

FINANCIAL STATEMENTS



OMB No. 1545-0074

Page 2

16
17
18
19
20
21
22
23
24

20

OMB No. 1545-0074

IRS Use Only - Do not write or staple in this space

Head of household (HOH) ☐ Qualifying widow(er) (QW) ☐ If you checked the HOH or QW box, enter the child's name if the qualifying child is a dependent.

Your social security number

Spouse's social security number

Child tax credit

Credit for other dependents

1
2b
3b
4b
5b
6b
7
8

10a
10b

Standard deduction or itemized deductions (from Schedule A)

Subtract line 10c from line 9. This is your **adjusted gross income**.

Qualified business income deduction. Attach Form 8995 or Form 8995-A.

Subtract line 14 from line 11. If zero or less, enter -0-

5 **Taxable income.** Subtract line 14 from line 11. If zero or less, enter -0-

Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.



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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Asia Limited and its subsidiaries (the "Group") as well as the separate financial statements of Bank Asia Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At year end the Group reported total gross loans and advances of BDT 280,591 million (2021: BDT 264,999 million) and provision for loans and advances of BDT 19,080 million (2021: BDT 15,153 million).</p> <p>In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 53 dated 22 December 2022 on the outstanding balance from clients who have taken the deferral facility due to COVID 19.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effective-ness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, loan disbursement proce-dures, monitoring and provisioning pro-cess; Completeness of appropriate documenta-tion before disbursement of loans as well as recording of loan balance; Alternate procedures applied by manage-ment to assess new loan/renewal of exist-ing loans where latest audited financial statements of the borrower is not available; Identification of loss events, including early warning and default warning indicators; Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presenta-tion of disclosures against relevant account-ing standards and Bangladesh Bank guide-lines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained

Description of key audit matters	Our response to key audit matters
	<p>Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <p>The Bank has calculated required provision as per Bangladesh Bank letter DBI-3/120/2023-508 dated 16 March 2023 considering total classified loans and advances of Tk 1,351.97 crore (4.87%). The letter also advised the Bank to transfer Tk 587.75 crore of general provision related to stay order cases and restructured loans to be transferred to specific provision in next 3 years.</p>
See note # 8 (a) and 13.2 to the financial statements	
Risk	Our response to the risk
<p>Interest income recognition</p> <p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-off testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p> <p>However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2022.</p>
See note # 20 (a) to the financial statements	
Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

Description of key audit matters	Our response to key audit matters
See note # 7 to the financial statements	
Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2022 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>As per the business model, management has considered quoted and unquoted shares together as part of its investment portfolio for calculation of required provision.</p>
See note # 7.2 to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>The Bank has received a direction to transfer 50% the foreign exchange gain of the month of May and June 2022 to CSR fund after keeping adequate provision for taxation.</p> <p>The Bank has taken initiative to save cost from the budgeted cost as per BRPD circular 28 and 30 of 2022.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We have checked the calculation of the transfer to CSR fund after keeping appropriate provision. In addition we are informed about the initiative taken by the Bank management to control relevant cost.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Description of key audit matters	Our response to key audit matters
Carrying value of investments in subsidiaries by the Bank	
<p>The Bank has invested in equity shares of three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). As at 31 December 2022 the carrying value of this investment is BDT 2,137 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> <p>We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.</p>
Revaluation of property, plant and equipment	
<p>The Bank in prior year has undertaken revaluation of its land and building. As a result of this revaluation exercise, an amount of BDT 1,876,926,919 is recognised as the fair value gain in revaluation reserve and resultant deferred tax liability. Determination of fair value in absence of any quoted price and active market require significant judgment</p>	<p>We assessed the process of revaluation previously taken by the Bank.</p> <p>We have discussed with management about any potential changes in revaluation assumptions since the last revaluation, in particular potential impact of the current macro-economic factors and applied our judgment to see whether the fair value is still relevant.</p> <p>We checked related accounting treatments of fair value gain and associated deferred tax as recognized by the Bank.</p>

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- (iii) Consolidated financial statements of the Bank include three subsidiaries, namely Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA) reflect total assets of BDT 442,258.29 million as at 31 December 2022 and net interest income of BDT 5,547.10 million for the year ended 31 December 2022. Out of these three subsidiaries of the Bank, BA Exchange Company (UK) Limited has been audited by AGP Consulting and BA Express USA Inc. has been audited by Monis J. Siddiqui who have expressed unqualified audit opinion. However, Bank Asia Securities Limited has been audited by us. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,100 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488

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

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

Amount in Taka

	Notes	31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS			
Cash		25,797,237,229	33,365,082,062
In hand (including foreign currencies)	4.1(a)	4,087,822,688	3,609,634,979
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	21,709,414,541	29,755,447,083
Balance with other banks and financial institutions	5(a)	39,983,468,523	41,288,613,589
In Bangladesh		37,345,770,086	39,659,087,772
Outside Bangladesh		2,637,698,437	1,629,525,817
Money at call and on short notice	6(a)	3,750,000,000	6,400,000,000
Investments	7(a)	103,838,255,588	77,951,433,954
Government		94,746,403,719	70,690,287,923
Others		9,091,851,869	7,261,146,031
Loans and advances/investments	8(a)	280,591,467,444	264,999,483,971
Loans, cash credits, overdrafts, etc/investments		257,223,892,759	236,976,500,176
Bills purchased and discounted		23,367,574,685	28,022,983,795
Fixed assets including premises, furniture and fixtures	9(a)	5,704,012,877	6,145,270,470
Other assets	10(a)	11,057,689,200	10,876,307,392
Non - banking assets		-	-
Total assets		470,722,130,861	441,026,191,438
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	51,024,080,743	47,836,151,368
Subordinated non-convertible and perpetual bonds	11(aa)	9,340,000,000	8,600,000,000
Deposits and other accounts	12(a)	337,853,124,886	318,424,929,865
Current/AI-wadeeah current accounts and other accounts		68,534,148,051	64,292,866,731
Bills payable		4,167,914,951	3,978,312,853
Savings bank/Mudaraba savings bank deposits		78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits		186,338,181,123	170,941,701,491
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	44,041,087,583	38,961,364,845
Total liabilities		442,258,293,212	413,822,446,078
Capital/shareholders' equity			
Total shareholders' equity		28,463,837,649	27,203,745,360
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	10,725,443,940
General and other reserve	15.1(a)	9,926,531	8,317,091
Revaluation reserve	16(a)	2,117,047,124	2,159,144,877
Retained earnings	17(a)	2,957,002,831	2,650,999,337
Foreign currency translation reserve		(29,217,722)	761,241
Non-controlling interest	17(b)	10,285	10,274
Total liabilities and shareholders' equity		470,722,130,861	441,026,191,438

Consolidated Balance Sheet

Amount in Taka

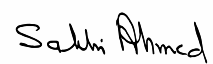
	Notes	31 Dec 2022	31 Dec 2021
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	151,805,089,469	170,920,906,518
Acceptances and endorsements		57,460,996,543	62,539,512,475
Letters of guarantee		38,212,129,085	37,395,583,594
Irrevocable letters of credit		28,775,250,089	46,608,780,719
Bills for collection		27,356,713,752	24,377,029,730
Other contingent liabilities		-	-
Other commitments		1,758,182,995	3,044,625,874
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		1,758,182,995	3,044,625,874
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		153,563,272,464	173,965,532,392

