Ltd. unsecured non-convertible subordinated bond		16,077,624	16,461,575
Interest on placements		361,509,224	311,991,775
Gains less losses arising from dealing in securities		-	-
Gains less losses arising from investment securities		-	-
Gains less losses arising from dealing in foreign currencies (Note 23.1)		861,829,832	905,566,300
Income from non-banking assets		-	-
Other operating income (Note 24)		497,738,396	450,010,835
Profit less losses on interest rate changes		-	-
		19,699,142,670	17,437,025,181
Expenses:			
Interest paid/profit shared on deposits and borrowings, etc (Note 21)		11,166,022,060	9,616,349,333
Administrative expenses (Note 19.3)		2,050,170,133	1,819,332,127
Other expenses (Note 34)		759,520,827	675,643,443
Depreciation on banks assets (Note 33.1)		307,668,616	273,895,102
		14,283,381,636	12,385,220,005
		5,415,761,034	5,051,805,176
19.1 Interest, discount and similar income			
Interest income/profit on investments		14,346,305,946	13,296,056,631
Interest on treasury bills		450,928,642	224,241,856
Interest on treasury bonds		1,974,460,101	733,826,280
Interest on debentures		1,443,750	2,398,136
Income from investment in shares		1,919,098	20,718,151
Capital gain on Government securities		159,311,677	421,374,098
		16,934,369,214	14,698,615,152
19.2 Fees, commission and brokerage			
Commission		939,473,177	854,747,309
Brokerage		-	-
		939,473,177	854,747,309

	Notes	Amount in Taka	
		2013	2012
19.3 Administrative expenses			
Salaries and allowances (Note 25)		1,448,943,946	1,281,947,224
Rent, taxes, insurance, electricity, etc (Note 26)		370,253,838	326,555,893
Legal expenses (Note 27)		8,863,980	7,050,981
Postage, stamp, telecommunication, etc (Note 28)		64,863,116	53,917,490
Stationery, printing, advertisement, etc (Note 29)		69,798,722	70,023,477
Managing Director's salary and fees (Note 30)		13,000,000	12,200,000
Directors' fees (Note 31)		1,720,000	2,003,240
Auditors' fees		1,090,550	1,064,535
Repair of Bank's assets (Note 33.1)		71,635,981	64,569,287
		<u>2,050,170,133</u>	<u>1,819,332,127</u>

20 INTEREST INCOME/PROFIT ON INVESTMENTS

Conventional and Islamic banking (Note 20.1)	14,270,372,667	13,274,027,672
Off-shore banking unit	75,933,279	22,028,959
	<u>14,346,305,946</u>	<u>13,296,056,631</u>

20.1 Conventional and Islamic banking

Loans (General)/Musharaka	5,755,748	4,951,084
Loans against trust receipts/ Bai Murabaha post import	2,527,079,575	3,762,696,824
Packing credit	13,484,651	12,873,811
House building loan	51,861,215	60,871,940
Payment against documents	125,917,179	266,499,978
Cash credit/Bai-Muajjal	95,346,908	51,912,391
Overdraft/ Quard against deposit	621,957,203	560,231,940
Consumer credit scheme	28,871,147	40,902,188
Staff loan	41,815,072	30,522,046
Local bills purchased	446,921,893	552,223,600
Foreign bills purchased	85,549,979	99,999,691
Interest income from credit card	184,288,597	151,836,155
Term loan- others/ Hire purchase Shirkatul Melk	2,903,280,228	1,819,465,583
Term loan- industrial	1,040,189,474	646,033,978
Demand loan	1,681,393,728	1,110,769,621
Transport loan	222,368,348	220,124,553
Sachsondo - SME	409,096,470	408,697,497
Other loans and advances	3,597,303,456	3,188,280,508
Total interest/profit on loans and advances/investments	<u>14,082,480,871</u>	<u>12,988,893,388</u>
Interest/profit on balance with other banks and financial institutions	157,253,584	282,719,683
Interest/profit received from foreign banks	30,638,212	2,414,601
	<u>14,270,372,667</u>	<u>13,274,027,672</u>

	Notes	Amount in Taka	
		2013	2012
20(a) Consolidated Interest income/profit on investments			
Bank Asia limited		14,346,305,946	13,296,056,631
BA Exchange Company (UK) Limited		-	-
Bank Asia Securities Ltd		372,598,948	592,744,302
		<u>14,718,904,894</u>	<u>13,888,800,933</u>

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

Conventional and Islamic banking (Note 21.1)	11,128,672,452	9,598,874,861
Off-shore banking unit	37,349,608	17,474,472
	<u>11,166,022,060</u>	<u>9,616,349,333</u>

21.1 Conventional and Islamic banking

Interest paid/profit shared on deposits

Fixed deposits/ Mudaraba Fixed deposit	7,400,394,908	6,839,726,632
Sanchaya plus	130,755,342	114,788,467
Savings deposits/ Mudaraba Savings bank	629,505,209	564,238,645
Special notice deposits	544,751,749	633,490,444
Other deposits	2,034,000,575	1,378,312,357
	<u>10,739,407,783</u>	<u>9,530,556,545</u>

Interest on borrowings

Local banks including Bangladesh Bank	368,247,951	64,622,700
Foreign banks	115,833	212,136
Interest on subordinated non-convertible zero coupon bond	20,900,885	3,483,480
	<u>389,264,669</u>	<u>68,318,316</u>
	<u>11,128,672,452</u>	<u>9,598,874,861</u>

21(a) Consolidated Interest Expenses/profit paid on Deposits

Bank Asia limited	11,166,022,060	9,616,349,333
BA Exchange Company (UK) Limited	-	-
Bank Asia Securities Ltd.	509,061,920	566,531,168
	<u>11,675,083,980</u>	<u>10,182,880,501</u>

22 INVESTMENT INCOME

Interest on treasury bills	450,928,642	224,241,856
Interest on treasury bonds	1,971,612,045	731,550,843
Interest on Islamic bonds	2,848,056	2,275,437
Prime Bank Ltd. unsecured non-convertible subordinated bond	16,077,624	16,461,575
Interest on Others/NBBL	22,464,886	40,796,634
Interest on Orascom Telecom Bangladesh Ltd. senior secured bonds	27,270,000	38,651,507
Interest on ACI Convertible zero coupon bond	4,157,628	3,051,746
MTBL unsecured subordinated convertible bond	17,975,478	18,066,438
Interest on placement	361,509,224	311,991,775
Capital gain from investment in shares	1,919,098	20,718,151
Dividend on shares	16,277,211	99,065,910
Interest on debentures	1,443,750	2,398,136
Capital gain on Government securities	159,311,677	421,374,098
	<u>3,053,795,319</u>	<u>1,930,644,106</u>

Notes	Amount in Taka	
	2013	2012
22(a) Consolidated investment income		
Bank Asia Limited	3,053,795,319	1,930,644,106
Bank Asia Securities Limited	1,213,965	-
BA Exchange Company (UK) Limited	-	-
	<u>3,055,009,284</u>	<u>1,930,644,106</u>
Less: Inter-company transactions	-	89,998,000
	<u>3,055,009,284</u>	<u>1,840,646,106</u>

23 COMMISSION, EXCHANGE AND BROKERAGE

Conventional and Islamic banking (Note 23.1)	1,793,882,032	1,751,515,708
Off-shore banking unit	7,420,977	8,797,901
	<u>1,801,303,009</u>	<u>1,760,313,609</u>

23.1 Conventional and Islamic Banking

Commission on L/C	239,489,768	284,268,852
Commission on back to back L/C	398,410,403	301,204,592
Fees and commission	46,979,425	50,566,402
Commission on L/G	75,419,439	64,808,899
Commission on export	155,542,499	127,803,354
Commission on PO, DD, TT, TC, etc	6,970,632	9,104,433
Commission on brokerage	-	-
Other commission	9,240,034	8,192,876
	<u>932,052,200</u>	<u>845,949,408</u>
Foreign exchange gain	861,829,832	905,566,300
	<u>1,793,882,032</u>	<u>1,751,515,708</u>

23(a) Consolidated Commission, exchange and brokerage

Bank Asia Limited	1,801,303,009	1,760,313,609
Bank Asia Securities Ltd	96,923,154	111,045,350
BA Exchange Company (UK) Limited	13,856,440	10,258,300
	<u>1,912,082,603</u>	<u>1,881,617,259</u>

24 OTHER OPERATING INCOME

Conventional and Islamic banking (Note 24.1)	491,670,796	444,711,166
Off-shore banking unit	6,067,600	5,299,669
	<u>497,738,396</u>	<u>450,010,835</u>

24.1 Conventional and Islamic banking

Locker charge	7,836,750	6,989,906
Service and other charges	253,384,611	242,090,406
Master/Visa card fees and charges	87,398,975	81,166,153
Postage/telex/SWIFT/fax recoveries	81,643,058	64,169,196
Non-operating income	12,670,181	18,353,309
Rebate on nostro account	48,737,221	31,942,196
	<u>491,670,796</u>	<u>444,711,166</u>

	Notes	Amount in Taka	
		2013	2012
24(a) Consolidated other operating income			
Bank Asia Limited		497,738,396	450,010,835
Bank Asia Securities Ltd		6,778,255	6,566,458
BA Exchange Company (UK) Limited		-	-
		<u>504,516,651</u>	<u>456,577,293</u>
25 Salaries and allowances			
Conventional and Islamic banking (Note 25.1)		1,448,943,946	1,281,947,224
Off-shore banking unit		-	-
		<u>1,448,943,946</u>	<u>1,281,947,224</u>
25.1 Conventional and Islamic banking			
Basic salary		516,283,588	463,552,193
Allowances		569,825,016	506,703,081
Festival bonus		91,593,288	80,157,472
Gratuity		43,099,268	39,091,096
Provident fund contribution		48,142,786	42,443,382
Performance bonus		180,000,000	150,000,000
		<u>1,448,943,946</u>	<u>1,281,947,224</u>
25(a) Consolidated Salaries and allowances			
Bank Asia Limited		1,448,943,946	1,281,947,224
Bank Asia Securities Ltd		30,542,204	33,529,700
BA Exchange Company (UK) Limited		7,975,631	7,359,950
		<u>1,487,461,781</u>	<u>1,322,836,874</u>
26 RENT, TAXES, INSURANCE, ELECTRICITY ETC.			
Conventional and Islamic banking (Note 26.1)		370,172,493	326,473,987
Off-shore banking unit		81,345	81,906
		<u>370,253,838</u>	<u>326,555,893</u>
26.1 Conventional and Islamic banking			
Rent, rate and taxes		231,581,347	203,817,844
Insurance		89,485,923	82,877,932
Power and electricity		49,105,223	39,778,211
		<u>370,172,493</u>	<u>326,473,987</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.			
Bank Asia Limited		370,253,838	326,555,893
Bank Asia Securities Ltd		9,839,570	10,733,258
BA Exchange Company (UK) Limited		8,649,550	8,723,390
		<u>388,742,958</u>	<u>346,012,541</u>

	Notes	Amount in Taka	
		2013	2012
27 LEGAL EXPENSES			
Conventional and Islamic banking (Note 27.1)		8,863,980	7,050,981
Off-shore banking unit		-	-
		<u>8,863,980</u>	<u>7,050,981</u>
27.1 Conventional and Islamic Banking			
Legal expenses		8,863,980	7,050,981
Other professional charges		-	-
		<u>8,863,980</u>	<u>7,050,981</u>
27(a) Consolidated Legal expenses			
Bank Asia Limited		8,863,980	7,050,981
Bank Asia Securities Ltd		128,264	357,615
BA Exchange Company (UK) Limited		152,490	61,750
		<u>9,144,734</u>	<u>7,470,346</u>
28 POSTAGE, STAMPS, TELECOMMUNICATION ETC.			
Conventional and Islamic banking (Note 28.1)		64,576,428	53,564,392
Off-shore banking unit		286,688	353,098
		<u>64,863,116</u>	<u>53,917,490</u>
28.1 Conventional and Islamic banking			
Telephone, courier and postage		44,094,269	36,483,096
Master/VISA card process fee		3,529,605	2,626,251
ATM charge		1,391,751	887,337
SWIFT and Reuter charge		13,056,345	11,526,576
Internet		2,504,458	2,041,132
		<u>64,576,428</u>	<u>53,564,392</u>
28(a) Consolidated Postage, stamps, telecommunication etc.			
Bank Asia Limited		64,863,116	53,917,490
Bank Asia Securities Ltd		3,098,913	2,752,298
BA Exchange Company (UK) Limited		550,030	847,470
		<u>68,512,059</u>	<u>57,517,258</u>
29 STATIONERY, PRINTING, ADVERTISEMENTS ETC.			
Conventional and Islamic banking (Note 29.1)		69,798,722	70,023,477
Off-shore banking unit		-	-
		<u>69,798,722</u>	<u>70,023,477</u>
29.1 Conventional and Islamic banking			
Office and security stationery		32,554,713	39,846,233
Calendar, diary, souvenir, etc		5,606,887	6,020,000
ATM card		184,200	16,550
Books and periodicals		1,413,023	1,344,587
Publicity and advertisement		30,039,899	22,796,107
		<u>69,798,722</u>	<u>70,023,477</u>

	Notes	Amount in Taka	
		2013	2012
29(a) Consolidated Stationery, printing, advertisements etc.			
Bank Asia Limited		69,798,722	70,023,477
Bank Asia Securities Ltd		260,930	488,205
BA Exchange Company (UK) Limited		494,000	662,220
		<u>70,553,652</u>	<u>71,173,902</u>
30 MANAGING DIRECTOR'S SALARY AND FEES			
Basic salary		6,000,000	6,000,000
House rent allowance		1,500,000	1,500,000
Entertainment allowances		600,000	600,000
Bonus		2,800,000	2,000,000
Utility allowance and others		1,200,000	1,200,000
House maintenance allowance		300,000	300,000
Provident fund		600,000	600,000
		<u>13,000,000</u>	<u>12,200,000</u>
31 DIRECTORS' FEES			
Directors' fees		1,720,000	2,003,240
		<u>1,720,000</u>	<u>2,003,240</u>
31(a) Consolidated Directors' fees			
Bank Asia Limited		1,720,000	2,003,240
Bank Asia Securities Ltd.		120,750	161,000
BA Exchange Company (UK) Limited		-	26,000
		<u>1,840,750</u>	<u>2,190,240</u>
32 AUDITORS FEES			
Statutory audit fees		690,000	575,000
others		400,550	489,535
		<u>1,090,550</u>	<u>1,064,535</u>
32(a) Consolidated Auditors fees			
Bank Asia Limited		1,090,550	1,064,535
Bank Asia Securities Ltd		86,250	86,250
BA Exchange Company (UK) Limited		780,000	780,000
		<u>1,956,800</u>	<u>1,930,785</u>
33 DEPRECIATION AND REPAIR OF BANK'S ASSETS			
Conventional and Islamic banking (Note 33.1)		379,230,047	338,464,389
Off-shore banking unit		74,550	-
		<u>379,304,597</u>	<u>338,464,389</u>