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488



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

Bank Asia Limited and its subsidiaries

Consolidated Profit and Loss Account

for the year ended 31 December 2022

Amount in Taka

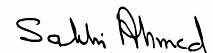
	Notes	31 Dec 2022	31 Dec 2021
OPERATING INCOME			
Interest income	20(a)	20,484,449,300	18,422,217,336
Interest paid on deposits and borrowings, etc	21(a)	14,937,341,626	12,727,962,811
Net interest income		5,547,107,674	5,694,254,525
Investment income	22(a)	6,270,764,596	6,848,834,433
Commission, exchange and brokerage	23(a)	7,655,343,919	3,562,596,602
Other operating income	24(a)	1,217,933,416	1,185,321,692
		15,144,041,931	11,596,752,727
Total operating income (A)		20,691,149,605	17,291,007,252
OPERATING EXPENSES			
Salaries and allowances	25(a)	5,180,307,624	3,995,021,349
Rent, taxes, insurance, electricity, etc	26(a)	606,906,079	505,031,922
Legal expenses	27(a)	26,343,367	17,558,765
Postage, stamp, telecommunication, etc	28(a)	157,490,802	121,249,030
Stationery, printing, advertisements, etc	29(a)	177,671,713	118,856,850
Managing Director's salary and fees	30	18,854,125	20,401,265
Directors' fees	31(a)	3,464,000	4,359,000
Auditors' fees	32(a)	3,639,789	3,397,350
Depreciation and repairs of Bank's assets	33(a)	979,550,708	888,405,435
Other expenses	34(a)	2,667,684,970	2,064,272,614
Total operating expenses (B)		9,821,913,177	7,738,553,580
Profit before provision (C=A-B)		10,869,236,428	9,552,453,672
Provision for loans and advances/investments			
General provision		2,467,292,000	(1,112,892,000)
Specific provision		1,826,641,239	5,456,131,734
	13.2(a)	4,293,933,239	4,343,239,734
Provision for off-balance sheet items	13.3	(295,000,000)	485,000,000
Provision for diminution in value of investments		-	51,208,223
Other provisions		250,000,000	150,000,000
Total provision (D)	34(c)	4,248,933,239	5,029,447,957
Total profit before tax (C-D)		6,620,303,189	4,523,005,715
Provision for taxation			
Current tax	13.5.1(a)	3,567,972,708	1,794,735,436
Deferred tax		-	-
		3,567,972,708	1,794,735,436
Net profit after tax		3,052,330,481	2,728,270,279
Appropriations			
Statutory reserve		1,024,556,060	881,347,196
Coupon/dividend on perpetual bond		25,016,438	-
General and other reserve		1,609,440	150,947
	15.1(a)	1,051,181,938	881,498,143
Retained surplus		2,001,148,543	1,846,772,136
Attributable to:			
Equity holders of Bank Asia Limited		2,001,148,532	1,846,772,060
Non-controlling interest		11	76
		2,001,148,543	1,846,772,136
Earnings Per Share (EPS)	37(a)	2.62	2.34

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488



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

Bank Asia Limited and its subsidiaries

Consolidated Cash Flow Statement

for the year ended 31 December 2022

	Notes	31 Dec 2022	31 Dec 2021
Cash flows from operating activities (A)			
Interest receipts		27,031,367,925	22,884,554,255
Interest payments		(15,663,894,987)	(13,639,906,156)
Dividends receipts		88,244,680	136,087,793
Fees and commission receipts		7,655,343,919	3,562,596,602
Recoveries on loans previously written off		347,148,119	287,429,432
Cash payment to employees		(5,135,929,070)	(3,816,090,219)
Cash payment to suppliers		(294,891,193)	(214,258,327)
Income tax paid		(2,569,789,573)	(1,310,722,518)
Receipts from other operating activities	35 (a)	1,271,679,392	3,453,659,983
Payments for other operating activities	36 (a)	(3,484,383,132)	(2,736,269,946)
Operating profit before changes in operating assets & liabilities		9,244,896,080	8,607,080,899
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,591,983,473)	(17,667,635,689)
Other assets		411,064,662	298,862,909
Deposits from customers and banks		19,428,195,021	14,931,015,417
Trading liabilities		3,187,929,375	11,864,296,427
Other liabilities		(565,596,792)	(279,683,390)
Net Increase/(decrease) in operating assets and liabilities		6,869,608,793	9,146,855,674
Net cash flows from operating activities		16,114,504,873	17,753,936,573
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(24,056,115,796)	19,351,841,699
Sale/(Purchase) of trading securities		(1,830,705,838)	(2,396,464,925)
(Purchase)/disposal of fixed assets including right-of-use assets		(306,931,836)	(474,428,366)
Net cash flows from/(used in) investing activities		(26,193,753,470)	16,480,948,408
Cash flows from financing activities (C)			
Issuance of perpetual bond		3,340,000,000	-
Coupon/dividend paid on perpetual bond		(25,016,438)	-
Adjustment of subordinated non-convertible bond		(2,600,000,000)	(1,600,000,000)
Payments for lease liability		(410,573,674)	(419,543,010)
Dividend paid (cash dividend)		(1,748,860,290)	(1,165,906,860)
Net cash flows from/(used in) financing activities		(1,444,450,402)	(3,185,449,870)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(11,523,698,999)	31,049,435,111
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		81,056,909,851	50,007,474,740
Cash and cash equivalents at the end of the year		69,533,210,852	81,056,909,851
Cash and cash equivalents:			
Cash		4,087,822,688	3,609,634,979
Balance with Bangladesh Bank and its agent bank(s)		21,709,414,541	29,755,447,083
Balance with other banks and financial institutions		39,983,468,523	41,288,613,589
Money at call and on short notice		3,750,000,000	6,400,000,000
Prize bonds		2,505,100	3,214,200
		69,533,210,852	81,056,909,851

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

				
Chairman	Director	Director	Director	President and Managing Director

Bank Asia Limited and its subsidiaries

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	General and other Reserve	Foreign currency translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance as at 01 January 2021	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	856,701	1,918,254,038	27,208,388,428	10,198	27,208,398,627
Transferred during the year	-	881,347,196	-	-	-	(881,347,196)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	-	(1,565,086,073)	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(1,835,153)	(1,835,153)	-	(1,835,153)
Foreign currency translation for the year	-	-	-	-	(95,460)	-	(95,460)	-	(95,460)
Transferred to General and other reserve	-	-	-	150,947	-	(150,947)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,728,270,203	2,728,270,203	76	2,728,270,279
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360
Transferred during the year	-	1,024,556,060	-	-	-	(1,024,556,060)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	-	11,617,499	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for the year	-	-	-	-	(29,978,963)	-	(29,978,963)	-	(29,978,963)
Transferred to General and other reserve	-	-	-	1,609,440	-	(1,609,440)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(25,016,438)	(25,016,438)	-	(25,016,438)
Net profit for the year	-	-	-	-	-	3,052,330,470	3,052,330,470	11	3,052,330,481
Balance as at 31 December 2022	11,659,068,600	11,750,000,000	2,117,047,124	9,926,531	(29,217,722)	2,957,002,831	28,463,827,363	10,285	28,463,837,649

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


Chairman


Director


Director


Director


President and Managing Director

Bank Asia Limited

Balance Sheet

as at 31 December 2022

Amount in Taka

	Notes	31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS			
Cash		25,797,153,695	33,364,884,587
In hand (including foreign currencies)	4.1	4,087,739,154	3,609,437,504
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	21,709,414,541	29,755,447,083
Balance with other banks and financial institutions		39,580,907,052	40,361,469,795
In Bangladesh	5.1	37,117,023,982	38,950,215,157
Outside Bangladesh	5.2	2,463,883,070	1,411,254,638
Money at call and on short notice	6	3,750,000,000	6,400,000,000
Investments	7	102,849,109,937	77,021,190,521
Government		94,746,403,719	70,690,287,923
Others		8,102,706,218	6,330,902,598
Loans and advances/investments	8	277,870,358,403	262,266,701,765
Loans, cash credits, overdrafts, etc/investments		254,502,783,718	234,243,717,970
Bills purchased and discounted		23,367,574,685	28,022,983,795
Fixed assets including premises, furniture and fixtures	9	5,615,910,981	6,039,141,904
Other assets	10	12,937,503,504	12,839,899,861
Non - banking assets		-	-
Total assets		468,400,943,572	438,293,288,433
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	51,024,080,743	47,836,151,368
Subordinated non-convertible and perpetual bonds	11 (aa)	9,340,000,000	8,600,000,000
Deposits and other accounts	12	337,695,417,437	317,782,434,902
Current/Al-wadeeah current accounts and other accounts		68,376,440,602	63,650,371,768
Bills payable		4,167,914,951	3,978,312,853
Savings bank/Mudaraba savings bank deposits		78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits		186,338,181,123	170,941,701,491
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	41,701,194,297	36,718,063,544
Total liabilities		439,760,692,477	410,936,649,814
Capital/shareholders' equity			
Total shareholders' equity		28,640,251,095	27,356,638,619
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	10,725,443,940
General and other reserve	15.1	8,166,144	8,166,144
Revaluation reserve	16	2,117,047,124	2,159,144,877
Retained earnings	17	3,105,969,227	2,804,815,058
Total liabilities and shareholders' equity		468,400,943,572	438,293,288,433

Balance Sheet

Amount in Taka

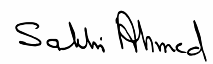
	Notes	31 Dec 2022	31 Dec 2021
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	151,805,089,469	170,920,906,518
Acceptances and endorsements		57,460,996,543	62,539,512,475
Letters of guarantee		38,212,129,085	37,395,583,594
Irrevocable letters of credit		28,775,250,089	46,608,780,719
Bills for collection		27,356,713,752	24,377,029,730
Other contingent liabilities		-	-
Other commitments		1,758,182,995	3,044,625,874
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		1,758,182,995	3,044,625,874
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		153,563,272,464	173,965,532,392