	Notes	Amount in Taka	
		2013	2012
33.1 Conventional and Islamic banking			
Depreciation			
Owned assets		303,014,062	255,244,191
Leased assets		4,580,004	18,650,911
		307,594,066	273,895,102
Repairs			
Building		24,867,226	20,294,540
Furniture and fixtures		386,570	652,515
Equipments		4,652,006	5,862,363
Maintenance		41,730,179	37,759,869
		71,635,981	64,569,287
		379,230,047	338,464,389
33(a) Consolidated Depreciation and repairs of Bank's assets			
Bank Asia Limited		379,304,597	338,464,389
Bank Asia Securities Ltd		5,566,086	6,923,052
BA Exchange Company (UK) Limited		2,478,450	2,521,090
		387,349,133	347,908,531
34 OTHER EXPENSES			
Conventional and Islamic banking (Note 34.1)		759,520,827	675,643,443
Off-shore banking unit		-	-
		759,520,827	675,643,443
34.1 Conventional and Islamic banking			
Car expenses		184,732,899	135,818,032
Contractual service expenses		206,965,949	174,663,489
Computer expenses		104,019,769	103,650,811
Other management and administrative expenses		112,403,148	94,340,121
Entertainment		23,373,802	21,910,051
AGM/EGM expenses		10,228,451	17,359,645
Office plantation		4,983,452	4,523,186
Payment to superannuation fund		2,400,000	2,400,000
Finance charge for lease assets		2,035,865	16,601,538
Donation and subscription to institutions		83,757,186	76,525,251
Travelling expenses		14,538,015	19,342,117
Training and internship		9,450,451	7,852,642
Directors' travelling expenses		131,840	156,560
Sharia council fees		500,000	500,000
		759,520,827	675,643,443
34(a) Consolidated other expenses			
Bank Asia Limited		759,520,827	675,643,443
Bank Asia Securities Ltd		21,898,745	26,184,802
BA Exchange Company (UK) Limited		4,750,460	3,651,570
		786,170,032	705,479,815

Notes	Amount in Taka	
	2013	2012
34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	1,631,559,563	2,222,388,996
Off-shore banking unit	16,729,388	(1,458,176)
	<u>1,648,288,951</u>	<u>2,220,930,820</u>
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	30,880,483	17,736,118
Off-shore banking unit	18,120,366	(2,561,472)
	<u>49,000,849</u>	<u>15,174,646</u>
Specific provision		
Conventional and Islamic banking	1,519,802,819	2,075,183,808
Off-shore banking unit	-	-
	<u>1,519,802,819</u>	<u>2,075,183,808</u>
Adjust with General provision		
	<u>1,519,802,819</u>	<u>2,075,183,808</u>
Provision for off-balance sheet items		
Conventional and Islamic banking	80,876,261	129,469,070
Off-shore banking unit	(1,390,978)	1,103,296
	<u>79,485,283</u>	<u>130,572,366</u>
	<u>1,648,288,951</u>	<u>2,220,930,820</u>
34(c) Consolidated Provision for diminution in value of investments		
Bank Asia Limited	246,883,553	100,000,000
Bank Asia Securites Limited	169,861	220,768
BA Exchange Company (UK) Limited	-	-
	<u>247,053,414</u>	<u>100,220,768</u>
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Conventional and Islamic banking (Note 35.1)	669,178,782	985,869,325
Off-shore banking unit	6,067,600	5,299,669
	<u>675,246,382</u>	<u>991,168,994</u>
35.1 Conventional and Islamic banking		
Locker charge	7,836,750	6,989,906
Service and other charges	253,384,611	242,090,406
Master card fees and charges	87,398,975	81,166,153
Postage/telex/SWIFT/ fax recoveries	81,643,058	64,169,196
Non-operating income	238,915,388	591,453,664
	<u>669,178,782</u>	<u>985,869,325</u>

Notes	Amount in Taka	
	2013	2012
35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	675,246,382	991,168,994
Bank Asia Securities Ltd	7,992,220	6,566,458
BA Exchange Company (UK) Limited	-	-
	683,238,602	997,735,452
Less: inter- companies transactions	-	89,998,000
	683,238,602	907,737,452

36 PAYMENTS FOR OTHER OPERATING ACTIVITIES

Conventional and Islamic banking (Note 36.1)	1,209,152,406	1,061,752,138
Off-shore banking unit	81,345	81,906
	1,209,233,751	1,061,834,044

36.1 Conventional and Islamic banking

Rent, rates and taxes	370,172,493	326,473,987
Legal expenses	8,863,980	7,050,981
Directors' fees	1,720,000	2,003,240
Repair and maintenance	-	-
Postage, stamp, telecommunication, etc	64,863,116	53,917,490
Other expenses	749,442,267	659,041,905
Managing Director's salary	13,000,000	12,200,000
Auditors' fee	1,090,550	1,064,535
	1,209,152,406	1,061,752,138

36(a) Payments for other operating activities

Bank Asia Limited	1,209,233,751	1,061,834,044
Bank Asia Securities Ltd	35,051,742	40,114,223
BA Exchange Company (UK) Limited	-	-
	2,346,233,760	1,101,948,267

37 EARNINGS PER SHARE (EPS)

Net profit after tax (Numerator)	1,459,817,905	907,996,995
Number of ordinary shares outstanding (Denominator)	630,574,872	630,574,872
Issue of bonus share 10%	63,057,487	63,057,487
Number of ordinary shares outstanding (Denominator)	693,632,359	693,632,359
Earnings per share (EPS)	2.10	1.31

Earnings per share has been calculated in accordance with BAS 33: "Earnings Per Share (EPS)". Earnings per share for previous year has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2013, the earliest period reported. Actual EPS for 2012 was Taka 1.44.

37(a) Consolidated Earnings per share (EPS)

Net profit after tax (Numerator)	1,330,538,402	849,941,367
Number of ordinary shares outstanding (Denominator)	693,632,359	693,632,359
Earnings per share (EPS)	1.92	1.23

38 NUMBER OF EMPLOYEES

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 1,600 (2012: 1485).

39 AUDIT COMMITTEE

The Board of Directors of Bank Asia Limited constituted the Audit Committee of the Board, in compliance with the Bangladesh Bank directives in the 44th meeting held on January 18, 2003. The Audit Committee was formed with the objectives to establishing a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in the 248th meeting held on February 28, 2013 consisting of the following members:

Name	Status in the Audit Committee	Educational qualification
Mr. Shah Md. Nurul Alam	Chairman	MBA (IBA), M.Sc (Applied Physics)
Mr. Rumeen A. Hossain	Member	B. Sc in Mechanical Engineering, MBA
Mr. Mohammed Lakiotullah	Member	M.Sc.

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

No. of meeting	Date	No. of meeting	Date
115th Audit	11th February, 2013	125th Audit	3rd July, 2013
116th Audit	18th February, 2013	126th Audit	13th July, 2013
117th Audit	27th February, 2013	127th Audit	28th July, 2013
118th Audit	11th March, 2013	128th Audit	24th August, 2013
119th Audit	27th March, 2013	129th Audit	19th September, 2013
120th Audit	12th April, 2013	130th Audit	12th October, 2013
121st Audit	19th May, 2013	131st Audit	23rd October, 2013
122nd Audit	30th May, 2013	132nd Audit	19th November, 2013
123rd Audit	13th June, 2013	133rd Audit	9th December, 2013
124th Audit	27th June, 2013	134th Audit	18th December, 2013

In the year 2013, the Audit Committee held 20 (twenty) meetings in which, the following issues, among others, were reviewed and discussed:

In the meetings amongst others the Committee discussed the following issues:

- External Audit Report of the Bank and the recommendations made there under.
- Bangladesh Bank comprehensive inspection report and the recommendations made there under.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance (ICC) Division 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 by 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 31.12.2012.
- 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 Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

40 RELATED PARTY TRANSACTIONS

During the year 2013, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of director	Status with the Bank	Name of the organization	Nature of business
Mr. A. Rouf Chowdhury	Chairman	Rangs Motors Ltd	Vehicles
		Rangs ITT Ltd	IT connectivity/service
		Rangs Limited	Industries
		Rangs Workshop Limited	Service
		Agro Food Services Limited	Service
		Reliance Insurance Ltd	Insurance
		Shield Security Services Ltd	Security Service
		Rangs Industries Ltd	Microwave woven/AC/TV
		The Daily Star	Publication of advertisement
		The Daily Shakaler Khabor	Publication of advertisement
		Rangs Properties Ltd	Tenancy
		Enterprise Asia	Tenancy
		Rangs Telecom Ltd	Telephone facility
Rancon Services Ltd	Maintenance		
Mr. Mohammed Lakiotullah	Vice Chairman	Hajj Finance Company Ltd	Lease Finance
Ms. Farhana Haq Chowdhury	Director	Rangs Telecom Ltd	Telephone facility
		DHS Motors Limited	Motor Vehicles
Ms. Sohana Rouf Chowdhury	Alternate Director	Rangs Motors Ltd	Vehicles
		Rangs Properties Ltd	Tenancy
		Rangs Industries Ltd	Microwave woven/AC/TV
		Shield Security Services Ltd	Security Service
		Rangs ITT Ltd	IT connectivity/service
Mr. Rume A. Hossain	Director	Agro Food Services Limited	Service
		Romask Ltd	Printing
		Rangs Industries Ltd	Microwave woven/AC/TV
		Rangs ITT Ltd	IT connectivity/service
Mr. Shah Md. Nurul Alam	Director	Rangs Telecom Ltd	Telephone facility
		Hajj Finance Company Ltd	Lease Finance
Mr. Mohd. Safwan Choudhury	Director	Enterprise Asia	Tenancy
Mr. Nafees Khundhker	Director	Rangs Telecom Ltd	Telephone facility
		DHS Motors Limited	Motor Vehicles
Mr. Faisal Samad	Director	Agro Food Services Limited	Service

The Bank sanctioned the following facilities in favor of the Phulbari Tea Estates Ltd. and M. Ahmed Tea & Lands Co. Ltd. during the year 2013.

Name of the director having interest	Nature of facility	Limit(Taka)	Outstanding balance as at 31 December 2013 (Taka)	Nature of Security
Mr. Mohd. Safwan Choudhury	Bank Guarantee	434,133	434,133	Lien on FDR

As at the balance sheet date, the Bank had no transaction with the related party (ies) as defined in the BRPD Circular No. 14 issued by the Bangladesh Bank on 25 June 2003 other than as disclosed above.

41 COVERAGE OF EXTERNAL AUDIT

The external auditor of the Bank, M/s S. F. Ahmed & Co, Chartered Accountants worked about 3,200 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

42 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2013 was Tk. 23 (2012: 21.50) at DSE and Tk. 22.90 (2012: 21.60) at CSE.

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 280 meeting held on March 05, 2014 has recommended stock dividend @ 10% subject to the approval of the shareholders at the next Annual General Meeting.

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

HIGHLIGHTS ON THE OVERALL ACTIVITIES AS AT

AND FOR THE YEAR ENDED 31 DECEMBER 2013

Sl no.	Particulars		2013	2012
1	Paid-up capital	Taka	6,936,323,590	6,305,748,720
2	Total capital	Taka	15,574,848,771	13,930,186,851
3	Capital (deficit)/surplus	Taka	1,477,156,488	3,258,286,851
4	Total assets	Taka	163,777,743,402	140,361,374,568
5	Total deposits	Taka	133,489,374,641	110,061,775,383
6	Total loans and advances / investments	Taka	104,911,261,053	92,328,818,525
7	Total contingent liabilities and commitments	Taka	67,164,264,930	59,215,736,602
8	Credit deposit ratio		78.59%	83.89%
9	Percentage of classified loans / investments against total loans and advances / investments		5.60%	5.69%
10	Profit after tax and provision	Taka	1,459,817,905	907,996,995
11	Amount of classified loans/investments during current year	Taka	5,878,790,856	5,251,484,294
12	Provisions kept against classified loans / investments	Taka	3,074,434,778	2,641,109,129
13	Provision surplus against classified loans / investments	Taka	1	30,349,292
14	Cost of fund		11.44%	12.31%
15	Interest earning assets	Taka	150,629,278,953	129,078,119,157
16	Non-interest earning assets	Taka	13,148,464,449	11,283,255,411
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]		8.51%	5.20%
18	Return on assets (ROA) [PAT/ Average assets]		0.96%	0.70%
19	Income from investment	Taka	3,053,795,319	1,930,644,106
20	Capital adequacy		11.05%	13.05%
21	Earnings per share	Taka	2.10	1.31
22	Net income per share	Taka	2.10	1.31
23	Price earning ratio	Times	10.93	16.42

BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)

AT 31 DECEMBER 2013

ANNEX-A

Name of the Bank	Account type	2013				2012			
		Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka	
Conventional and Islamic banking:									
Interest bearing :									
Citibank N.A., London	CD	EURO	8,361.36	90.00	752,522	5,059.70	90.00	455,373	
Citibank N.A., London	CD	GBP	2,459.93	130.00	319,791	4,682.03	130.00	608,664	
Citibank NA, New York	CD	USD	2,153.86	70.00	150,771	21,067,565.10	70.00	1,474,729,557	
Habib American Bank, New York	CD	USD	98.76	70.00	6,913	648,520.77	70.00	45,396,454	
Mashreqbank psc, New York	CD	USD	25,946.71	70.00	1,816,270	2,277.08	70.00	159,396	
National Westminster Bank plc, London	CD	GBP	969.00	130.00	125,970	299.34	130.00	38,914	
Standard Chartered Bank, Mumbai	CD	ACU	27,144.24	70.00	1,900,097	89,563.66	70.00	6,269,456	
Standard Chartered Bank, New York	CD	USD	7,073.74	70.00	495,162	11,909.07	70.00	833,635	
					5,567,496			1,528,491,449	
Non-interest bearing :									
AB Bank Ltd, Mumbai	CD	ACU	587.01	70.00	41,091	3,894.85	70.00	272,640	
Bank of Nova Scotia, Toronto	CD	CAD	-	55.00	-	-	55.00	-	
Bhutan National Bank Ltd, Thimphu	CD	USD	10,030.95	70.00	702,167	33,814.95	70.00	2,367,047	
Canadian Imperial Bank of commerce	CD	CAD	-	55.00	-	1,435.67	55.00	78,962	
Caisse Centrale Desjardins	CD	CAD	5,000.00	55.00	275,000	-	55.00	-	
Commerzbank AG, Frankfurt	CD	EURO	20,150.03	90.00	1,813,503	45,131.67	90.00	4,061,850	
Credit Suisse First Boston, Zurich	CD	CHF	-	50.00	-	14,016.16	50.00	700,808	
Zurcher Kantonal Bank, Switzerland	CD	CHF	6,799.00	50.00	339,950	-	50.00	-	
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	24,117.84	70.00	1,688,249	200,873.94	70.00	14,061,176	
HSBC Australia Ltd, Sydney	CD	AUD	509.86	50.00	25,493	8,666.37	50.00	433,319	
National Australia Bank Limited, Melbourne	CD	AUD	1,855.00	50.00	92,750	-	50.00	-	
HSBC, New York	CD	USD	50,611.38	70.00	3,542,797	8,096.07	70.00	566,725	
Unicredit Bank AG Munich	CD	EURO	521.47	90.00	46,932	3,721.38	90.00	334,924	
Habib Bank UK, London	CD	GBP	5,000.00	130.00	650,000	-	130.00	-	
ICICI Bank Ltd, Kowloon	CD	USD	12,731.20	70.00	891,184	195,157.93	70.00	13,661,055	
ICICI Bank Ltd, Mumbai	CD	ACU	14,191.69	70.00	993,418	4,572.23	70.00	320,056	

Name of the Bank	Account type	2013				2012			
		Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka	
Muslim Commercial Bank Ltd, Colombo	CD	ACU	39,308.13	70.00	2,751,569	98,258.08	70.00	6,878,066	
Muslim Commercial Bank Ltd, Karachi	CD	ACU	53,131.30	70.00	3,719,191	39,584.10	70.00	2,770,887	
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	28,750.41	70.00	2,012,529	51,276.76	70.00	3,589,373	
UBAF, Tokyo	CD	JPY	2,525,089.00	0.55	1,388,798	1,430,038.00	0.55	786,521	
Wells Fargo Bank N.A, New York	CD	USD	1,173.13	70.00	82,119	92,383.19	70.00	6,466,823	
Wells Fargo Bank N.A, London	CD	EURO	609.11	90.00	54,819	2,213.93	90.00	199,254	
Sonali Bank (UK) Ltd	CD	USD	4,038.72	70.00	282,710	26,450.30	70.00	1,851,521	
Al Rajhi Bank, KSA	CD	SAR	90,380.00	22.00	1,988,360	830,000.00	22.00	18,260,000	
Saudi Hollandi Bank, KSA	CD	SAR	4,987.00	22.00	109,714	269,993.50	22.00	5,939,857	
JP Morgan Chase Bank, New York	CD	USD	18,439.44	70.00	1,290,761	4,203.14	70.00	294,220	
					24,783,104			83,895,082	
Off-shore banking unit:			USD			USD			
Commerzbank AG, Frankfurt	CD	EURO	6,207.61	70.00	434,533	270.40	70.00	18,929	
Habib American Bank, New York	CD	USD	97,149.05	70.00	6,800,422	2,409,161.47	70.00	168,641,302	
Sonali Bank, London	CD	GBP	5.27	70.00	369	75.47	70.00	5,283	
					7,235,324			168,665,514	
					37,585,924			1,781,052,045	

INVESTMENT IN SHARES

AT 31 DECEMBER 2013

ANNEX-B

Sl. no.	Name of the company	Type of shares	Face value	No. of shares including bonus shares	Cost of holding	Average cost		Quoted rate per share as at 31.12.2013		Total market value as at 31.12.2013		Required provision (Market value less cost of holding)	
						Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Quoted Share													
1	Khulna Power Company	A	10	4,062	406,760	100.14	49.10	199,444					(207,315)
2	Summit Alliance Port/Ocean	A	10	6,725	295,945	44.01	30.30	203,768					(92,178)
3	Advanced Chemical Ind. Ltd.	A	10	36,792	5,189,922	141.06	171.50	6,309,828					1,119,906
4	AB Bank Limited	A	10	93,150	9,720,996	104.36	26.20	2,440,530					(7,280,466)
5	Dhaka Bank	A	10	354,229	15,811,119	44.64	18.80	6,659,505					(9,151,614)
6	Exim Bank	A	10	1,537,366	38,582,440	25.10	12.90	19,832,021					(18,750,419)
7	Goldenson	A	10	84,755	8,586,787	101.31	65.60	5,559,928					(3,026,859)
8	IDLC Finance	A	10	251,598	31,289,947	124.36	62.90	15,825,514					(15,464,433)
9	Islami Bank	A	10	178,326	6,974,560	39.11	34.60	6,170,080					(804,480)
10	Lanka Bangla Finance	A	10	261,538	37,048,279	141.66	66.50	17,392,277					(19,656,002)
11	Mercantile Bank	A	10	3,229,724	99,660,403	30.86	16.70	53,936,391					(45,724,012)
12	National Housing Fin & Inv Ltd.	A	10	263,500	13,094,325	49.69	32.80	8,642,800					(4,451,525)
13	Phoenix Finance	A	10	1,024,148	49,442,462	48.28	35.90	36,766,913					(12,675,548)
14	Prime Finance	A	10	72,576	12,001,824	165.37	26.70	1,937,779					(10,064,045)
15	Prime Insurance	A	10	50,157	5,466,942	109.00	32.30	1,620,071					(3,846,871)
16	Pubali Bank	A	10	6	208	34.65	32.50	195					(13)
17	Reliance Insurance	A	10	69,151	7,343,865	106.20	79.70	5,511,335					(1,832,530)
18	Southeast Bank	A	10	1,021,125	34,732,696	34.01	17.90	18,278,138					(16,454,559)
19	United Commercial Bank	A	10	1,803,328	63,772,870	35.36	25.10	45,263,533					(18,509,337)
20	Premier Bank	A	10	2,641,391	66,796,135	25.29	10.90	28,791,162					(38,004,973)
	Sub total				506,218,484			281,341,211					(224,877,273)
	Available cash balance				38,617,105								
	Sub total				544,835,589								
Mutual Fund													
21	1st Janata MF	A	10	5,000,000	50,000,000	10.00	6.00	30,000,000					(20,000,000)
22	MBL 1ST MF	A	10	5,000,000	50,000,000	10.00	6.30	31,500,000					(18,500,000)
23	EBL NRB MF	A	10	16,237,000	149,665,000	9.22	7.80	126,648,600					(23,016,400)
24	1st Bangladesh Fixed Income Fund	A	10	27,568,493	250,000,000	9.07	9.30	256,386,985					6,386,985
8	EXIM BANK 1ST MF (Locked in shares)	A	10	15,000,000	150,000,000	10.00	7.80	117,000,000.00					(33,000,000)
25	EXIM BANK 1ST MF	A	10	9,874,000	98,740,000	10.00	7.80	77,017,200					(21,722,800)
	Sub total				748,405,000			638,552,784.90					(109,852,215.10)
Bond													
	ACI Zero Coupon Bonds	A	1000	26,002	16,615,278	639.00	910.00	23,661,820.00					7,046,542
A. Provision requirement for quoted stocks													
													(327,682,945.72)

Sl. no.	Name of the company	Type of shares	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Unquoted rate per share as at 31.12.2013	Total market value as at 31.12.2013	Required provision (Market value less cost of holding)
	Unquoted Share								
1	Industrial and Infrastructure Development Finance Co. Limited		100	732,911	29,683,820	40.50	128.19	93,951,861.09	64,268,041
2	Central Depository Bangladesh Limited		10	512,889	3,138,890	6.12	23.65	12,129,824.85	8,990,935
3	Era-Infotech Limited		100	3,837	383,700	100.00	3,563.68	13,673,840.16	13,290,140
4	Bangladesh Rating Agency Limited		100	24,995	2,499,500	100.00	34.08	851,829.60	(1,647,670)
5	MSF Asset Management Co. Ltd.		10	200,000	2,000,000	10.00	10.00	2,000,000.00	-
6	ACME Laboratories Ltd		10	1,000,000	52,000,000	52.00	65.09	65,087,789.90	13,087,790
7	Investment in SWIFT share		303,234	8	2,425,870	8.00	303,233.75	2,425,870.00	-
8	Energypac Power Generation Limited		10	1,136,000	49,984,000	44.00	28.87	32,794,156.89	(17,189,843)
	B. Provision requirement for unquoted shares				142,115,780			222,915,172.49	80,799,392
	C. Provision Requirement for quoted and unquoted shares (A+B)								(246,883,553)
	D. Provision maintained								246,883,553
	E. Excess provision								-

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

AT 31 DECEMBER 2013

ANNEX-C

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 December 2013	
	Balance as at 1 January 2013	Additions during the year	Revaluation	Disposal/adjustment during the year		Balance as at 31 December 2013	Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year		Balance as at 31 December 2013
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka		Taka
Own assets											
Land	2,531,152,000	112,687,095	-	-	2,643,839,095	0	-	-	-	-	2,643,839,095
Building	1,682,405,028	749,741,319	-	-	2,432,146,347	5	258,442,451	60,634,376	42,926,846	-	362,003,673
Furniture and fixtures	542,338,091	131,875,354	-	(850,000)	673,363,445	20	285,763,605	118,960,440	-	(478,593)	404,245,452
Equipments	337,554,738	67,909,188	-	-	405,463,926	20	192,608,331	69,823,495	-	-	262,431,826
Computer and accessories	151,993,119	32,283,671	-	(43,000)	184,233,790	20	92,898,172	30,780,757	-	(25,800)	123,653,129
Motor vehicles	113,086,360	26,022,215	-	-	139,108,575	20	59,480,348	22,889,544	-	-	82,369,892
	5,358,529,336	1,120,518,842	-	(893,000)	6,478,155,178		889,192,907	303,088,612	42,926,846	(504,393)	1,234,703,972
Leased assets											
Building	49,573,087	-	-	-	49,573,087	5	975,738	800,004	1,678,654	-	12,235,966
Furniture and fixtures	167,162,848	-	-	-	167,162,848	20	167,162,848	-	-	-	167,162,848
Equipments	106,201,139	-	-	-	106,201,139	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	-	72,204,100	20	72,204,100	-	-	-	72,204,100
Motor vehicles	18,900,000	-	-	-	18,900,000	20	7,560,000	3,780,000	-	-	11,340,000
	414,041,174	-	-	-	414,041,174		362,885,395	4,580,004	1,678,654	-	369,144,053
Total	5,772,570,510	1,120,518,842	-	(893,000)	6,892,196,352		1,252,078,302	307,668,616	44,605,500	(504,393)	1,603,848,025
											5,288,348,327

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

AT 31 DECEMBER 2012

ANNEX-C1

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 December 2012		
	Balance as at 1 January 2012	Additions during the year	Revaluation	Disposal/adjustment during the year		Balance as at 31 December 2012	Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year		Balance as at 31 December 2012	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka		Taka	
Own assets												
Land	2,531,152,000	-	-	-	2,531,152,000	0	-	-	-	-	-	2,531,152,000
Building	1,667,055,130	15,349,898	-	-	1,682,405,028	5	174,322,179	41,193,426	42,926,846	-	258,442,451	1,423,962,577
Furniture and fixtures	426,017,666	118,145,425	-	(1,825,000)	542,338,091	20	187,401,843	99,250,309	-	(888,547)	285,763,605	256,574,486
Equipments	276,128,410	61,432,528	-	(6,200)	337,554,738	20	129,024,628	63,587,423	-	(3,720)	192,608,331	144,946,407
Computer and accessories	126,289,794	25,703,325	-	-	151,993,119	20	63,890,536	29,007,636	-	-	92,898,172	59,094,947
Motor vehicles	91,593,360	23,493,000	-	(2,000,000)	113,086,360	20	37,874,951	22,205,397	-	(600,000)	59,480,348	53,606,012
	5,118,236,360	244,124,176	-	(3,831,200)	5,358,529,336		592,514,137	255,244,191	42,926,846	(1,492,267)	889,192,907	4,469,336,429
Leased assets												
Building	49,573,087	-	-	-	49,573,087	5	7,278,654	1,600,000	1,678,654	(800,000)	9,757,308	39,815,779
Furniture and fixtures	167,162,848	-	-	-	167,162,848	20	167,162,848	3,136,755	-	(3,136,755)	167,162,848	-
Equipments	106,201,139	-	-	-	106,201,139	20	104,790,598	4,895,950	-	(3,485,409)	106,201,139	-
Computer and accessories	72,204,100	-	-	-	72,204,100	20	72,204,100	1,458,206	-	(1,458,206)	72,204,100	-
Motor vehicles	18,900,000	-	-	-	18,900,000	20	3,780,000	7,560,000	-	(3,780,000)	7,560,000	11,340,000
	414,041,174	-	-	-	414,041,174		355,216,200	18,650,911	1,678,654	(12,660,370)	362,885,395	51,155,779
Total	5,532,277,534	244,124,176	-	(3,831,200)	5,772,570,510		947,730,337	273,895,102	44,605,500	(14,152,637)	1,252,078,302	4,520,492,208