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488



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

Bank Asia Limited

Profit and Loss Account

for the year ended 31 December 2022

Amount in Taka

	Notes	31 Dec 2022	31 Dec 2021
OPERATING INCOME			
Interest income	20	20,423,046,139	18,340,772,912
Interest paid on deposits and borrowings, etc	21	14,916,319,233	12,700,889,562
Net interest income		5,506,726,906	5,639,883,350
Investment income	22	6,270,764,596	6,848,834,433
Commission, exchange and brokerage	23	7,316,183,898	3,168,386,253
Other operating income	24	1,138,685,128	1,036,304,780
		14,725,633,622	11,053,525,466
Total operating income (A)		20,232,360,528	16,693,408,816
OPERATING EXPENSES			
Salaries and allowances	25	5,045,556,865	3,870,113,954
Rent, taxes, insurance, electricity, etc	26	578,252,761	480,758,487
Legal expenses	27	25,413,828	16,556,291
Postage, stamp, telecommunication, etc	28	153,111,892	118,317,263
Stationery, printing, advertisements, etc	29	174,289,799	116,093,929
Managing Director's salary and fees	30	18,854,125	20,401,265
Directors' fees	31	3,024,000	4,040,000
Auditors' fees	32	955,000	977,625
Depreciation and repairs of Bank's assets	33	955,559,563	866,249,276
Other expenses	34	2,582,537,751	2,007,368,660
		9,537,555,584	7,500,876,750
Total operating expenses (B)		9,537,555,584	7,500,876,750
Profit before provision (C=A-B)		10,694,804,944	9,192,532,066
Provision for loans and advances/investments			
General provision		2,467,292,000	(1,112,892,000)
Specific provision		1,726,641,239	5,263,688,085
	13.2	4,193,933,239	4,150,796,085
Provision for off-balance sheet items	13.3	(295,000,000)	485,000,000
Provision for diminution in value of investments	13.7	-	-
Other provisions	13.8	250,000,000	150,000,000
	34(b)	4,148,933,239	4,785,796,085
Total provision (D)		4,148,933,239	4,785,796,085
Total profit before tax (C-D)		6,545,871,705	4,406,735,981
Provision for taxation			
Current tax	13.5.1	3,500,000,000	1,700,000,000
Deferred tax	13.5.2	-	-
		3,500,000,000	1,700,000,000
Net profit after tax		3,045,871,705	2,706,735,981
Appropriations			
Statutory reserve	15	1,024,556,060	881,347,196
Coupon/dividend on perpetual bond		25,016,438	-
General and other reserve		-	-
		1,049,572,498	881,347,196
Retained surplus		1,996,299,207	1,825,388,785
Earnings Per Share (EPS)	37	2.61	2.32

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488

Sabbir Ahmed.

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

Bank Asia Limited

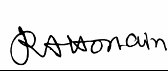
Cash Flow Statement

for the year ended 31 December 2022

	Notes	31 Dec 2022	31 Dec 2021
Cash flows from operating activities (A)			
Interest receipts		26,871,086,472	22,653,460,186
Interest payments		(15,543,994,302)	(13,463,183,262)
Dividends receipts		88,244,680	136,087,793
Fees and commission receipts		7,316,183,898	3,168,386,253
Recoveries on loans previously written off		347,148,119	287,429,432
Cash payment to employees		(5,001,178,311)	(3,691,182,824)
Cash payment to suppliers		(291,509,279)	(211,495,406)
Income tax paid		(2,498,150,041)	(1,215,831,944)
Receipts from other operating activities	35	1,192,431,104	3,304,643,071
Payments for other operating activities	36	(3,362,149,357)	(2,648,419,591)
Operating profit before changes in operating assets & liabilities		9,118,112,983	8,319,893,708
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,603,656,638)	(17,624,671,692)
Other assets		348,218,683	258,482,635
Deposits from customers and banks		19,912,982,535	14,754,328,542
Trading liabilities		3,187,929,375	11,864,296,427
Other liabilities		(386,603,576)	(406,708,893)
Net Increase/(decrease) in operating assets and liabilities		7,458,870,379	8,845,727,019
Net cash flows from operating activities		16,576,983,362	17,165,620,727
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(24,056,115,796)	19,351,841,699
Sale/(Purchase) of trading securities		(1,771,803,620)	(2,121,848,636)
(Purchase)/disposal of fixed assets including right-of-use assets		(303,616,279)	(463,213,899)
Net cash flows from/(used in) investing activities		(26,131,535,695)	16,766,779,164
Cash flows from financing activities (C)			
Issuance of perpetual bond		3,340,000,000	-
Coupon/dividend paid on perpetual bond		(25,016,438)	-
Adjustment of subordinated non-convertible bond		(2,600,000,000)	(1,600,000,000)
Payments for lease liability		(410,573,674)	(419,543,010)
Dividend paid (cash dividend)		(1,748,860,290)	(1,165,906,860)
Net cash flows from/(used in) financing activities		(1,444,450,402)	(3,185,449,870)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(10,999,002,735)	30,746,950,021
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		80,129,568,582	49,382,618,561
Cash and cash equivalents at the end of the year		69,130,565,847	80,129,568,582
Cash and cash equivalents:			
Cash		4,087,739,154	3,609,437,504
Balance with Bangladesh Bank and its agent bank(s)		21,709,414,541	29,755,447,083
Balance with other banks and financial institutions		39,580,907,052	40,361,469,795
Money at call and on short notice		3,750,000,000	6,400,000,000
Prize bonds		2,505,100	3,214,200
		69,130,565,847	80,129,568,582

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


Chairman


Director


Director


Director


President and Managing Director

Bank Asia Limited

Statement of Changes in Equity


for the year ended 31 December 2022

Amount in Taka


Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Retained earnings	Total
Balance as at 01 January 2021	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	2,091,617,881	27,380,895,571
Transferred during the year	-	881,347,196	-	-	(881,347,196)	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,706,735,981	2,706,735,981
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,166,144	2,804,815,058	27,356,638,619
Transferred during the year	-	1,024,556,060	-	-	(1,024,556,060)	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,748,860,290)	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	(25,016,438)	(25,016,438)
Net profit for the year	-	-	-	-	3,045,871,705	3,045,871,705
Balance as at 31 December 2022	11,659,068,600	11,750,000,000	2,117,047,124	8,166,144	3,105,969,227	28,640,251,095

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


Chairman


Director


Director


Director


President and Managing Director

Bank Asia Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2022

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	11,470,653,695	-	-	-	14,326,500,000	25,797,153,695
Balance with other banks and financial institutions	21,841,578,459	15,221,828,593	2,517,500,000	-	-	39,580,907,052
Money at call and on short notice	3,750,000,000	-	-	-	-	3,750,000,000
Investments	3,677,343,471	2,466,456,844	26,304,189,275	35,206,572,748	35,194,547,599	102,849,109,937
Loans and advances	45,332,866,964	42,258,538,345	77,497,087,280	94,466,027,863	18,315,837,951	277,870,358,403
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,615,910,981	5,615,910,981
Other assets	1,134,000,000	800,500,000	1,007,199,994	7,858,640,238	2,137,163,272	12,937,503,504
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	87,206,442,589	60,747,323,782	107,325,976,549	137,531,240,849	75,589,959,803	468,400,943,572
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	8,898,500,000	17,119,500,000	19,885,382,546	9,375,311,234	5,085,386,963	60,364,080,743
Deposits	46,700,274,355	69,485,347,782	72,574,460,352	104,244,552,127	44,690,782,821	337,695,417,437
Provision and other liabilities	577,278,975	304,500,000	2,345,660,246	17,668,755,075	20,805,000,001	41,701,194,297
Total Liabilities (B)	56,176,053,330	86,909,347,782	94,805,503,144	131,288,618,436	70,581,169,785	439,760,692,477
Net Liquidity Excess/(Shortage) (A-B)	31,030,389,259	(26,162,024,000)	12,520,473,405	6,242,622,413	5,008,790,018	28,640,251,095


Chairman


Director


Director


Director


President and Managing Director

Bank Asia Limited

Notes to the financial statements

as at and for the year ended 31 December 2022

1. THE BANK AND ITS ACTIVITIES

1.1 Bank Asia Limited

Bank Asia Limited ("the Bank") is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994 (amended up to 2020), governed by the Bank Company Act 1991 (amended up to 2018). The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 135 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 14 Sub branches and 218 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

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

The registered office of the Bank is situated at Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka

1.2 Principal activities

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

1.3 Islamic banking unit

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

1.4 Off-shore banking unit

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

1.5 Bank Asia Securities Limited

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

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

1.6 BA Exchange Company (UK) Limited

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

1.7 BA Express USA inc

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

Notes to the financial statements

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

i) Presentation of financial statements

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

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

ii) Investment in shares and Securities

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

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

iii) Revaluation gain/loss on Government securities

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

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

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

iv) Provision on loans and advances

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

Notes to the financial statements

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November, 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, as per BRPD circular no. 14 dated September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision @ 1% should be provided for off-balance sheet exposures. As per BRPD circular no. 56 dated December 10, 2020, BRPD circular 50 dated December 21, 2021, BRPD circular 52 dated December 29, 2021 and BRPD circular 53 dated December 22, 2022, Special general provision COVID-19 has to maintained as per prescribed rate on all unclassified moratorium loan accounts.

v) **Other comprehensive income**

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

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

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

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

vii) **Repo transactions**

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

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

viii) **Financial guarantees**

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

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

ix) **Cash and cash equivalent**

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

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

x) **Non-banking asset**

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

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

xi) **Cash flow statement**

IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 7 of Statement of Cash Flows. The

Notes to the financial statements

presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

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

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

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

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

xiii) **Presentation of intangible asset**

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

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

xiv) **Off-balance sheet items**

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

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

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

xv) **Disclosure of appropriation of profit**

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

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

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

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

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

xvii) **Recognition of Interest in Suspense**

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

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

xviii) **Uniform Accounting Policy**

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

(Also refer to note 3.20 Compliance of IFRSs)

2.2 Basis of measurement

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

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

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS/ IFRS requires management to make judgments, estimates and

Notes to the financial statements

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

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

2.4 Foreign currency transactions

Functional and presentation currency

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

Foreign currency translation

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

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2022 have been converted into Taka currency at the revaluation rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2022 have been converted into Taka currency at the closing rate as on December 31, 2022 and profit and loss accounts have been converted into monthly average rate.

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

Commitment

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

Translation gain and losses

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

Foreign operations

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

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

2.5 Basis of consolidation

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

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

The consolidated financial statements have been prepared in accordance with International Accounting Standard 27: Separate Financial Statements and International Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31, 2022.

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

2.5.1 Subsidiaries of the Bank

A subsidiary company is one in which the parent company, Bank Asia Limited owns majority of its shares. As an owner of the subsidiary, the

Notes to the financial statements

Bank controls the activities of the subsidiary. Bank Asia Limited has three subsidiary companies as detailed below:

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

2.6 Cash flow statement

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

2.7 Statement of changes in equity

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

Investment in securities

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

Held to maturity

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

Held for trading

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

Revaluation

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

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

3.1.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are

Notes to the financial statements

reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

3.1.4 Investment in unquoted securities

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

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

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

3.1.5 Investment in subsidiary

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

3.1.6 Loans and advances/investments

- Loans and advances/investments are stated in the balance sheet on gross basis.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020, Bangladesh Bank BRPD circular no. 56 dated 10 December 2020, BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021, Bangladesh Bank BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022.

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

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	House finance	0%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	2%	2%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	--	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

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

- Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.
- The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2022 total outstanding amount was Tk. 3,022.66 million as per the terms and conditions of the said circular. These facilities are now under Solenama (Compromise Agreement submitted before the Court) and reported as unclassified. An amount of Tk. 2,674.02 million has been kept Provision against the mentioned restructured loan facilities.

Notes to the financial statements

- g) In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 4,151.40 million which have not been reported under classification as at 31 December 2022 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 2,707.64 million has been kept as general provision against those customers.
- h) As per Bangladesh Bank letter reference no DBI-3/120/2023-508 dated March 16, 2023 provision against loan under stay order and solenama for Tk.3,130.80 mln and Tk.2,746.70 mln respectively will have to transfer from General provision to specific provision by next 3 years equally.

3.1.7 Impairment of financial assets

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

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

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

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

3.1.8 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

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

Subsequent costs

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

Depreciation

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

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

Notes to the financial statements

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

Construction work in progress/Building under Construction

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

Intangible Asset

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

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

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

3.1.9 Leased assets

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

3.1.10 Impairment of fixed assets

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

3.1.11 Investment properties

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

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

3.1.12 Other assets

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

3.1.13 Inventories

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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

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

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

3.2.3 Other liabilities

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

3.3 Capital/shareholders' equity

Authorised capital

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

Paid-up capital

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

Statutory reserve

As per section 24 of the Bank Company Act 1991 (amended upto 2020) Statutory reserve has to be maintained @ 20% of profit before tax equal to its paid-up capital together with the share premium. Bank has maintained adequate reserve in this regard.

Revaluation reserve

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

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

Non-controlling (minority) interest

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

3.4 Contingent liabilities

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

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

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

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

3.5 Memorandum items

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

3.6 Revenue recognition

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

Interest income

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

Profit on investment (Islamic Banking)

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

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.

Notes to the financial statements

Interest and fees receivable on credit cards

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

Fees and commission income

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

Dividend income on shares

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

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

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

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

Other operating expenses

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

3.7 Employee benefits

3.7.1 Provident Fund

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

3.7.2 Gratuity Fund

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

3.7.3 Superannuation Fund

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

3.7.4 Hospitalisation insurance

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

3.7.5 Worker's Profit Participation Fund

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

3.8 Provision for off-balance sheet exposures

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

3.9 Provision for nostro accounts

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

3.10 Taxation

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

Current tax

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

Deferred tax

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

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

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

3.11 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as per International Accounting Standard (IAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share if issued. Details are in note 37.

Basic earnings

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

Weighted average number of ordinary shares

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

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

Diluted earnings per share

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

3.12 Reconciliation of inter-bank/inter-branch account

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

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

3.13 Risk Management at Bank Asia Ltd.

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

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

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

SI	Core Risk Guideline of BB	Basel Accord	Pillar
1	Credit Risk	Credit Risk	Pillar - I
2	Foreign Exchange Risk	Market Risk	
3	Asset Liability Risk	Operational Risk	

Notes to the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

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

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

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

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

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

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

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

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

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

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

3.14 Events after reporting period

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

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

3.15 Related party disclosures

A party is related to the company if:

- directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- the party is an associate;

Notes to the financial statements

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

3.16 Directors' responsibilities on statement

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

3.17 Segment Reporting

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

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

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

3.18 Changes in Accounting Policies

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

3.19 IFRS 15 - Revenue from Contract with Customers

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

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

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

Notes to the financial statements

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

3.21 New and amended standards and interpretations:

IFRS 16 Leases

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

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

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

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

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

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

3.22 Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

3.23 Approval of financial statements

The financial statements were approved by the Board of Directors on March 18, 2023.

3.24 General

- Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- These financial statements cover one calendar year from 01 January 2022 to 31 December 2022 .

Notes to the financial statements

Amount in Taka

	31-Dec-22	31-Dec-21
4 Cash		
4.1 In hand (including foreign currencies)		
Conventional and Islamic banking		
Local currency	4,041,388,667	3,539,059,798
Foreign currencies	46,350,487	70,377,706
	4,087,739,154	3,609,437,504
Off-shore banking unit	-	-
	4,087,739,154	3,609,437,504
4.1(a) Consolidated Cash in hand		
Bank Asia Limited	4,087,739,154	3,609,437,504
Bank Asia Securities Limited	107	15,772
BA Exchange Company (UK) Limited	56,806	152,086
BA Express USA, Inc	26,621	29,617
	4,087,822,688	3,609,634,979
4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Conventional and Islamic banking		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	19,189,473,087	28,539,674,106
Foreign currencies	1,273,154,979	177,295,618
	20,462,628,066	28,716,969,724
Balance with agent bank (Sonali Bank Limited)		
Local currency	1,246,786,475	1,038,477,359
Foreign currencies	-	-
	1,246,786,475	1,038,477,359
	21,709,414,541	29,755,447,083
Off-shore banking unit	-	-
	21,709,414,541	29,755,447,083
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bank Asia Limited	21,709,414,541	29,755,447,083
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	21,709,414,541	29,755,447,083

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991 (amended upto 2018), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020.