ANNEX-C2

CONSOLIDATED SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

AT 31 DECEMBER 2013

Particulars	Cost			Rate of dep.	Depreciation			Written down value as at 31 December 2013	
	Balance as at 1 January 2013	Additions during the year	Disposal/ adjustment during the year		Balance as at 1 January 2013	Charged during the year	Charged from Revaluation reserve during the year		Disposal/ adjustment during the year
	Taka	Taka	Taka		Taka	Taka	Taka		Taka
Own assets									
Land	2,531,152,000	112,687,095	-	0	-	-	-	2,643,839,095	
Building	1,682,405,028	749,741,319	-	5	258,442,451	60,634,376	42,926,846	2,070,142,674	
Furniture and fixtures	553,311,039	132,059,514	(850,000)	20	290,595,118	121,697,900	(478,593)	272,706,128	
Equipments	344,802,973	67,909,188	-	20	195,017,231	70,887,187	-	146,807,743	
Computer and accessories	158,716,142	33,014,271	(43,000)	20	95,507,322	32,271,483	(25,800)	63,934,408	
Motor vehicles	113,086,360	26,022,215	-	20	59,480,348	22,889,544	-	56,738,683	
	5,383,473,542	1,121,433,602	(893,000)		899,042,470	308,380,490	(504,393)	5,254,168,731	
Leased assets									
Leasehold (BA Exchange (UK) Ltd	15,969,961	-	-	5	2,661,713.60	1,596,920	-	11,711,327	
Building	49,573,087	-	-	5	9,757,308	800,004	1,678,654	37,337,121	
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	167,162,848	
Equipments	106,201,139	-	-	20	106,201,139	-	-	106,201,139	
Computer and accessories	72,204,100	-	-	20	72,204,100	-	-	72,204,100	
Motor vehicles	18,900,000	-	-	20	7,560,000	3,780,000	-	7,560,000	
	430,011,135	-	-		365,547,109	6,176,924	1,678,654	56,608,448	
Total	5,813,484,677	1,121,433,602	(893,000)		1,264,589,578	314,557,414	44,605,500	5,310,777,180	

ANNEX-C3 CONSOLIDATED SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

AT 31 DECEMBER 2012

Particulars	Cost				Rate of dep.	Depreciation				Written down value as at 31 December 2012	
	Balance as at 1 January 2012	Additions during the year	Disposal/adjustment during the year	Balance as at 31 December 2012		Balance as at 1 January 2012	Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year		Balance as at 31 December 2012
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka		Taka
Own assets											
Land	2,531,152,000	-	-	2,531,152,000	0	-	-	-	-	-	2,531,152,000
Building	1,667,055,130	15,349,898	-	1,682,405,028	5	174,322,179	41,193,426	42,926,846	-	258,442,451	1,423,962,577
Furniture and fixtures	436,942,743	118,193,296	(1,825,000)	553,311,039	20	189,533,247	101,950,418	-	(888,547)	290,595,118	262,715,921
Equipments	283,000,595	61,808,578	(6,200)	344,802,973	20	130,369,833	64,651,118	-	(3,720)	195,017,231	149,785,742
Computer and accessories	132,612,517	26,103,625	-	158,716,142	20	65,155,081	30,352,241	-	-	95,507,322	63,208,820
Motor vehicles	91,593,360	23,493,000	(2,000,000)	113,086,360	20	37,874,951	22,205,397	-	(600,000)	59,480,348	53,606,012
	5,142,356,345	244,948,397	(3,831,200)	5,383,473,542		597,255,291	260,352,600	42,926,846	(1,492,267)	899,042,470	4,484,431,072
Leased assets											
Leasehold (BA Exchange (UK) Ltd	15,969,961	-	-	15,969,961	5	1,064,663.60	-	1,597,050	-	2,661,714	13,308,247
Building	49,573,087	-	-	49,573,087	5	7,278,654	1,600,000	1,678,654	(800,000)	9,757,308	39,815,779
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	3,136,755	-	(3,136,755)	167,162,848	-
Equipments	106,201,139	-	-	106,201,139	20	104,790,598	4,895,950	-	(3,485,409)	106,201,139	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	1,458,206	-	(1,458,206)	72,204,100	-
Motor vehicles	18,900,000	-	-	18,900,000	20	3,780,000	7,560,000	-	(3,780,000)	7,560,000	11,340,000
	430,011,135	-	-	430,011,135		356,280,864	18,650,911	3,275,704	(12,660,370)	365,547,109	64,464,026
Total	5,572,367,480	244,948,397	(3,831,200)	5,813,484,677		953,536,154	279,003,511	46,202,550	(14,152,637)	1,264,589,578	4,548,895,099

STATEMENT OF TAX POSITION

AT 31 DECEMBER 2013

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order	Excess/(Short) provision	Status
2000	2001-2002	2,000,000	7,080,931	(5,080,931)	Assessment finalized
2001	2002-2003	42,626,674	38,156,227	4,470,447	Assessment finalized
2002	2003-2004	91,950,000	83,933,056	8,016,944	Assessment finalized
2003	2004-2005	165,000,000	155,712,331	9,287,669	Assessment finalized
2004	2005-2006	166,807,728	187,552,594	(20,744,866)	Assessment finalized
2005	2006-2007	220,089,576	273,929,209	(53,839,633)	Assessment finalized
2006	2007-2008	432,447,206	433,037,008	(589,802)	Assessment finalized
2007	2008-2009	704,871,326	707,990,638	(3,119,312)	Assessment finalized
2008	2009-2010	790,000,000	715,369,681	74,630,319	Assessment finalized
2009	2010-2011	779,000,000	928,407,967	(149,407,967)	Assessment finalized
2010	2011-2012	1,498,735,610	1,874,438,423	(375,702,813)	Tax Appellate tribunal
2011	2012-2013	1,515,992,334	1,738,409,929	(222,417,595)	Tax Appellate tribunal
2012	2013-2014	1,788,554,541	1,595,557,386	192,997,155	Assessment finalized

DETAILS OF LARGE LOAN

AT 31 DECEMBER 2013

	2013	2012
Number of clients	12	17
Amount of outstanding advances (Taka)	2,446.13	32,769.83
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise break up is as follows:

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2013			Outstanding (Taka) 2012		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Abul Khair Steel Industries Ltd.				1,387.86	1,768.65	3,156.51
2	Thermax Group	156.61	71.39	228.00	1,529.57	1,148.40	2,677.97
3	BRAC & BRAC Feed	52.09	210.88	262.97	447.34	2,095.90	2,543.24
4	Aftab-Navana	-	-	-	1,798.76	482.80	2,281.56
5	Abdul Monem Ltd.	106.77	123.29	230.06	1,050.70	1,096.93	2,147.63
6	Shahara Denims Ltd.	-	-	-	1,228.44	840.01	2,068.45
7	S.A.Oil Refinery	-	-	-	669.10	1,381.17	2,050.27
8	S.R. Spinings	175.85	-	175.85	-	2,030.40	2,030.40
9	Meghna Group	-	-	-	717.91	1,298.31	2,016.22
10	Echotex	-	-	-	378.23	1,516.44	1,894.67
11	Pran RFL Group	-	-	-	1,221.35	622.38	1,843.73
12	Desh Bhandu Group	-	-	-	407.46	1,220.92	1,628.38
13	Mahin Group	-	-	-	845.96	722.90	1,568.85
14	Kabir Steel Re-Rolling Mills Ltd.	-	-	-	161.27	1,380.64	1,541.91
15	Resaissance Group	64.74	82.57	147.31	580.87	910.41	1,491.28
16	KDS Packaing Industries Ltd.	85.55	78.75	164.29	775.68	664.84	1,440.52
17	Prime ship recycling Ltd.	48.70	216.74	265.44			
18	Bank asia securities Ltd.	254.83	5.00	259.83	383.23	5.00	388.23
19	S.A group	174.60	27.84	202.44	-	-	-
20	S.Trading corporation	92.14	96.41	188.55	-	-	-
21	Shasha denims Ltd.	86.83	81.75	168.58	-	-	-
22	Apex adelchi footwear	87.04	65.77	152.81	-	-	-
		1,385.75	1,060.38	2,446.13	13,583.73	19,186.10	32,769.83

NAME OF DIRECTORS AND THEIR INTEREST IN DIFFERENT ENTITIES

AT 31 DECEMBER 2013

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	Mr. A. Rouf Chowdhury	Chairman	Rangs Limited
			Rangs Workshop Limited
			Rangs Industries Ltd.
			Rangs Properties Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Telecom Limited
			Ranks Petroleum Limited
			Ranks Interiors Limited
			Rancon Motors Limited
			Rancon Services Limited
			Shield Security Services Limited
			Bon- Chids Limited
			Ranks Agro Bioteq Limited
			Rancon Automobiles Limited
			Ranks Steel Limited
			Ranks Real Estate Limited
			Ranks Beverage Limited
			Ranks Appliances Limited
			Ranks Motors Workshop Limited
			Sea Resources Ltd.
			Sea Fishers Ltd.
			Deep Sea Fishers Ltd.
			Sea Resources Agencies Ltd.
			Agro Food Services Ltd.
			Fishers Shipyard Ltd.
			Sea Resources Cold Storage Ltd.
			Sea Mans Dockyard & Fish Meal Ltd.
			Ran - Jas Limited
			Rancon Motor Bikes Limited
			Zest Polymer Limited
			The Daily Star
The Daily Shakaler Khabor			
Enterprise Asia			
2.	Mr. A. M. Nurul Islam	Vice Chairman &	Nil
		Independent Director	

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
3.	Mr. Mohammed Lakiotullah	Vice Chairman & Independent Director	Hajj Finance Company Ltd
			RSL Consultancy
4.	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Director	M. Ahmed Tea & Lands Co.
			Phulbari Tea Estates Ltd.
			M. Ahmed Cold Storage Ltd.
			Premier Dyeing & Calendaring Ltd.
			Anandaniketan Ltd.
5.	Ms. Hosneara Sinha	Director	Enterprise Asia Ltd.
			Sinha Apparels Ltd.
			ZMS Fashions Ltd.
			Sinha Auto Spinning Mills Ltd.
			Sattar Jute Mills Ltd.
6.	Mr. Rume A Hossain	Director	Pritha Fashions Ltd.
			Rangs Industries Ltd.
			Rangs ITT Limited
			Romask Ltd.
			Rangs Pharmaceuticals Ltd.
7.	Ms. Farhana Haq Chowdhury	Director	Rangs Telecom. Ltd.
			Rangs Petroleum Ltd. (Representative Director)
			Rangs Pharmaceuticals Limited
			Rangs Telecom Limited
			Rangs Power & Renewable Energy Ltd.
8.	Mr. M Irfan Syed	Alternate Director	Rancon Automobiles Limited
			Rancon Autos Limited
			DHS Motors Limited
			FAR Limited
			Rancon Distributions Limited
9.	Ms. Naheed Akhter Sinha	Director	Rancon Homes Solutions Limited
			Rancon Developments Limited
10.	Mr. Nafees Khundker	Director	Rancon Motor Bikes Limited
			Nil
9.	Ms. Naheed Akhter Sinha	Director	Sinha Apparels Ltd.
			ZMS Fashions Ltd.
			SkyTel Communications Ltd.
10.	Mr. Nafees Khundker	Director	Rangs Pharmaceuticals Limited
			Rangs Telecom Limited
			Rangs Interiors Limited
			Sash Limited

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
			Ranks Appliances Limited
			SRK Limited
			Ranks Motors Workshop Limited
			DHS Motors Limited
11.	Mr. Shah Md. Nurul Alam	Independent Director	Hajj Finance Company Ltd. (Representative Director)
12.	Ms. Sohana Rouf Chowdhury	Alternate Director	Rangs Limited
			Rangs Workshop Limited
			Rangs Industries Ltd.
			Rangs Properties Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Telecom. Limited
			Ranks Petroleum Limited
			Ranks Interiors Limited
			Rancon Motors Limited
			Rancon Services Limited
			Shield Security Services Limited
			Bon- Chids Limited
			Ranks Agro Bioteq Limited
			Rancon Automobiles Limited
			Ranks Steel Limited
			Ranks Real Estate Limited
			Sash Limited
			Ranks Beverage Limited
			Ranks Appliances Limited
			SRK Limited
			Ranks Motors Workshop Limited
			Agro Food Services Ltd.
			Zest Polymer Limited
13.	Mr. Faisal Samad	Alternate Director	Savar Textiles Ltd.
			Supasox Ltd.
			Surma Garments Ltd.
			Surma Dyeing Ltd.
			Multi Source
			Smart Sox Ltd.
			Agro Food Services Ltd.
14	Mr. Murshed Sultan Choudhury	Director	Rangs Pharmaceuticals Ltd.
15	Mr. Mir Shahjahan	Director	ZMS Fashions Ltd.

ISLAMIC BANKING OPERATIONS OF BANK ASIA

FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

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

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

The ISR declared on Mudaraba deposits for the year 2013

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.01.2013	
	Client	Bank
1. Mudaraba Term Deposit Account(MTDA) 1 month	75%	25%
2. Mudaraba Term Deposit Account(MTDA) 2 months	80%	20%
3. Mudaraba Term Deposit Account(MTDA) 3 months	85%	15%
4. Mudaraba Term Deposit Account(MTDA) 6 months	85%	15%
5. Mudaraba Term Deposit Account(MTDA) 12 months	86%	14%
6. Mudaraba Term Deposit Account(MTDA) 24 months	85%	15%
7. Mudaraba Term Deposit Account(MTDA) 36 months	85%	15%
8. Mudaraba Term Deposit Account(MTDA) 60 months	85%	15%
9. Mudaraba Special Notice Deposit Account(MSND)	35%	65%
10. Mudaraba Savings Account (MSA)	45%	55%
11. Smart Junior Saver	70%	30%
12. Mudaraba Deposit Pension Scheme (MDPS) 3-10 Years	87%	13%
13. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 & 2 year	80%	20%
14. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
15. Mudaraba Hajj Savings Scheme (MHSA)	90%	10%
16. Cash Waqf	90%	10%

2. Investment Operation and Return Thereon

For investment purpose our Islamic Banking follows two systems:

- Fixed return based investment
- Variable return based investment

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

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

3. Income/ Revenue Recognition Principle

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

For Bai-Murabaha Muajjal Investment

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

For Hire Purchase Shirkatul Melk (HPSM) Investment

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

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

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

For Musharaka Investment

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

4. Cost Recognition Principle

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

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

ISLAMIC BANKING UNIT

BALANCE SHEET

AT 31 DECEMBER 2013

	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
PROPERTY AND ASSETS		
Cash:		
Cash in hand (including foreign currencies)	23,332,645	20,948,341
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	207,217,127	132,735,174
	230,549,772	153,683,515
Balance with other banks and financial institutions		
In Bangladesh	1,290,203,004	1,900,631,098
Outside Bangladesh	-	-
	1,290,203,004	1,900,631,098
Placement with other banks and financial institutions (Bangladesh Bank Islamic Bond)	187,500,000	112,400,000
Investments:		
Investment (Loans, cash credit, overdrafts etc.)	3,460,362,535	2,804,777,334
Bills Purchased and discounted	35,120,432	51,923,119
	3,495,482,967	2,856,700,453
Fixed assets including premises, furniture and fixtures	2,825,565	3,948,706
Other assets	28,615,952	36,909,081
Non - banking assets	-	-
Total assets	5,235,177,260	5,064,272,853
LIABILITIES AND CAPITAL		
Liabilities:		
Placement from other banks, financial institutions and agents	-	1,400,000,000
Deposits and other Accounts :		
Al-wadeeah current and other deposits accounts, etc.	228,077,174	244,533,069
Bills payable	9,578,859	22,837,975
Mudaraba savings deposits	388,714,736	285,336,156
Mudaraba term deposits	3,441,028,943	2,870,767,694
	4,067,399,712	3,423,474,894
Other liabilities	1,014,836,294	240,797,959
Total liabilities	5,235,177,260	5,064,272,853
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	33,154,596	16,191,273
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	725,000	-
Other contingent liabilities	-	-
Other commitments:	-	-
Total Off-Balance Sheet items including contingent liabilities	33,879,596	16,191,273

ISLAMIC BANKING UNIT

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Amount in Taka	
	Year ended 31 Dec 2013	Year ended 31 Dec 2012
Investment income	598,615,617	522,687,934
Profit paid on deposits, borrowings, etc.	(417,324,041)	(362,664,033)
Net investment income	181,291,576	160,023,901
Profit on Investment with bank and financial institutions	2,848,056	2,275,437
Commission, exchange and brokerage	36,687,151	32,699,998
Other operating income	3,488,992	11,850,002
Total operating income	224,315,775	206,849,338
Salaries and allowances	37,311,290	36,111,983
Rent, taxes, insurance, electricity, etc.	3,753,062	3,158,733
Legal expenses	-	3,135
Postage, stamp, telecommunication, etc.	342,162	287,051
Stationery, printing, advertisement, etc.	4,893,946	540,805
Depreciation and repair of Bank's assets	2,222,238	2,149,827
Repair and maintenance	-	-
Entertainment expenses	-	-
Travelling expenses	-	-
Other expenses	20,798,136	7,622,960
Total operating expenses	69,320,834	49,874,494
Profit before provision	154,994,941	156,974,844
Provision for investments		
General provision	4,458,687	133,513
Specific provision	(2,405,000)	1,675,400
	2,053,687	1,808,913
Provision for diminution in value of investments	-	-
Other provision	-	-
Total provision	2,053,687	1,808,913
Total profit/(loss) before taxes	152,941,254	155,165,931

OFF-SHORE BANKING UNIT

BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	Amount		
		31 December 2013		31 December 2012
		USD	Taka	Taka
PROPERTY AND ASSETS				
Cash				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-
Balance with other banks and financial institutions	3			
In Bangladesh		-	-	-
Outside Bangladesh		103,362	7,235,324	168,665,514
		103,362	7,235,324	168,665,514
Investments				
Government		-	-	-
Others		-	-	-
Loans and advances				4
Loans, cash credits, overdrafts, etc.		31,465,758	2,202,603,094	434,701,714
Bills purchased and discounted		665,526	46,586,839	2,451,606
		32,131,285	2,249,189,933	437,153,320
Fixed assets including premises, furniture and fixtures				
		4,259	298,124	-
Other assets				5
		566,485	39,653,973	6,956,777
Non - banking assets				
		-	-	-
Total assets		32,805,391	2,296,377,354	612,775,611
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	6	22,255,400	1,557,878,000	-
Deposits and other accounts				7
Current deposits		4,110,539	287,737,717	187,035,482
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits		5,701,885	399,131,972	407,523,076
Bearer certificate of deposit		-	-	-
		9,812,424	686,869,689	594,558,558
Other liabilities	8	238,991	16,729,388	8,891,809
Total liabilities		32,306,815	2,261,477,077	603,450,367
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Deficit in profit and loss account/Retained earnings		498,575	34,900,277	9,325,244
Total Shareholders' equity		498,575	34,900,277	9,325,244
Total liabilities and Shareholders' equity		32,805,391	2,296,377,354	612,775,611

	Notes	Amount		
		31 December 2013		31 December 2012
		USD	Taka	Taka
OFF- BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances and endorsements	9	2,385,836	167,008,520	280,932,890
Letters of guarantee		-	-	-
Irrevocable letters of credit	10	745,371	52,175,970	155,883,770
Bills for collection	11	1,339,219	93,745,342	15,210,899
Other contingent liabilities		-	-	-
		4,470,426	312,929,832	452,027,559
Other commitments				
Documentary credits and short term trade -related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-	-
Liabilities against forward purchase and sale		-	-	-
Other commitments		-	-	-
		-	-	-
		4,470,426	312,929,832	452,027,559
Other memorandum items				
Value of travellers' cheques in hand		-	-	-
Value of Bangladesh Sanchayapatra in hand		-	-	-
Total Off-Balance Sheet items including contingent liabilities		4,470,426	312,929,832	452,027,559

OFF-SHORE BANKING UNIT

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Amount		
		2013		2012
		USD	Taka	Taka
Interest income	12	1,084,761	75,933,279	22,028,959
Interest paid on deposits and borrowings, etc.	13	(533,566)	(37,349,608)	(17,474,472)
Net interest/net profit on investments		551,195	38,583,671	4,554,487
Commission, exchange and brokerage	14	106,014	7,420,977	8,797,901
Other operating income	15	86,680	6,067,600	5,299,669
Total operating income (A)		743,889	52,072,248	18,652,057
Salaries and allowances		-	-	-
Rent, taxes, insurance, electricity, etc.		1,162	81,345	81,906
Postage, stamp, telecommunication, etc.		4,096	286,688	353,098
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		1,065	74,550	-
Other expenses		-	-	-
Total operating expenses (B)		6,323	442,583	435,004
Profit before provision (C=A-B)		737,567	51,629,665	18,217,053
Provision for loans and advances				
General provision		258,862	18,120,366	4,371,533
Specific provision		-	-	-
		258,862	18,120,366	4,371,533
Provision for off-balance sheet items		(19,871)	(1,390,978)	4,520,276
Provision for diminution in value of investments		-	-	-
Other provision		-	-	-
Total provision (D)		238,991	16,729,388	8,891,809
Total profit/(loss) (C-D)		498,576	34,900,277	9,325,244

OFF-SHORE BANKING UNIT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Amount		
	2013		2012
	USD	Taka	Taka
A) Cash flows from operating activities			
Interest receipts	519,162	36,341,351	15,072,182
Interest payments	(533,566)	(37,349,608)	(16,942,125)
Fees and commission receipts	106,014	7,420,977	8,797,901
Cash payment to employees	-	-	-
Cash payment to suppliers	(4,096)	(286,688)	(353,098)
Income tax paid	-	-	-
Receipts from other operating activities	86,680	6,067,600	5,299,669
Payments for other operating activities	(1,162)	(81,345)	(81,906)
Cash generated from operating activities before changes in operating assets and liabilities	173,033	12,112,287	11,792,623
Increase/(decrease) in operating assets and liabilities:			
Loans and advances to customers	(25,886,237)	(1,812,036,613)	239,527,749
Other assets	467,103	32,697,196	9,518,207
Deposits from customers	1,318,730	92,311,131	202,858,341
Trading liabilities	22,255,400	1,557,878,000	(287,000,000)
Other liabilities	108,716	7,610,148	(15,720,213)
	(1,736,288)	(121,540,138)	149,184,084
Net cash generated from/(used in) operating activities	(1,563,254)	(109,427,851)	160,976,707
B) Cash flows from investing activities			
Investments of treasury bills and bonds	-	-	-
(Purchase)/sale of trading securities	-	-	-
Purchase of fixed assets	(5,323.91)	(372,674)	-
Net cash from investing activities	(5,323.91)	(372,674)	-
C) Cash flows from financing activities			
Transfer of profit to Head Office	(737,567)	(51,629,665)	(18,217,053)
Net cash generated from/(used in) financing activities	(737,567)	(51,629,665)	(18,217,053)
D) Net increase in cash and cash equivalents (A+ B + C)	(2,306,145)	(161,430,190)	142,759,654
E) Effects of exchange rate changes on cash and cash equivalents	-	-	-
F) Cash and cash equivalents at beginning of the year	2,409,507	168,665,514	25,905,860
G) Cash and cash equivalents at end of the year (D+E+F)	103,362	7,235,324	168,665,514
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	103,362	7,235,324	168,665,514
Money at call and on short notice	-	-	-
Prize bond	-	-	-
	103,362	7,235,324	168,665,514

OFF-SHORE BANKING UNIT

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2013

1 STATUS OF THE UNIT

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

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATIONS

2.1 Basis of preparation

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

2.2 Foreign currency

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

2.3 Loans and advances

- Loans and advances are stated in the balance sheet on gross basis.
- 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.
- Provision for loans and advances is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circulars no. 16 of 6 December 1998, 9 of 14 May 2001, 9 and 10 of 20 August 2005, 5 of 5 June 2006, 8 of 7 August 2007, 10 of 18 September 2007, 5 of 29 April 2008 and 32 of 27 October 2010.

	Amount		
	31 December 2013		31 December 2012
	USD	Taka	Taka

3 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

In Bangladesh	-	-	-
Outside Bangladesh	103,362	7,235,324	168,665,514
	<u>103,362</u>	<u>7,235,324</u>	<u>168,665,514</u>

4 LOANS AND ADVANCES

Loans, cash credit, overdrafts etc. (Note 4.1)	31,465,758	2,202,603,094	434,701,714
Bills purchased and discounted (Note 4.2)	665,526	46,586,839	2,451,606
	<u>32,131,285</u>	<u>2,249,189,933</u>	<u>437,153,320</u>

	Amount		
	31 December 2013		31 December 2012
	USD	Taka	Taka
4.1 Loans, cash credit, overdrafts etc.			
Loan to branches	30,306,632	2,121,464,265	354,903,164
Term loan industrial	-	-	-
Loan against trust receipts	-	-	55,937,157
Payment against documents	-	-	16,988,159
Loan others	1,159,126	81,138,829	6,873,234
	<u>31,465,758</u>	<u>2,202,603,094</u>	<u>434,701,714</u>
4.2 Bills purchased and discounted			
Payable in Bangladesh	537,726	37,640,839	-
Payable outside Bangladesh	127,800	8,946,000	2,451,606
	<u>665,526</u>	<u>46,586,839</u>	<u>2,451,606</u>
5 OTHER ASSETS			
Interest receivable	565,599	39,591,928	6,898,599
Branch adjustment account	886	62,045	58,178
Interest paid on wage earners FD FC-GBP	-	-	-
	<u>566,485</u>	<u>39,653,973</u>	<u>6,956,777</u>
6 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS			
Borrowing from Bangladesh Bank	-	-	-
Borrowing from corporate office, Dhaka	22,255,400	1,557,878,000	-
	<u>22,255,400</u>	<u>1,557,878,000</u>	<u>-</u>
7 DEPOSITS AND OTHER ACCOUNTS			
Bank deposits	-	-	-
Customer deposits and other accounts (Note 7.1)	9,812,424.13	686,869,689	594,558,558
	<u>9,812,424.13</u>	<u>686,869,689</u>	<u>594,558,558</u>
7.1 Customer deposits and other accounts			
Foreign currency (Current)	3,814,928	267,044,962	112,409,493
Other demand deposits(Current)	295,611	20,692,755	74,625,989
Fixed deposit	5,701,885	399,131,972	407,523,076
Sundry deposits	-	-	-
Interest payable on wage earners FD FC-USD	-	-	-
Excess amount of loan against trust receipts	-	-	-
Excess amount of over draft	-	-	-
	<u>9,812,424</u>	<u>686,869,689</u>	<u>594,558,558</u>

	Amount		
	31 December 2013		31 December 2012
	USD	Taka	Taka
8 OTHER LIABILITIES			
Provision for loans and advances	258,862	18,120,366	4,371,533
Provision for off balance sheet items	(19,871)	(1,390,978)	4,520,276
Interest suspense account	-	-	-
Adjustment account credit balance	-	-	-
	<u>238,991</u>	<u>16,729,388</u>	<u>8,891,809</u>
9 ACCEPTANCES AND ENDORSEMENTS			
Letters of credit (Back to Back)	2,022,238	141,556,660	210,700,560
Letters of credit (Acceptances)	363,598	25,451,860	70,232,330
	<u>2,385,836</u>	<u>167,008,520</u>	<u>280,932,890</u>
Less: Margin	-	-	-
	<u>2,385,836</u>	<u>167,008,520</u>	<u>280,932,890</u>
10 IRREVOCABLE LETTERS OF CREDIT			
Letters of credit (Back to Back)	217,567	15,229,690	77,925,890
Letters of credit (cash)	527,804	36,946,280	77,957,880
	<u>745,371</u>	<u>52,175,970</u>	<u>155,883,770</u>
Less: Margin	-	-	-
	<u>745,371</u>	<u>52,175,970</u>	<u>155,883,770</u>
11 BILLS FOR COLLECTION:			
	<u>1,339,219</u>	<u>93,745,342</u>	<u>15,210,899</u>
12 INTEREST INCOME			
Demand loan	2,897	202,761	6,632
Packing credit	3,720	260,421	11,502
Overdraft	-	-	925,820
Loan against trust receipt	31,279	2,189,541	3,002,181
Payment against documents	8,447	591,266	196,685
Term loan - industrial	1,640	114,777	114,183
Foreign bill purchased	1,011,307	70,791,483	17,771,956
Lease finance	25,472	1,783,030	-
	<u>1,084,761</u>	<u>75,933,279</u>	<u>22,028,959</u>
13 INTEREST PAID ON DEPOSITS AND BORROWINGS ETC.			
Interest on deposit	-	-	-
Interest on borrowings :			
Local banks including Bangladesh Bank	142,650	9,985,483	697,278
Foreign banks	390,916	27,364,125	16,777,194
Interest paid on wage earners FD FC-USD	-	-	-
Interest paid on wage earners FD FC-GBP	-	-	-
Interest paid on term borrowings	-	-	-
	<u>533,566</u>	<u>37,349,608</u>	<u>17,474,472</u>