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

4.3.1 Cash Reserve Ratio (CRR)

Conventional and Offshore Banking

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

Amount in Taka

	31-Dec-22	31-Dec-21
i. Daily Bank's CRR maintenance:		
Required reserve	11,423,012,000	10,142,225,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	10,950,140,000	9,827,488,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	472,872,000	314,737,000
Actual reserve maintained	17,628,354,570	26,879,283,300
Surplus	6,205,342,570	16,737,058,300
ii. Fortnightly Bank's CRR maintenance:		
Required reserve	13,144,940,000	11,651,064,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	12,514,445,000	11,231,415,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	630,495,000	419,649,000
Actual reserve maintained (average)	14,133,731,537	18,662,500,550
Surplus	988,791,537	7,011,436,550
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (3.5% Demand and Time Liabilities)	1,033,956,000	849,063,000
Actual reserve maintained	1,354,725,000	1,508,216,000
Surplus	320,769,000	659,153,000
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (4% of Demand and Time Liabilities)	1,181,664,000	970,357,000
Actual reserve maintained (Average)	1,276,616,200	1,427,809,880
Surplus	94,952,200	457,452,880
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities		
Required reserve	44,770,167,000	39,229,815,000
Domestic Banking Operation	40,671,947,000	36,502,098,000
Offshore Banking Operation	4,098,220,000	2,727,717,000
Actual reserve maintained	99,411,433,685	85,607,466,650
Surplus	54,641,266,685	46,377,651,650
Islamic Banking		
5.5% of Average Demand and Time Liabilities		
Required reserve	1,624,788,000	1,334,241,000
Actual reserve maintained	4,547,233,354	4,923,863,000
Surplus	2,922,445,354	3,589,622,000
	57,563,712,039	49,967,273,650
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	4,031,316,800	3,478,701,790
Excess of CRR - Balance with Bangladesh Bank	4,483,414,567	15,228,219,300
Balance with agent bank (Sonali Bank Limited)	468,048,600	528,007,630
Government securities	90,426,148,618	66,369,323,730
Other securities	2,505,100	3,214,200
	99,411,433,685	85,607,466,650

Amount in Taka

	31-Dec-22	31-Dec-21
Islamic Banking		
Cash in hand	56,422,354	68,254,000
Excess of CRR - Balance with Bangladesh Bank	173,061,000	537,859,000
Government securities	4,317,750,000	4,317,750,000
Other securities	-	-
	4,547,233,354	4,923,863,000
	103,958,667,039	90,531,329,650

5. Balance with other banks and financial institutions

In Bangladesh

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

36,107,023,982	38,950,215,157
1,010,000,000	-
37,117,023,982	38,950,215,157

Outside Bangladesh

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

1,847,330,212	1,322,092,346
616,552,858	89,162,292
2,463,883,070	1,411,254,638
39,580,907,052	40,361,469,795

5.1 Conventional and Islamic banking-In Bangladesh

Current accounts

Agrani Bank Limited
Eastern Bank Limited
Janata Bank Limited
Rupali Bank Limited
Pubali Bank Limited
Standard Chartered Bank
Sonal Bank Limited
Trust Bank Limited

561,613,076	1,093,613,262
115,291,860	-
101,497,290	76,408,660
325,865,606	223,274,915
323,414,066	465,688,094
47,832,108	12,343,207
270,498,621	254,638,756
(49,858,209)	(25,145,046)
1,696,154,418	2,100,821,848

Short- notice deposit accounts

AB Bank Limited
Bank Alfalah Limited
Islami Bank Bangladesh Limited

602,564	593,860
1,719,995	9,168
192,805	190,281
2,515,364	793,309

Placements

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

33,188,354,200	34,798,600,000
1,220,000,000	2,050,000,000
34,408,354,200	36,848,600,000
36,107,023,982	38,950,215,157

5.1.1 Details of Placement with Banking companies(Local Currency)

EXIM Bank Limited
Jamuna Bank Limited
AB Bank Limited
NRB Commercial Bank Limited
Bengal Commercial Bank Limited
NCC Bank Limited
IFIC Bank Limited
NRB Bank Limited

5,000,000,000	4,100,000,000
-	3,000,000,000
-	5,000,000,000
-	800,000,000
-	250,000,000
-	2,900,000,000
2,500,000,000	2,500,000,000
250,000,000	500,000,000

Amount in Taka

	31-Dec-22	31-Dec-21
United Commercial Bank Limited	3,500,000,000	3,500,000,000
Sonali Bank Limited	-	500,000,000
One Bank Limited	2,000,000,000	2,000,000,000
Social Islami Bank Limited	2,200,000,000	-
Marcantile Bank Limited	3,000,000,000	-
Global Islami Bank Limited	500,000,000	-
Standard Bank Limited	2,750,000,000	4,000,000,000
	21,700,000,000	29,050,000,000

Details of Placement- with Banking companies (Foreign Currencies)

Mutual Trust Bank Limited	-	858,000,000
Islami Bank Bangladesh Limited	5,174,934,324	2,574,000,000
Modhumoti Bank Limited	413,994,746	343,200,000
Premier Bank Limited	1,034,986,865	858,000,000
Trust Bank Limited	1,034,986,865	257,400,000
Commercial Bank of Ceylon	-	858,000,000
Marcantile Bank Limited	517,493,432	-
Pubali Bank Limited	1,655,978,985	-
Southeast Bank Limited	517,493,432	-
The City Bank Limited	1,138,485,551	-
	11,488,354,200	5,748,600,000
	33,188,354,200	34,798,600,000

5.1.2 Details of Placement with Non-banking financial institutions

Delta Brac Housing Finance Corporation Limited	-	500,000,000
Investment Corporation of Bangladesh	1,070,000,000	1,400,000,000
Union Capital Limited	150,000,000	150,000,000
	1,220,000,000	2,050,000,000

5.2 Conventional and Islamic banking- Outside Bangladesh

Current accounts

Interest bearing:

Citibank NA, New York (USD)	887,996,838	615,462,873
Habib American Bank, New York	225,723,382	21,465,934
Mashreqbank PSC, New York (USD)	29,782,196	177,616,158
Wells Fargo Bank NA, New York (USD)	-	188,027,096
Zhejiang Chouzhou Commercial Bank (USD)	8,068,565	-
Zhejiang Chouzhou Commercial Bank (CNY)	22,396,916	-
	1,173,967,897	1,002,572,061

Non-interest bearing:

AB Bank Limited, Mumbai	15,420,960	37,520,250
AKTIF Bank, Istanbul -JPY	1,442,647	2,413,899
Al Rajhi Bank K.S.A	56,770,209	4,554,798
Axis Bank Ltd, Mumbai (ACU)	16,979,847	19,613,001
Bank of Sydney	5,905,713	945,640
Bank Alfalah Limited, Karachi Pak (ACU)	12,874,139	4,415,603
Bhutan National Bank Limited, Thimphu	5,894,157	35,671,239
Citibank N.A., London (GBP)	50,057,073	1,490,446
Commerzbank AG, Frankfurt (EURO)	5,255,696	8,386
Commerzbank AG, Frankfurt (USD)	14,444,095	4,442,535
Habib Metropolitan Bank Limited, Karachi	39,743,904	24,883,778
HDFC Bank, Mumbai	-	4,619,354
ICICI Bank Limited, Kowloon	9,519,691	4,755,562
ICICI Bank Limited, Mumbai	24,214,035	4,241,821

Amount in Taka

	31-Dec-22	31-Dec-21
JP Morgan Chase Bank N.A New York, U.S.A	-	8,901,430
Mashreqbank PSC, Dubai	31,300,466	3,833,343
Mashreqbank PSC, Mumbai (EURO)	889,403	787,294
Muslim Commercial Bank Limited, Colombo	8,536,503	6,334,019
Nepal Bangladesh Bank Limited, Kathmandu	7,753,453	1,511,272
Riyad Bank, Riyadh (SAR)	425,425	7,474
Standard Chartered Bank, Mumbai	136,168,284	127,094,715
Standard Chartered Bank, New York	199,197,607	12,672,697
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	10,734,092	6,061,530
Wells Fargo Bank NA, London (EURO)	10,622,519	439,276
Zurcher Kantonal Bank, Switzerland	9,212,397	2,300,923
	673,362,315	319,520,285
	1,847,330,212	1,322,092,346
Placement with Off-shore Banking Unit	21,950,000	6,256,185,000
Less: Inter-company transactions with OBU	(21,950,000)	(6,256,185,000)
	1,847,330,212	1,322,092,346
5.3 Maturity grouping of balance with other banks and financial institutions		
Up to 1 month	21,841,578,459	24,018,337,596
More than 1 month but not more than 3 months	15,221,828,593	16,343,132,199
More than 3 months but not more than 6 months	2,517,500,000	-
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	39,580,907,052	40,361,469,795
5(a) Consolidated Balance with other banks and financial institutions In Bangladesh		
Bank Asia Limited	37,117,023,982	38,950,215,157
Bank Asia Securities Limited	598,386,033	787,729,362
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	37,715,410,015	39,737,944,519
Less: Inter-company transactions	369,639,929	78,856,747
	37,345,770,086	39,659,087,772
Outside Bangladesh		
Bank Asia Limited	2,463,883,070	1,411,254,638
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	16,002,011	21,446,588
BA Express USA, Inc	157,813,356	196,824,591
	2,637,698,437	1,629,525,817
	39,983,468,523	41,288,613,589
6. Money at call and on short notice		
Call money Lending (Note 6.1)	-	6,400,000,000
Short Notice Lending (Note 6.2)	3,750,000,000	-
	3,750,000,000	6,400,000,000
6.1 Call Money Lending- with Banking companies:		
The City Bank Limited	-	3,000,000,000
Dhaka Bank Limited	-	2,000,000,000
Jamuna Bank Limited	-	1,010,000,000
Midland Bank Limited	-	200,000,000
NRB Commercial Bank Limited	-	190,000,000
	-	6,400,000,000