	Amount		
	31 December 2013		31 December 2012
	USD	Taka	Taka
14 COMMISSION, EXCHANGE AND BROKERAGE			
Commission on remittance	-	-	-
Commission on L/C	98,042	6,862,915	8,331,190
Commission on export	3,287	230,090	198,380
Commission on PO, DD, TT, TC, etc	4,983	348,810	336,770
Foreign exchange gain & charges	(298)	(20,838)	(68,439)
	106,014	7,420,977	8,797,901
15 OTHER OPERATING INCOME			
SWIFT charge recovery	19,572	1,370,040	1,777,090
Other	67,108	4,697,560	3,522,579
	86,680	6,067,600	5,299,669

STATEMENT OF OUTSTANDING UNRECONCILED ENTRIES (NOSTRO ACCOUNT)

AT 31 DECEMBER 2013

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	USD	No.	USD	No.	USD	No.	USD
1	Upto 3 months	29	2,585,176	103	6,731,708	42	195,631	257	10,178,524
2	More than 3 months but less than 6 months	-	-	-	-	-	-	1	130
3	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
4	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
5	More than 12 months	-	-	-	-	-	-	-	-
	Total	29	2,585,176	103	6,731,708	42	195,631	258	10,178,654

RECONCILIATION BETWEEN

BANGLADESH BANK STATEMENT AND BANK'S BOOK

The reconciling items relates to clearing of the following:

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

Local currency	As per Bangladesh Bank Statement BDT	As per Bank's General ledger BDT	Reconciling Difference BDT	
Bangladesh Bank, Dhaka	7,559,903,461.87	7,583,408,951.96	(23,505,490.09)	
Bangladesh Bank, Dhaka (Al-wadeeah current account)	207,209,048.42	207,217,127.51	(8,079.09)	
Bangladesh Bank, Chittagong	130,903,758.53	130,904,777.78	(1,019.25)	
Bangladesh Bank, Sylhet	4,846,955.98	4,846,955.98	-	
Bangladesh Bank, Khulna	3,218,543.91	3,218,543.91	-	
Bangladesh Bank, Rajshahi	977,656.43	977,656.43	-	
Bangladesh Bank, Bogra	18,222,845.98	18,222,845.98	-	
Bangladesh Bank, Barishal	217,786.95	217,786.95	-	
Total	7,925,500,058.07	7,949,014,646.50	(23,514,588.43)	
Bank credited but not debited by Bangladesh Bank			1,095,224,831.71	
Bank debited but not credited by Bangladesh Bank			(15,032,877.00)	
Bangladesh Bank credited but not debited by Bank			1,391,660.52	
Bangladesh Bank debited but not credited by Bank			(1,105,098,203.66)	
			(23,514,588.43)	
Foreign currency	As per Bangladesh Bank statement USD	As per Bank's general ledger		Reconciling difference USD
		USD	BDT	
USD Clearing account	5,128,929.88	1,347,846.62	94,349,263.69	3,781,083.26
Total	5,128,929.88	1,347,846.62	94,349,264	3,781,083.26
Bank credited but not debited by Bangladesh Bank				20,910,192.25
Bank debited but not credited by Bangladesh Bank				(1,404,045.66)
Bangladesh Bank credited but not debited by Bank				1,698,232.68
Bangladesh Bank debited but not credited by Bank				(17,423,296.01)
				3,781,083.26

Foreign currency	As per Bangladesh	As per Bank's general ledger		Reconciling difference GBP
	Bank statement GBP	GBP	BDT	
GBP Clearing account	6,250.30	2,142.35	278,505.50	4,107.95
	6,250.30	2,142.35	278,505.50	4,107.95
Bank credited but not debited by Bangladesh Bank				4,095.74
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				12.21
Bangladesh Bank debited but not credited by Bank				-
				4,107.95

Foreign currency	As per Bangladesh	As per Bank's general ledger		Reconciling difference EUR
	Bank statement EUR	EUR	BDT	
EUR Clearing account	4,058.87	4,058.87	365,298.30	-
	4,058.87	4,058.87	365,298.30	-
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	As per Bank's general ledger		Reconciling difference JPY
	Bank statement JPY	JPY	BDT	
JPY Clearing account	45,238	45,238	24,881	-
	45,238	45,238	24,881	-
Total (BDT)			8,044,032,595	

SEGMENT REPORTING

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

ANNEX-K

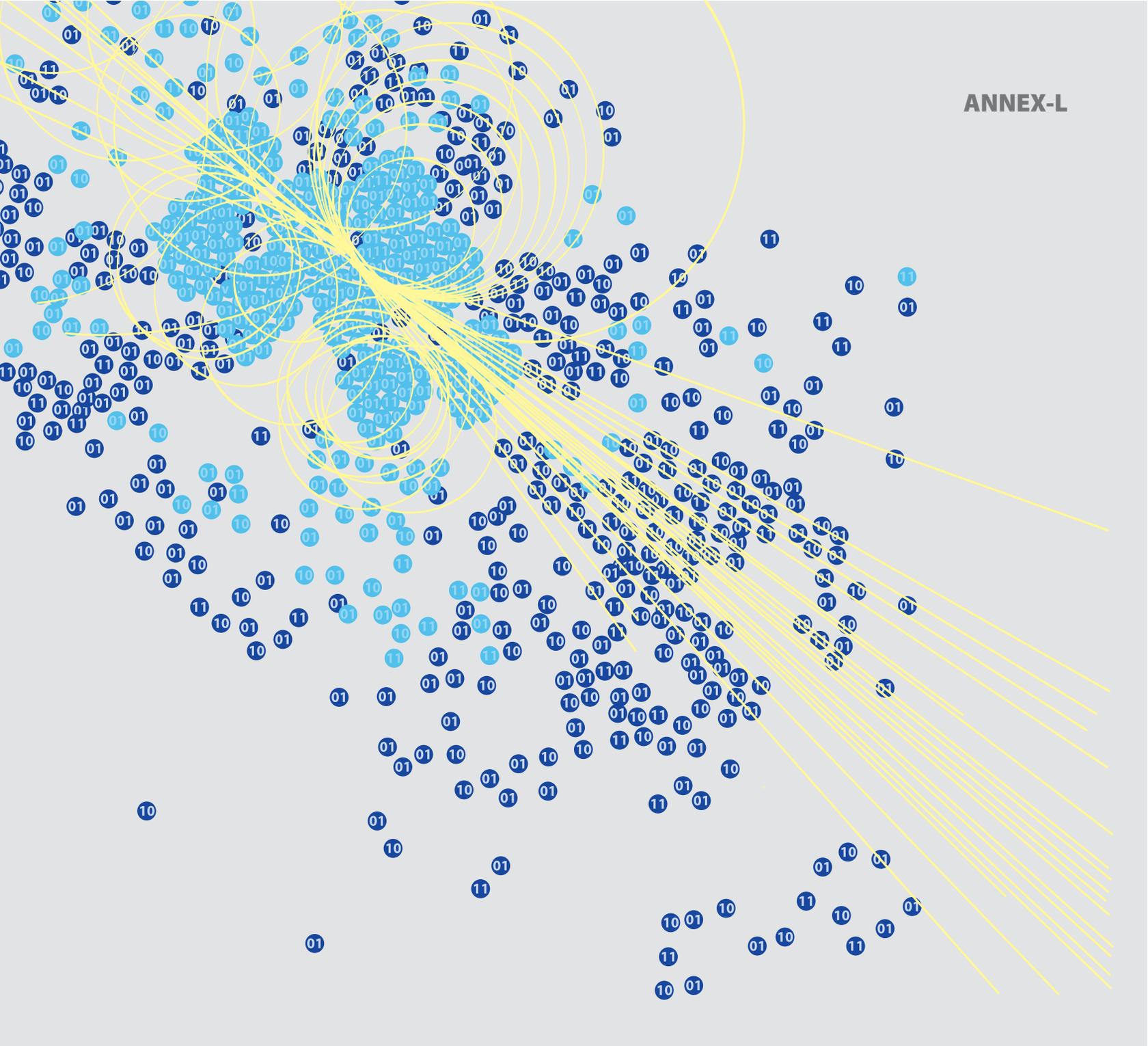
Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries		
	In side Bangladesh		Off-shore Banking unit	Total	In side Bangladesh		BA Exchange Company (UK) Ltd
	Conventional Banking	Islamic Banking			Bank Asia Securities Ltd	Bank Asia Ltd	
Interest income	13,671,757,050	598,615,617	75,933,279	14,346,305,946	372,598,948	-	14,718,904,894
Interest paid on deposits and borrowings, etc	(10,711,348,411)	(417,324,041)	(37,349,608)	(11,166,022,060)	(509,061,920)	-	(11,675,083,980)
Net interest income	2,960,408,639	181,291,576	38,583,671	3,180,283,886	(136,462,972)	-	3,043,820,914
Investment income	3,050,947,263	2,848,056	-	3,053,795,319	1,213,965	-	3,055,009,284
Commission, exchange and brokerage	1,757,194,881	36,687,151	7,420,977	1,801,303,009	96,923,154	13,856,440	1,912,082,603
Other operating income	488,181,804	3,488,992	6,067,600	497,738,396	6,778,255	-	504,516,651
Total operating income (A)	8,256,732,587	224,315,775	52,072,248	8,533,120,610	(31,547,598)	13,856,440	8,515,429,452
Salaries and allowances	1,411,632,656	37,311,290	-	1,448,943,946	30,542,204	7,975,631	1,487,461,781
Rent, taxes, insurance, electricity, etc	366,419,431	3,753,062	81,345	370,253,838	9,839,570	8,649,550	388,742,958
Legal expenses	8,863,980	-	-	8,863,980	128,264	152,490	9,144,734
Postage, stamp, telecommunication, etc	64,234,266	342,162	286,688	64,863,116	3,098,913	550,030	68,512,059
Stationery, printing, advertisements, etc	64,904,776	4,893,946	-	69,798,722	260,930	494,000	70,553,652
Managing Director's salary and fees	13,000,000	-	-	13,000,000	-	-	13,000,000
Directors' fees	1,720,000	-	-	1,720,000	120,750	-	1,840,750
Auditors' fees	1,090,550	-	-	1,090,550	86,250	780,000	1,956,800
Depreciation and repairs of Bank's assets	377,007,809	2,222,238	74,550	379,304,597	5,566,086	2,478,450	387,349,133
Other expenses	738,722,691	20,798,136	-	759,520,827	21,898,745	4,750,460	786,170,032
Total operating expenses (B)	3,047,596,159	69,320,834	442,583	3,117,359,576	71,541,712	25,830,611	3,214,731,899
Profit before provision (C=A-B)	5,209,136,428	154,994,941	51,629,665	5,415,761,034	(103,089,310)	(11,974,171)	5,300,697,553
Provision:							
Provision for loans and advances/investments				1,568,803,668			1,568,803,668
Provision for off-balance sheet items				79,485,283			79,485,283
Provision for diminution in value of investments				246,883,553			247,053,414
Other provisions				-			-
Profit before tax provision (C=A-B)				3,520,588,530			3,405,355,188
Provision for taxation				2,060,770,625			2,074,816,786
Profit after tax provision (C=A-B)				1,459,817,905			1,330,538,402

SEGMENT REPORTING

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

ANNEX-K.1

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries		
	In side Bangladesh				In side Bangladesh	BA Exchange Company (UK) Ltd	Total
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd		
PROPERTY AND ASSETS							
Cash	9,478,019,512	230,549,772	-	9,708,569,284	14,857	2,041,520	9,710,625,661
Balance with other banks and financial institutions	65,444,917	1,290,203,004	7,235,324	1,362,883,245	6,302,861	1,185,210	1,368,921,853
Money at call and on short notice	-	-	-	-	-	-	-
Investments	35,299,216,023	187,500,000	-	33,933,356,023	178,196,029	-	34,111,552,052
Loans and advances/investments	99,166,588,153	3,495,482,967	2,249,189,933	104,911,261,053	5,580,299,642	-	107,942,564,235
Fixed assets including premises, furniture and fixtures	5,285,224,638	2,825,565	298,124	5,288,348,327	9,852,653	12,576,200	5,310,777,180
Other assets	8,505,055,545	28,615,952	39,653,973	8,573,325,470	111,568,819	2,996,240	6,622,755,197
Non - banking assets	-	-	-	-	-	-	-
Total assets	157,799,548,788	5,235,177,260	2,296,377,354	163,777,743,402	5,886,234,861	18,799,170	165,067,196,178
LIABILITIES AND CAPITAL							
Liabilities							
Borrowings from other banks, financial institutions and agents	1,944,757,246	-	1,557,878,000	1,944,757,246	2,963,356,289	-	2,359,117,075
Subordinated Non-Convertible Zero Coupon Bond	599,998,411	-	-	599,998,411	-	-	599,998,411
Deposits and other accounts	128,735,105,240	4,067,399,712	686,869,689	133,489,374,641	194,964,630	-	133,682,889,808
Other liabilities	12,089,825,405	1,014,836,294	16,729,388	13,125,909,087	746,619,173	21,389,031	13,867,771,828
Total liabilities	143,369,686,302	5,082,236,006	2,261,477,077	149,160,039,385	3,904,940,092	21,389,031	150,509,777,122
Total shareholders' equity	14,429,862,486	152,941,254	34,900,277	14,617,704,017	1,981,294,769	(2,491,711)	14,557,419,056
Total liabilities and shareholders' equity	157,799,548,788	5,235,177,260	2,296,377,354	163,777,743,402	5,886,234,861	18,897,320	165,067,196,178



BANK ASIA SECURITIES LIMITED

BANK ASIA SECURITIES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2013

Short Profile of the company

Bank Asia Securities Limited (BASL) is a majority own subsidiary company of Bank Asia Limited has started its operation from 17th April, 2011. Capital Market of Bangladesh was bearish trend in the last consecutive years but BASL is playing leading position on daily turnover and the best services to the clients by participating in all areas of Capital Market activities for the sustainable growth of the capital Market.

BASL has entered into DSE top 13 in terms of daily turnover. Profit/loss stood at (Tk.117.30) million in 2013. BASL has kept Tk. 641.34 million in suspense account against negative equity balance during the year which will be recognized as income when client equity become is positive balance. Number of total clients reached at 5,149 in 2013 which was 4,853 in 2012. Margin loan outstanding was Tk.5,580.29 million in 2013 compared to Tk.4,913.96 million in 2012.

Dividend

The Directors recommended no dividend for the period ended 31st December, 2013.

Property, plant and Equipment

Details of the movements during the period in the property, plant and equipment of the company are set out in Note 4 (four) to the financial statements.

Share Capital and Reserves

Details of the movements during the period in the share capital of the company are set out in Note 12 (twelve) to the company's financial statements.

The Directors confirm the Directors' Report and the Financial Statements have been prepared in compliance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations.

Board Meetings

As per provision of the Companies Act 1994 during the year, 2013, 4 (four) meetings of the Board of Directors were held.

On behalf of the Board of Directors



A Rouf Chowdhury
Chairman

AUDITORS' REPORT TO THE

**SHAREHOLDERS OF BANK
ASIA SECURITIES LIMITED**

We have audited the accompanying financial statements of Bank Asia Securities Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2013, statement of comprehensive income (profit and loss statement), statement of cash flows and statement of changes in equity for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain a reasonable assurance 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards give a true and fair view of the state of the company's affairs as at 31 December 2013 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of Bangladesh Securities and Exchange Commission Regulations Act 1996 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (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; and
- (c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns.



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani,
Dhaka-1213
Dated, February 20, 2014

STATEMENT OF FINANCIAL POSITION

BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
Non-Current Assets			
Property, plant and equipment	4	9,852,653	13,612,271
Membership of Dhaka Stock Exchange Ltd		153,119,000	153,119,000
Preliminary/pre-operating expenses	5	1,970,810	2,956,215
Total non-current assets		164,942,463	169,687,486
Current Assets			
Advances, deposits and prepayments	6	851,670	-
Investment in shares at cost	7	25,077,029	859,168
Loans and advances	8	5,580,299,642	4,913,963,024
Accounts receivable	9	14,836,233	27,353,057
Advance income tax	10	93,910,106	79,863,945
Cash and cash equivalents	11	6,317,718	2,721,434
Total current assets		5,721,292,398	5,024,760,628
Total assets		5,886,234,861	5,194,448,114
Equity			
Share capital	12	2,000,000,000	450,000,000
Retained earnings/(losses)	13	(18,705,231)	98,600,101
Shareholders' equity		1,981,294,769	548,600,101
Current Liabilities			
Customer deposits	14	194,964,630	114,812,145
Loans and borrowings	15	2,963,356,289	4,282,363,679
Accounts payable	16	12,544,564	15,262,550
Liability for expenses	17	7,411,942	5,325,059
Interest suspense account	18	641,342,452	156,980,387
Provision for diminution in value of investments	19	390,629	220,768
Provision for taxation	20	84,929,586	70,883,425
Total current liabilities		3,904,940,092	4,645,848,013
Total equity and liabilities		5,886,234,861	5,194,448,114

See annexed notes for Bank Asia Securities Limited



Chairman



Director



Director



Chief Executive Officer



Auditors

S. F. AHMED & CO

Chartered Accountants

House-51, Road-9, Block-F, Banani, Dhaka-1213

Dated, February 20, 2014

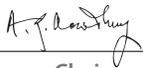
STATEMENT OF COMPREHENSIVE INCOME

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Amount in Taka	
		Year ended 31 Dec 2013	Year ended 31 Dec 2012
Brokerage commission		96,923,154	111,045,350
Interest income	21	372,598,948	592,744,302
Interest expense	22	(509,061,920)	(566,531,168)
Net interest income		(136,462,972)	26,213,134
Other operating income/loss	23	652,528	(3,213,888)
Total operating income		(38,887,290)	134,044,596
Operating expenses	24	(64,202,020)	(71,435,835)
Profit before provision		(103,089,310)	62,608,761
Provision for diminution in value of investments	19	(169,861)	(220,768)
Profit before tax		(103,259,171)	62,387,993
Income tax expense	20	(14,046,161)	(16,070,482)
Profit after tax		(117,305,332)	46,317,511
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(117,305,332)	46,317,511

See annexed notes for Bank Asia Securities Limited



Chairman



Director



Director



Chief Executive Officer



Auditors

S. F. AHMED & CO

Chartered Accountants

House-51, Road-9, Block-F, Banani, Dhaka-1213

Dated, February 20, 2014

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Amount in Taka	
	Year ended 31 Dec 2013	Year ended 31 Dec 2012
A. Cash flows from operating activities		
Cash received from		
Interest income	372,598,948	592,744,302
Brokerage commission	96,923,154	111,045,350
Cash payment to		
Interest expenses	(509,061,920)	(566,531,168)
Operating expenses	(55,658,908)	(72,206,196)
Income tax paid	(14,046,161)	(44,309,482)
Net cash from/(used in) operating activities	(109,244,887)	20,742,806
B. Cash flows from investing activities		
Loans and advances to customers	(181,974,553)	(354,670,872)
Investment in listed securities	(24,217,861)	(859,168)
Acquisition of property, plant and equipment	(903,710)	(822,530)
Advance for office premises	(750,000)	-
Net cash used in investing activities	(207,846,124)	(356,352,570)
C. Cash flows from financing activities		
Issue of shares	1,550,000,000	-
Loans and borrowings	(1,309,363,520)	308,208,424
Customers' deposits	80,050,815	19,045,279
Dividend paid	-	(90,000,000)
Net cash from financing activities	320,687,295	237,253,703
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,596,284	(98,356,061)
E. Opening cash and cash equivalents	2,721,434	101,077,495
F. Closing cash and cash equivalents	6,317,718	2,721,434

For Bank Asia Securities Limited



Chairman



Director



Director



Chief Executive Officer



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, February 20, 2014

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

Particulars	Share capital	Share premium	Retained earnings	Total
Year ended 31 Dec 2012				
Opening balance	450,000,000	-	142,282,590	592,282,590
Net profit for the year	-	-	46,317,511	46,317,511
Dividend paid during the year	-	-	(90,000,000)	(90,000,000)
Closing balance	450,000,000	-	98,600,101	548,600,101
Year ended 31 Dec 2013				
Opening balance	450,000,000	-	98,600,101	548,600,101
Net loss for the year	-	-	(117,305,332)	(117,305,332)
Issue of shares	1,550,000,000	-	-	1,550,000,000
Closing balance	2,000,000,000	-	(18,705,231)	1,981,294,769

for Bank Asia Securities Limited



Chairman



Director



Director



Chief Executive Officer



Auditors

S. F. AHMED & CO

Chartered Accountants

House-51, Road-9, Block-F, Banani, Dhaka-1213

Dated, February 20, 2014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. Reporting entity

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

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

The main objective of the Company is to act as a full fledged stock broker and stock dealer to execute buy and 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 with generally accepted accounting principles following Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). Wherever appropriate, such principles are explained in succeeding notes.

2.2 Functional and presentational currency

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

2.3 Use of estimates and judgments

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

3. Significant accounting policies

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

3.1 Interest income

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

3.2 Income from brokerage commission

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

3.3 Statement of cash flows

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

3.4 Property, plant and equipment

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

Subsequent costs

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

Depreciation

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

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

Details are given in Annex L-8

3.5 Intangible assets

Computer software

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

Subsequent costs

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

Amortisation of intangible assets

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

Notes	Amount in Taka	
	At 31 Dec 2013	At 31 Dec 2012
4. Property, plant and equipment		
Opening balance		
Add: Addition during the year	13,612,271	17,272,329
Less: Depreciation charge for the year	903,710	822,530
Closing balance	4,663,328	4,482,588
	<u>9,852,653</u>	<u>13,612,271</u>
Details are given in Annex L-8.		
5. Preliminary/pre-operating expenses		
These represent the following expenses which are being charged to statement of comprehensive income @ 20% per annum ie, the expenses are to be written-off over 5 years equally with effect from the year 2011.		
Total expenses	2,956,215	3,941,620
Less: Amortised during the year	985,405	985,405
Net book value	<u>1,970,810</u>	<u>2,956,215</u>
6. Advances, deposits and prepayments		
Advance to branch offices	101,670	-
Advance for Nikunjo office premises	750,000	-
	<u>851,670</u>	<u>-</u>
7. Investment in shares (at cost)		
	<u>25,077,029</u>	<u>859,168</u>
Details are given in Annex L-9		

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
8. Margin loans to customers			
Opening balance		4,913,963,024	4,402,311,765
Add: Interest accrued during the year		856,374,369	745,183,356
		5,770,337,393	5,147,495,121
Less: Adjusted margin loan		190,037,751	233,532,097
Closing balance		5,580,299,642	4,913,963,024

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 was 1:0.5 to 1:2 based on directives issued by Bangladesh Securities and Exchange Commission.

9. Accounts receivable

Receivable from Dhaka Stock Exchange Ltd	14,763,533	25,446,807
Receivable from Bank Asia Limited	7,700	7,700
Cheques in transit	65,000	1,898,550
	14,836,233	27,353,057

10. Advance income tax

Opening balance	79,863,945	35,554,463
Advance income tax deposited during the year	-	28,239,000
Tax deducted at source from brokerage commission	13,729,759	15,703,915
Tax deducted at source from dividend income	181,800	-
Tax deducted at source from bank interest	134,602	366,567
	14,046,161	44,309,482
Closing balance	93,910,106	79,863,945

11. Cash and cash equivalents

Cash in hand (note 11.1)	14,857	78,740
Bank balances (note 11.2)	6,302,861	2,642,694
	6,317,718	2,721,434

11.1 Cash in hand

Head-office	14,857	8,740
Branch-office	-	70,000
	14,857	78,740

11.2 Bank balances

Bank Asia Limited	1,449,463	1,058,948
ONE Bank Limited	4,845,609	1,574,517
Prime Bank Limited	7,789	9,229
	6,302,861	2,642,694

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
12. Share capital			
Authorised :			
20,000,000 ordinary shares of Taka 100 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up:			
20,000,000 ordinary shares of Taka 100 each		2,000,000,000	450,000,000
The Company's shareholding position as at 31 December was as under:			
Name of shareholder	Number of shares	% of holding	Value/Taka
Bank Asia Limited	19,999,900	99.99778	1,999,990,000
Anisur Rahman Sinha	100	0.002222	10,000
	20,000,000	100	2,000,000,000
The company has issued an additional share capital of Taka 1,550,000,000 during the year which was approved in the board meeting of the company dated 28 November 2011.			
13. Retained earnings/(losses)			
Opening balance		98,600,101	142,282,590
Less: Dividend paid @ 20% per share		-	90,000,000
		98,600,101	52,282,590
Add: Total comprehensive income/(loss) during the year		(117,305,332)	46,317,511
Closing balance		(18,705,231)	98,600,101
14. Customer deposits			
		194,964,630	114,812,145
Customer deposits represent uninvested funds lying with the Company's account at the reporting date.			
15. Loans and borrowings			
Bank Asia Limited		2,548,996,460	3,832,353,679
Prime Bank Limited		414,359,829	450,010,000
		2,963,356,289	4,282,363,679
16. Accounts payable			
Bank Asia Limited		10,000,000	15,000,000
Withholding VAT on supplies' payments		24,439	148,935
Withholding tax on supplies' payments		3,154	33,626
Security for server		-	16,960
Dhaka Stock Exchange Ltd		2,516,971	63,029
		12,544,564	15,262,550
17. Liabilities for expenses			
		7,411,942	5,325,059
The amount represents provisions against operating expenses during the year.			

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
18. Interest suspense account			
Opening balance		156,980,387	-
Interest accrued during the year (note 8)		856,374,369	745,183,356
Less: Amount taken to interest income (note 21)		372,012,304	588,202,969
		<u>641,342,452</u>	<u>156,980,387</u>
The amount represents interest income from loan accounts of the clients who have negative balance with Bank Asia Securities Limited during the year. The amount will be recognised as income when client equity become positive balance.			
19. Provision for diminution in value of investments			
Investment in shares at cost		25,070,739	859,168
Less: Market value of shares at 31 December 2013		24,680,110	638,400
		<u>390,629</u>	<u>220,768</u>
Required provision for the year (Taka 390,629 less Taka 220,768)		<u>169,861</u>	<u>220,768</u>
20. Provision for corporate income tax			
Opening balance		70,883,425	54,812,943
Add: Provision made during the year		14,046,161	16,070,482
Closing balance		<u>84,929,586</u>	<u>70,883,425</u>
Provision for corporate income tax was made following applicable tax laws. Income tax as withheld from the transactions of traded securities @ 0.05%/0.10% under section 53BBB is the final tax liability of the Company under section 82C(2) (k) of Income Tax Ordinance 1984.			
21. Interest income			
Income from fixed deposits		-	3,457,006
Income from bank deposits		586,644	1,084,327
Income from margin loan		372,012,304	588,202,969
		<u>372,598,948</u>	<u>592,744,302</u>
22. Interest expense			
Interest on loan		<u>509,061,920</u>	<u>566,531,168</u>
23. Other operating income			
Operating income (note 23.1)		7,992,220	6,566,458
Less: CDBL charges		7,339,692	9,780,346
		<u>652,528</u>	<u>(3,213,888)</u>
23.1 Operating income			
BO account opening fees		148,000	147,500
Margin account renewal fees		1,976,500	2,610,000
Income from transfer/transmission/corporate action		3,249,662	1,377,220
Margin account opening fees		12,000	43,500
BO account maintenance fees		1,392,093	2,388,238
Income from dealer account		1,213,965	-
		<u>7,992,220</u>	<u>6,566,458</u>

	Notes	Amount in Taka	
		At 31 Dec 2013	At 31 Dec 2012
24. Operating expenses			
Salaries and allowances		30,542,204	33,529,700
Laga charges		5,490,038	6,281,566
Office rent		9,174,640	9,646,382
Depreciation		4,663,328	4,482,588
Bank guarantee commission		1,225,000	3,120,674
Utilities		3,461,835	3,685,605
Internet charges		2,505,956	2,495,310
Hawla charges		1,208,792	1,443,764
Entertainment		651,430	1,086,876
Amortisation of pre-operating expenses		985,405	985,405
Cleaning expenses		408,481	431,017
Postage and courier		40,974	52,256
Repair and maintenance		457,219	817,307
Bank charges		73,189	107,527
Telephone		551,983	204,732
Fuel and oil		445,540	637,752
Computer accessories		222,016	327,550
Plantation		221,436	319,864
Printing and stationery		260,930	488,205
Conveyance		137,773	188,614
Business and promotional expenses		272,829	24,945
Audit fees		86,250	86,250
Directors' remuneration		120,750	161,000
License and renewal fees		679,009	322,029
Newspaper		56,598	36,800
Professional fees		128,264	357,615
Insurance premium		13,500	-
Others		116,651	114,502
		<u>64,202,020</u>	<u>71,435,835</u>