	31-Dec-22	31-Dec-21
6.2 Short Notice Lending		
One Bank Limited	750,000,000	-
Agrani Bank Limited	3,000,000,000	-
	<u>3,750,000,000</u>	<u>-</u>
6(a) Consolidated Money at call and on short notice		
Bank Asia Limited	3,750,000,000	6,400,000,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,750,000,000</u>	<u>6,400,000,000</u>
7. Investments		
Government (Note 7.1)	94,746,403,719	70,690,287,923
Others (Note 7.2)	8,102,706,218	6,330,902,598
	<u>102,849,109,937</u>	<u>77,021,190,521</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	94,746,403,719	70,690,287,923
Off-shore banking unit	-	-
	<u>94,746,403,719</u>	<u>70,690,287,923</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	11,706,975,787	15,758,002,455
Treasury bonds (Note 7.1.1.2)	83,036,922,832	54,929,071,268
Prize bonds	2,505,100	3,214,200
	<u>94,746,403,719</u>	<u>70,690,287,923</u>
7.1.1.1 Treasury bills		
91 days treasury bills	1,979,259,871	9,961,614,957
364 days treasury bills	9,727,715,916	5,796,387,498
	<u>11,706,975,787</u>	<u>15,758,002,455</u>
7.1.1.2 Treasury bonds		
Bangladesh Bank Govt Investment Sukuk	4,317,750,000	4,317,750,000
Bangladesh Bank Islamic bond	-	-
2 years Bangladesh Government treasury bonds	10,902,872,630	1,800,128,413
5 years Bangladesh Government treasury bonds	14,592,612,284	8,272,380,119
10 years Bangladesh Government treasury bonds	32,482,075,380	26,588,781,997
15 years Bangladesh Government treasury bonds	12,792,604,704	9,565,300,456
20 years Bangladesh Government treasury bonds	7,949,007,834	4,384,730,283
	<u>83,036,922,832</u>	<u>54,929,071,268</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	8,102,706,218	6,330,902,598
Off-shore banking unit	-	-
	<u>8,102,706,218</u>	<u>6,330,902,598</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	449,174,694	454,067,509
Unquoted share	104,645,029	173,948,594
	<u>553,819,723</u>	<u>628,016,103</u>
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB Ist Mutual Fund	149,665,000	149,665,000

Notes to the financial statements

Amount in Taka

	31-Dec-22	31-Dec-21
Ist Bangladesh Fixed Income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
EXIM Bank 1st Mutual Fund	119,221,495	119,221,495
	618,886,495	618,886,495
c) Bonds		
Non-Convertible Subordinated Bond - Premier Bank	500,000,000	500,000,000
Second Subordinated Bond - Mutual Trust Bank	80,000,000	80,000,000
Second Subordinated Bond - United Commercial Bank	-	60,000,000
Fourth Subordinated Bond - United Commercial Bank	1,000,000,000	1,000,000,000
Second Subordinated Mudaraba Bond - Social Islami Bank Limited	20,000,000	40,000,000
5 Year Preference Share - Meghna Cement Mills Ltd	700,000,000	700,000,000
5 Year Preference Share - Kushiara Power Co. Ltd	60,000,000	80,000,000
5 Year Preference Share - Summit LNG Terminal Co. (Pvt) Ltd	40,000,000	60,000,000
5 Year Preference Share - Summit Gazipur II Power Ltd	-	30,000,000
Perpetual Bond of Mutual Trust Bank Ltd	1,000,000,000	1,000,000,000
Perpetual Bond of United Commercial Bank	1,000,000,000	1,000,000,000
Perpetual Bond of Pubali Bank Ltd	1,000,000,000	-
Perpetual Bond of Shahjalal Islamic Bank Ltd	500,000,000	500,000,000
Perpetual Bond of Mercantile Bank Ltd	1,030,000,000	-
7 Year Preference Share - Summit Barishal Power Ltd	-	34,000,000
	6,930,000,000	5,084,000,000
	8,102,706,218	6,330,902,598
7.3 Investments classified as per Bangladesh Bank circular		
Held for trading (HFT)	40,371,740,071	19,536,956,394
Held to maturity (HTM)	50,054,408,547	46,832,367,330
Other securities	12,422,961,319	10,651,866,797
	102,849,109,937	77,021,190,521
7.4 Maturity-wise grouping		
On demand	3,677,343,471	1,361,355,389
Up to 3 months	2,466,456,844	13,132,239,857
More than 3 months but not more than 1 year	26,304,189,275	11,604,861,475
More than 1 year but not more than 5 years	35,206,572,748	29,011,452,079
More than 5 years	35,194,547,599	21,911,281,721
	102,849,109,937	77,021,190,521
7(a) Consolidated Investments		
Government		
Bank Asia Limited	94,746,403,719	70,690,287,923
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	94,746,403,719	70,690,287,923
Others		
Bank Asia Limited	8,102,706,218	6,330,902,598
Bank Asia Securities Limited	989,145,651	930,243,433
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	9,091,851,869	7,261,146,031
	103,838,255,588	77,951,433,954

	31-Dec-22	31-Dec-21
8 Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	254,502,783,718	234,243,717,970
Bills purchased and discounted (Note 8.2)	23,367,574,685	28,022,983,795
	<u>277,870,358,403</u>	<u>262,266,701,765</u>
8.1 Loans, cash credits, overdrafts, etc/investments		
Conventional and Islamic banking		
Inside Bangladesh		
Agricultural loan	4,937,948,904	4,214,162,268
Cash credit/Bai Murabaha (Muajjal)	5,303,713,589	6,078,813,107
Credit card	3,631,193,880	3,102,706,568
Credit for poverty alleviation scheme-micro credit	8,247,947	7,934,974
Consumer credit scheme	15,781,494,644	15,292,210,573
Demand loan	27,234,992,836	26,285,494,980
Export Development Fund (EDF)	21,663,457,255	23,507,498,252
House building loans	1,059,855,713	1,575,852,924
Loans (General)	39,417,520,074	23,546,626,257
Loan against trust receipts/ Bai Murabaha post import	14,331,955,769	11,094,981,464
Overdrafts/ Quard against scheme	32,110,440,520	33,590,107,929
Packing credit	928,694,041	708,453,691
Payment against documents	128,062,570	518,606,158
Staff loan	1,891,324,867	1,722,495,464
Transport loan	1,811,882,853	2,142,778,993
Term loan- industrial	26,527,284,618	30,259,129,196
Term loan- others	48,696,524,190	38,771,479,355
Loan under Covit-19 stimulus package	5,322,077,781	8,120,879,445
	<u>250,786,672,051</u>	<u>230,540,211,598</u>
Outside Bangladesh	-	-
	<u>250,786,672,051</u>	<u>230,540,211,598</u>
Off-shore banking unit	3,716,111,667	3,703,506,372
	<u>254,502,783,718</u>	<u>234,243,717,970</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	1,996,974,277	2,176,572,072
Off-shore banking unit	21,370,600,408	25,846,411,723
	<u>23,367,574,685</u>	<u>28,022,983,795</u>
8.3 Maturity-wise grouping		
Repayable on demand	45,332,866,964	36,115,079,761
Not more than 3 months	42,258,538,345	38,829,780,750
More than 3 months but not more than 1 year	77,497,087,280	95,411,314,079
More than 1 year but not more than 5 years	94,466,027,863	75,254,834,804
More than 5 years	18,315,837,951	16,655,692,371
	<u>277,870,358,403</u>	<u>262,266,701,765</u>
8.4 Net loans and advances/investments		
Gross loans and advances/investments	277,870,358,403	262,266,701,765
Less: Interest suspense (Note 13.4)	4,403,014,529	4,266,332,789
Provision for loans and advances/investments (Note 13.2 & 13.2.1)	19,610,000,001	16,017,708,000
	<u>24,013,014,530</u>	<u>20,284,040,789</u>
	<u>253,857,343,873</u>	<u>241,982,660,976</u>
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh		
Loans	217,088,629,609	194,574,796,934
Cash credits	5,303,713,589	6,078,813,107
Overdrafts	32,110,440,520	33,590,107,929
Bills purchased and discounted	22,868,897,540	27,256,319,759
	<u>277,371,681,258</u>	<u>261,500,037,729</u>