25. Others

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

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

For Bank Asia Securities Limited


Chairman


Director


Director


Chief Executive Officer



Auditors
S. F. AHMED & CO
Chartered Accountants
House-51, Road-9, Block-F, Banani, Dhaka-1213
Dated, February 20, 2014

DETAILS OF PROPERTY, PLANT AND EQUIPMENT

AT 31 DECEMBER 2013

ANNEX-L-8

Amount (Taka)

Particulars	Cost			Depreciation			Written down value at 31 Dec 2013			
	At 01 January 2013	Addition during the year	Adjustment/disposal	Total at 31 Dec 2013	Rate (%)	At 01 January 2013		Charge for the year	Adjustment on disposal	Total at 31 Dec 2013
Computer and accessories	5,277,383	730,600	-	6,007,983	20	2,110,893	1,201,598	-	3,312,491	2,695,492
Furniture and fixtures	2,915,764	-	-	2,915,764	20	1,166,305	583,152	-	1,749,457	1,166,307
Office equipment	5,318,475	-	-	5,318,475	20	2,052,180	1,063,692	-	3,115,872	2,202,603
Office renovation	7,455,679	173,110	-	7,628,789	20	2,973,036	1,525,758	-	4,498,794	3,129,995
Computer software	1,445,640	-	-	1,445,640	20	498,256	289,128	-	787,384	658,256
Total at 31 Dec 2013	22,412,941	903,710	-	23,316,651		8,800,670	4,663,328	-	13,463,998	9,852,653
Total at 31 Dec 2012	21,590,411	822,530	-	22,412,941		4,318,082	4,482,588	-	8,800,670	13,612,271

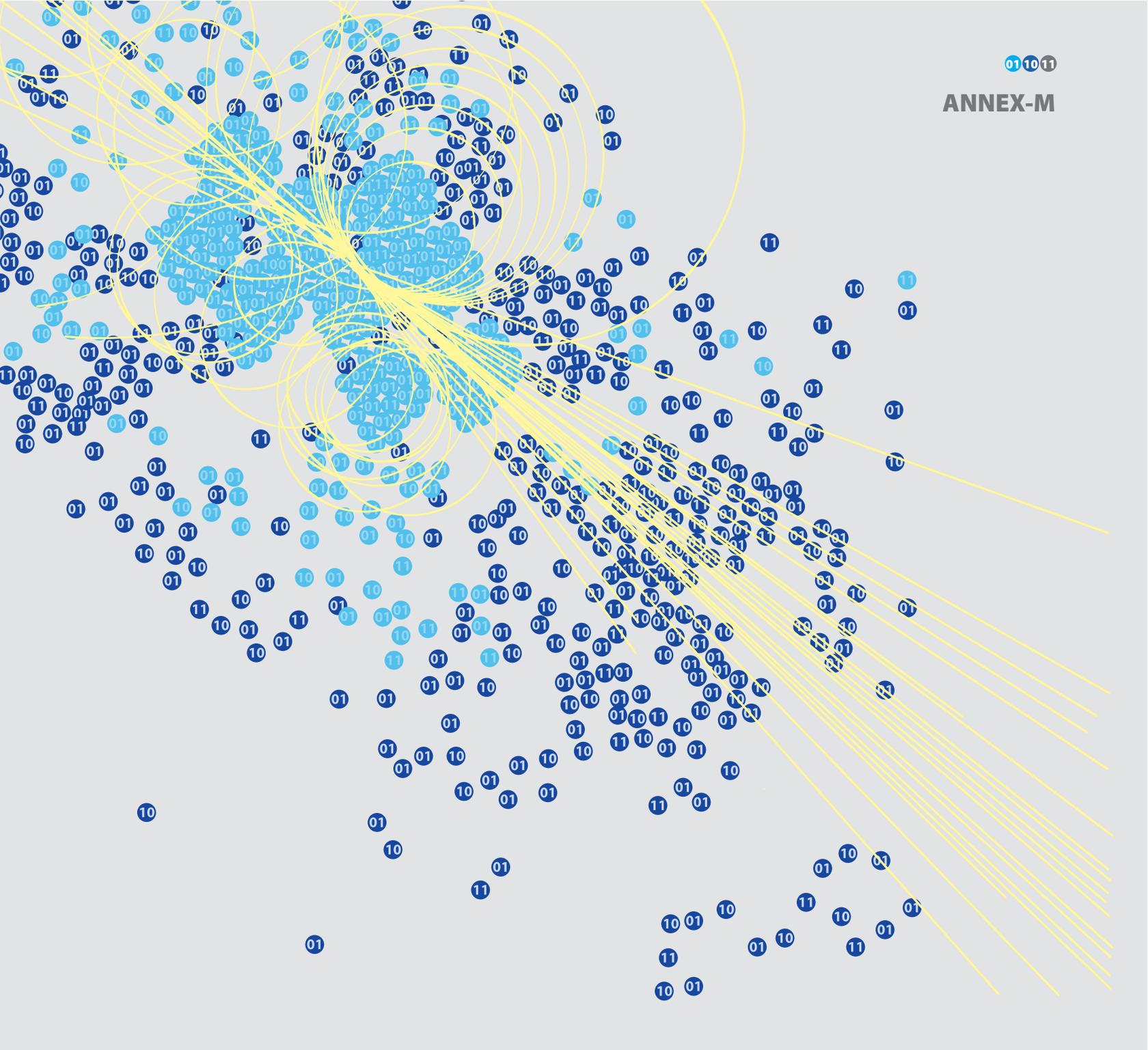
INVESTMENT IN SHARES FOR THE YEAR

AT 31 DECEMBER 2013

ANNEX-L-9

Amount (Taka)

SL No	Name of the company	Nature of shares	Types of shares	Face value	Number of shares including bonus	Cost of holdings	Average cost	Quoted value per share at 31 Dec 2013	Total market value at 31 Dec 2013
1	Mercantile Bank Limited	Quoted	A	10.00	100,000,000	1,701,214	17.01	16.70	1,670,000
2	One Bank Limited	Quoted	A	10.00	100,450,000	1,876,411	18.68	15.80	1,587,110
3	Sahiam Textile Limited	Quoted	A	10.00	50,000,000	1,495,114	29.90	28.50	1,425,000
4	Energypac Limited	Unquoted	-	10.00	454,500,000	19,998,000	44.00	-	19,998,000
	Sub total					25,070,739			24,680,110
	Balance held in customer deposit					6,290			
	Total					<u>25,077,029</u>			



BA EXCHANGE
COMPANY
(UK) LIMITED

BA EXCHANGE COMPANY (UK) LIMITED**Company Information**

DIRECTORS	A Rouf Chowdhury Md Mehmood Husain
REGISTERED NUMBER	07314397
REGISTERED OFFICE	1339 High Road London N20 9HR
TRADING ADDRESS	125 Whitechapel Road London E1 1DT
INDEPENDENT AUDITORS	Green & Peter LLP Chartered Accountants & Registered Auditors The Limes 1339 High Road Whetstone London N20 9HR

BA EXCHANGE COMPANY (UK) LIMITED
Directors' report
for the year ended December 31, 2013

The directors present their report and the financial statements for the year ended December 31, 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

PRINCIPAL ACTIVITIES

The Company's principal activity was the provision of money remittance services and related services.

DIRECTORS

The directors who served during the year were:

A Rouf Chowdhury
Md Mehmood Husain

PRINCIPAL RISKS AND UNCERTAINTIES

Risk 1

The Company's business is subject the immigration policy of the UK government, in relation to existing student and future migration policies.

Risk 2

The demand for the Company's business is subject to the conversion rate of the Bangladeshi Taka and also to the general investment platform and economy in Bangladesh which has in recent years been a key driver for the amounts of inward Taka remittance in addition to the funds remitted for family support.

BA EXCHANGE COMPANY (UK) LIMITED**Directors' report
for the year ended December 31, 2013****PROVISION OF INFORMATION TO AUDITORS**

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

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

AUDITORS

The auditors, Green & Peter LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on February 27, 2014 and signed on its behalf.



A Rouf Chowdhury
Director

BA EXCHANGE COMPANY (UK) LIMITED

Independent auditors' report to the shareholders of BA Exchange Company (UK) Limited

We have audited the financial statements of BA Exchange Company (UK) Limited for the year ended December 31, 2013, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

As part of audit activities we have also been requested to carry out a review of systems and records and to advise on Anti Money Laundering rules and related compliance matters.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BA EXCHANGE COMPANY (UK) LIMITED**Independent auditors' report to the shareholders of BA Exchange Company (UK) Limited****MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

-sd-

Robert Green FCA (Senior statutory auditor)

for and on behalf of
Green & Peter LLP

Chartered Accountants
Registered Auditors

The Limes
1339 High Road
Whetstone
London
N20 9HR

February 27, 2014

BA EXCHANGE COMPANY (UK) LIMITED**Profit and loss account
for the year ended December 31, 2013**

	Note	2013 £	2012 £
TURNOVER	1	106,587	78,910
Cost of sales		<u>(30,218)</u>	<u>(25,243)</u>
GROSS PROFIT		76,369	53,667
Administrative expenses		<u>(169,201)</u>	<u>(163,274)</u>
OPERATING LOSS	2	(92,832)	(109,607)
Interest payable and similar charges		<u>(32)</u>	<u>(218)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(92,864)	(109,825)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	9	<u>(92,864)</u>	<u>(109,825)</u>

The notes on pages 7 to 11 form part of these financial statements.

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

-sd-

Robert Green FCA (Senior statutory auditor)

for and on behalf of
Green & Peter LLP

Chartered Accountants
Registered Auditors

The Limes
1339 High Road
Whetstone
London
N20 9HR

February 27, 2014

BA EXCHANGE COMPANY (UK) LIMITED
Registered number: 07314397

Balance sheet
as at December 31, 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	5		96,740		113,774
CURRENT ASSETS					
Debtors	6	23,048		12,992	
Cash at bank and in hand		24,821		56,689	
			<u>47,869</u>	<u>69,681</u>	
CREDITORS: amounts falling due within one year	7	(164,531)		(160,513)	
NET CURRENT LIABILITIES			<u>(116,662)</u>		<u>(90,832)</u>
NET (LIABILITIES)/ASSETS			<u>(19,922)</u>		<u>22,942</u>
CAPITAL AND RESERVES					
Called up share capital	8		300,000		250,000
Profit and loss account	9		(319,922)		(227,058)
SHAREHOLDERS' (DEFICIT)/FUNDS			<u>(19,922)</u>		<u>22,942</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on February 27, 2014.

The notes on pages 7 to 11 form part of these financial statements.

-sd-	-sd-	-sd-
_____ Chairman	_____ Director	_____ Chief Executive Officer

-sd-

Robert Green FCA (Senior statutory auditor)
for and on behalf of
Green & Peter LLP
Chartered Accountants
Registered Auditors
The Limes
1339 High Road
Whetstone
London
N20 9HR
February 27, 2014

BA EXCHANGE COMPANY (UK) LIMITED**Notes to the financial statements
for the year ended December 31, 2013****1. ACCOUNTING POLICIES (continued)****1.6 Going Concern**

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

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

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2013.

2. OPERATING LOSS

The operating loss is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	17,119	17,099
Auditors' remuneration	3,000	3,000
Auditors' remuneration - non-audit	3,000	1,000
	=====	=====

3. DIRECTORS' REMUNERATION

	2013	2012
	£	£
Aggregate emoluments	-	200
	=====	=====

BA EXCHANGE COMPANY (UK) LIMITED

Notes to the financial statements
for the year ended December 31, 2013

4. TAXATION

Factors that may affect future tax charges

The Company has tax losses of £321,663 (2012 - £245,936) carried forward to relieve future trading profits, no deferred tax asset has been made due to the uncertainty of future taxable profits available for offset

5. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Fixtures and fittings £	Total £
Cost			
At January 1, 2013	122,846	19,470	142,316
Additions	-	85	85
At December 31, 2013	<u>122,846</u>	<u>19,555</u>	<u>142,401</u>
Depreciation			
At January 1, 2013	20,474	8,068	28,542
Charge for the year	12,285	4,834	17,119
At December 31, 2013	<u>32,759</u>	<u>12,902</u>	<u>45,661</u>
Net book value			
At December 31, 2013	<u>90,087</u>	<u>6,653</u>	<u>96,740</u>
At December 31, 2012	<u>102,372</u>	<u>11,402</u>	<u>113,774</u>

6. DEBTORS

	2013 £	2012 £
Prepayments	12,548	2,492
Other debtors	10,500	10,500
	<u>23,048</u>	<u>12,992</u>

BA EXCHANGE COMPANY (UK) LIMITED

Notes to the financial statements
for the year ended December 31, 20137. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	113,593	109,382
Accruals	7,664	8,887
Other creditors	43,274	42,244
	<u>164,531</u>	<u>160,513</u>

8. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
300,000 (2012 - 250,000) Ordinary shares of £1 each	<u>300,000</u>	<u>250,000</u>

During the year, 50,000 Ordinary shares of £1 each were issued for cash.

9. RESERVES

	Profit and loss account £
At January 1, 2013	(227,058)
Loss for the year	(92,864)
	<u>(319,922)</u>
At December 31, 2013	<u>(319,922)</u>

10. OPERATING LEASE COMMITMENTS

At December 31, 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Between 2 and 5 years	-	-
After more than 5 years	42,000	42,000
	<u>42,000</u>	<u>42,000</u>

BA EXCHANGE COMPANY (UK) LIMITED**Notes to the financial statements
for the year ended December 31, 2013****11. RELATED PARTY TRANSACTIONS**

All funds on behalf of customers are remitted through the parent undertaking, Bank Asia Limited. These transactions are at arm length and at commercial terms. At the year end the net amount outstanding included in creditors as TT payable was £113,593 (2012 - £109,382) which represented the TT settlement position outstanding in relation to remittances.

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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