	31-Dec-22	31-Dec-21
Outside Bangladesh		
Bills purchased and discounted	498,677,145	766,664,036
	<u>277,870,358,403</u>	<u>262,266,701,765</u>

8.6 Significant concentration wise grouping

a) Directors	-	-
b) Chief Executive and other senior executives	186,676,000	209,931,000
i) Managing Director	-	1,329,000
ii) Other senior executives	186,676,000	208,602,000
c) Agriculture	7,409,100,000	5,936,200,000
d) Industry	138,477,182,403	136,528,970,765
Food Manufacturing	14,167,500,000	12,275,800,000
Beverage industry	244,600,000	227,100,000
RMG industry	33,951,900,000	38,369,200,000
Textile industry	24,298,900,000	29,541,500,000
Wood cork and allied products	46,600,000	49,600,000
Furniture and Fixture	313,400,000	383,400,000
Paper and paper products	5,024,400,000	4,939,500,000
Leather and leather products	3,157,300,000	2,036,100,000
Rubber products	4,577,700,000	2,409,600,000
Chemical and chemical products	916,200,000	1,122,400,000
Basic metal products	11,429,800,000	8,583,400,000
Electrical machinery and apparatus	3,499,300,000	3,519,800,000
Other manufacturing industries	23,045,982,403	22,980,970,765
Ship building	4,468,700,000	4,730,400,000
Ship breaking	1,435,100,000	1,749,200,000
Pharmaceutical	7,899,800,000	3,611,000,000
e) Constructions	8,404,000,000	9,489,200,000
f) Power, Gas, Water and Sanitary Services	13,914,800,000	9,459,500,000
g) Transport, Storage and Communication	2,532,900,000	1,964,100,000
h) Trade Services	51,879,200,000	46,140,100,000
i) Housing Services	18,448,600,000	19,312,400,000
j) Banking and Insurance	4,857,400,000	3,128,800,000
k) Professional and Misc. services	31,760,500,000	30,097,500,000
	<u>277,870,358,403</u>	<u>262,266,701,765</u>

8.7 Geographical location-wise grouping

Inside Bangladesh

Urban

Dhaka Division	212,858,089,190	199,574,087,997
Chittagong Division	27,903,420,779	25,995,891,326
Khulna Division	4,153,972,836	3,907,097,310
Rajshahi Division	3,038,661,247	2,973,242,892
Barisal Division	1,163,874,549	1,384,207,178
Sylhet Division	2,724,367,784	2,725,813,399
Rangpur Division	1,911,947,239	1,679,419,316
Mymensingh Division	538,365,075	545,044,603
	<u>254,292,698,699</u>	<u>238,784,804,021</u>

Rural

Dhaka Division	16,084,242,760	15,542,314,547
Chattogram Division	4,401,837,380	4,735,961,665
Khulna Division	219,965,396	170,404,312
Rajshahi Division	2,528,303,134	2,683,938,724
Barisal Division	17,079,600	5,218,794
Sylhet Division	319,901,321	344,059,702

Amount in Taka

	31-Dec-22	31-Dec-21
Mymensingh Division	6,330,113	-
	23,577,659,704	23,481,897,744
Outside Bangladesh	-	-
	277,870,358,403	262,266,701,765
8.8 Loans/investments including bills purchased and discounted covered by securities		
Collateral of movable/immovable assets	152,402,313,263	153,004,170,809
Local banks and financial institutions' guarantee	801,551,421	577,367,412
Foreign banks' guarantee	2,914,913	74,724,364
Export documents	12,463,791,786	9,017,657,507
Cash and quasi cash	7,486,439,032	6,617,808,566
Personal guarantee	65,968,492,454	43,505,398,795
Other securities	38,744,855,534	49,469,574,312
	277,870,358,403	262,266,701,765

8.9 Details of large loans/investments

As at 31 December 2022 there were nine (2021: thirteen) 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 46,111.11 million as at 31 December 2022 (Taka 41,370.38 million in 2021).

Details are shown in Annex E.

8.10 Particulars of loans and advances/investments

i)	Loans/investments considered good in respect of which the Bank is fully secured	173,157,010,416	169,291,728,658
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	65,968,492,454	43,505,398,795
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	38,744,855,534	49,469,574,312
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		277,870,358,403	262,266,701,765
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,891,324,867	1,722,495,464
vi)	Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii)	Maximum total amount of advances/investments, including temporary advances/ investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,891,324,867	1,722,495,464
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	23,367,574,685	28,022,983,795
x)	Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a)	Increase/(Decrease) of provision (specific)	3,227,463,001	3,169,800,000
	Amount of loan written off	1,148,594,130	2,907,147,407

Amount in Taka

	31-Dec-22	31-Dec-21
Amount realised against the loans previously written off	347,148,119	287,429,432
b) Provision kept against loans/investments classified as bad debts	10,517,463,001	7,290,000,000
c) Interest credited to interest suspense account	4,403,014,529	4,266,332,789
xi) Cumulative amount of written off loans/investments		
Balance as at 1 January	15,037,124,124	12,417,406,149
Loans written off during the year	1,148,594,130	2,907,147,407
Recovery against written off loans during the year	(347,148,119)	(287,429,432)
The amount of written off loans/investments for which law suit has been filed	<u>15,838,570,135</u>	<u>15,037,124,124</u>

8.11 Grouping as per classification rules

Unclassified:

Standard including staff loan	258,545,019,989	244,193,251,512
Special mentioned account	5,805,552,187	4,603,908,000
	<u>264,350,572,176</u>	<u>248,797,159,512</u>

Classified:

Sub-standard	775,378,765	1,323,898,042
Doubtful	252,963,345	331,193,208
Bad/loss	12,491,444,117	11,814,451,003
	<u>13,519,786,227</u>	<u>13,469,542,253</u>
	<u>277,870,358,403</u>	<u>262,266,701,765</u>

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2022	Base for provision	Required provision		
			%	Amount	
For loans and advances/Investments:					
Unclassified - general provision					
(Other than - SME financing, House building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA)					
	173,778,927,956	177,912,307,069	1% to 5%	7,892,690,860	7,170,568,307
Small and medium enterprise financing	37,308,067,222	37,308,067,222	0.25%	93,270,168	80,531,055
House building loan and loan for professional	14,148,123,833	14,148,123,833	1.00%	141,481,238	138,170,000
Loans to BH	1,277,177,296	1,277,177,296	2.00%	25,543,546	30,440,380
Consumer finance	5,371,589,840	5,371,589,840	2.00%	107,431,797	40,107,480
Special general provision COVID-19 (Note 13.2.1)				515,036,000	865,000,000
Staff loan	1,877,088,867	-	0%	-	-
				8,775,453,609	8,324,817,222
Special mentioned account	5,502,885,087	5,502,885,087	0.25% to 2%	48,223,127	32,274,415
Off-shore unit					
Unclassified loans (general)	24,784,044,975	24,784,044,975	1%	247,840,450	292,322,596
Special mentioned account	302,667,100	302,667,100	1%	3,026,671	3,176,585
				250,867,121	295,499,181
Classified - specific provision					
Sub-standard	775,378,765	936,837,000	20% / 5%	185,286,450	145,760,650
Doubtful	252,963,345	131,168,000	50% / 5%	62,054,650	112,235,200
Bad/loss	12,491,444,117	9,926,702,000	100%	10,047,506,000	7,027,830,150
				10,294,847,100	7,285,826,000
Provision required for loans and advances				19,369,390,957	15,938,416,818

Amount in Taka

	31-Dec-22	31-Dec-21
Total provision maintained (Note 13.2 & 13.2.1)		
Conventional and Islamic Banking	19,359,132,880	15,722,208,819
Off-shore Banking Unit	250,867,121	295,499,181
	<u>19,610,000,001</u>	<u>16,017,708,000</u>

8.13 Suits filed by the Bank (Branch wise details)

Aglabazar Branch	2,387,556	2,387,556
Agrabad Branch	2,873,481,656	2,873,491,656
Anderkilla Branch	2,105,865,747	2,195,895,747
Ashulia Branch	21,464,732	21,464,732
Bahadderhat Branch	132,136,030	111,845,930
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	318,921,660	311,255,111
Beanibazar Branch	5,584,770	5,584,770
Bhatiary Branch	660,445,959	642,665,261
Bogra Branch	170,398,283	170,554,742
BSMMU Branch	1,413,816	1,413,816
Credit Cards Department	111,093,844	94,264,014
CDA Avenue Branch	5,642,323,686	5,942,323,686
Chandragonj Branch	492,048	492,048
Chatkhil Branch	6,793,978	6,793,978
Corporate Branch	338,413,183	165,677,387
Cumilla Branch	85,994,850	85,994,850
Dhanmondi Branch	1,148,638,206	1,032,784,951
Donia Branch	46,946,884	46,946,884
Elephant Road	2,375,836	2,375,836
Gulshan Branch	2,310,582,804	2,310,582,804
Holy Family RCMCH Branch	83,100,828	83,100,828
Jaganathpur Branch	6,120,000	6,120,000
Jatrabari SME	1,185,818	1,185,818
Jessore Branch	84,479,555	84,479,555
Jurain SME Centre	941,349	-
Kamal Bazar Branch	162,756,513	315,335
Kazipara Branch	13,113,564	13,113,564
Khatunganj Branch	3,857,816,524	3,857,816,524
Khulna Branch	149,040,733	77,394,034
Konabari Branch	540,150	540,150
Lohagara Branch	20,729,905	-
Madhobdi Branch	136,591,869	136,591,869
Malkhanagar Branch	77,943,669	77,943,669
MCB Banani Branch	284,082,088	78,077,429
MCB Dilkusha Branch	1,244,731,875	1,244,731,875
MCB Sk. Mujib Road Branch	7,115,387,248	2,056,685,324
Mirpur Branch	41,099,588	41,099,588
Mitford Branch	300,047,766	300,047,766
Moghbaraz Branch	53,513,290	53,513,290
Mohakhali Branch	60,567,048	62,003,361
Moulavibazar Branch	52,108,011	52,108,011
Narayanganj Branch	164,074,196	164,074,196
North South Road Branch	1,676,659,883	1,676,659,883
Oxygen Moor Branch	8,085,887	8,088,887
Paltan Branch	70,216,500	70,216,500
Principal Office Branch	1,157,885,876	1,123,403,083
Progoti Sarani Branch	40,999,581	40,999,581
Rajshahi Branch	44,813,352	34,331,602

Amount in Taka

	31-Dec-22	31-Dec-21
Ramgonj SME/Agri Branch	13,655,636	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	1,208,503	1,208,503
Savar Branch	345,501	345,500
Scotia Branch	495,981,035	495,981,035
Shantingar Branch	1,514,802,312	-
Shantingar Islamic Window Branch	8,363,492	-
Station Road Branch	159,772,761	-
Strand Road Branch	24,059,970	24,059,970
Sylhet Main Branch	23,438,876	23,438,876
Sylhet Uposahar Branch	17,140,393	5,351,680
Sylhet Uposahar Islamic Window Branch	-	17,140,393
Tangail Branch	21,946,648	21,946,648
Tarail Branch	290,718	290,718
Tongi Branch	2,174,613	2,174,613
Uttara Branch	921,820,590	921,820,590
EPZ Branch	5,904,884	5,904,884
	<u>36,206,235,463</u>	<u>29,003,697,864</u>
8.14 Bills purchased and discounted		
Payable in Bangladesh	22,868,897,540	27,256,319,759
Payable outside Bangladesh	498,677,145	766,664,036
	<u>23,367,574,685</u>	<u>28,022,983,795</u>
8.15 Maturity-wise grouping of bills purchased and discounted		
Payable within 1 month	5,437,712,057	6,802,068,499
More than 1 month but less than 3 months	7,509,862,628	9,209,229,018
More than 3 months but less than 6 months	7,378,311,343	8,505,370,548
More than 6 months	3,041,688,657	3,506,315,730
	<u>23,367,574,685</u>	<u>28,022,983,795</u>
8(a) Consolidated Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	254,502,783,718	234,243,717,970
Bank Asia Securities Limited	3,977,674,827	4,244,364,917
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>258,480,458,545</u>	<u>238,488,082,887</u>
Less: Inter- companies transactions	1,256,565,786	1,511,582,711
	<u>257,223,892,759</u>	<u>236,976,500,176</u>
Bills purchased and discounted		
Bank Asia Limited	23,367,574,685	28,022,983,795
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>23,367,574,685</u>	<u>28,022,983,795</u>
	<u>280,591,467,444</u>	<u>264,999,483,971</u>
9 Fixed assets including premises, furniture and fixtures		
Conventional and Islamic banking (Note 9.1)	5,615,910,981	6,039,141,904
Off-shore banking unit	-	-
	<u>5,615,910,981</u>	<u>6,039,141,904</u>

	31-Dec-22	31-Dec-21
9.1 Conventional and Islamic banking		
Cost:		
Land	2,646,764,306	2,646,764,306
Building	3,278,306,682	3,251,439,208
Furniture and fixtures	1,842,692,785	1,503,933,814
Equipments	1,800,178,016	1,559,808,934
Computer and accessories	608,319,540	580,452,585
Motor vehicles	295,585,354	288,461,817
Intangible assets	24,000,000	24,000,000
Construction work in progress	10,000,000	359,745,396
Right-of-use assets	1,593,878,116	1,557,394,204
	12,099,724,799	11,772,000,264
Less: Accumulated depreciation	6,430,098,554	5,679,143,096
Adjustment of assets revaluation	53,715,264	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	5,615,910,981	6,039,141,904
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Bank Asia Limited	5,615,910,981	6,039,141,904
Bank Asia Securities Limited	85,357,425	102,516,206
BA Exchange Company (UK) Limited	156,944	179,831
BA Express USA, Inc	2,587,527	3,432,529
	5,704,012,877	6,145,270,470
10 Other assets		
Conventional and Islamic banking (Note 10.1)	12,908,706,898	12,811,253,032
Off-shore banking unit	28,796,606	28,646,829
	12,937,503,504	12,839,899,861
10.1 Conventional and Islamic banking		
Income generating other assets		
Investment in Bank Asia Securities Ltd - incorporated in Bangladesh	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited - incorporated in UK	37,815,000	34,515,000
Investment in BA Express USA Inc - incorporated in USA	99,358,272	82,368,000
	2,137,163,272	2,116,873,000
Non-income generating other assets		
Non-income generating other assets		
Income receivable (Note 10.2)	1,297,139,289	1,616,405,682
Stock of stamps	10,256,387	9,722,957
Stationery, printing materials, etc	82,341,632	73,675,553
Prepaid expenses	12,782,227	10,027,591
Deposits and advance rent	483,667,668	542,447,561
Receivable from capital market	79,310	-
Advances, prepayments and others (Note 10.3)	172,788,146	301,797,260
Advance income tax (Note 10.4)	7,468,535,415	7,340,978,300
Receivable against government	56,096,601	117,546,150
Sundry debtors	21,891,446	38,424,481
Branch adjustment account (Note 10.5)	760,545,993	101,585,147
Protested bills	123,764,671	108,197,853
Receivable from BA Exchange Company (UK) Limited	56,646,548	60,497,753
Receivable from BA Express USA Inc	200,189,787	350,836,788
Excise duty recoverable	23,149,530	20,567,980
Profit Receivable from Govt Investment Sukuk	1,668,976	1,668,976
	10,771,543,626	10,694,380,032
	12,908,706,898	12,811,253,032

	31-Dec-22	31-Dec-21
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10.2 Income receivable

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

10.3 Advances, prepayments and others

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

10.4 Advance income tax

Advance income tax represents the tax payment to the government exchequer. Advance income tax was adjusted against provision for taxation for the year 2017 and 2018 as the tax assessments have been finalized.

10.5 Branch adjustment accounts

This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2022 are given below:

Periods of Reconciliation	Number of responded entries (Debit)	Amount of responded entries (Taka)	Number of responded entries (Credit)	Amount of responded entries (Taka)
Up to 3 months	119	452,840,588	117	310,656,800
More than 3 months but within 6 months	9	28,878,904	3	15,419,113
More than 6 months but within 1 year	1	587		
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	129	481,720,079	120	326,075,913

10.6 Receivable from Government in connection with Rangs Properties:

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

10 (a) Consolidated Other assets

Bank Asia Limited	12,937,503,504	12,839,899,861
Bank Asia Securities Limited	452,050,976	441,051,132
BA Exchange Company (UK) Limited	3,404,588	11,470
BA Express USA, Inc	54,929,777	122,035,610
Foreign currency effect for subsidiaries	-	-
	13,447,888,845	13,402,998,073
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited	36,413,310	33,910,140
Investment in BA Express USA, Inc	96,960,000	81,456,000
Receivable from BA Exchange Company (UK) Limited	56,646,548	60,497,753
Receivable from BA Exchange USA, Inc.	200,189,787	350,836,788
	11,057,689,200	10,876,307,392

10(aa) Demutualization membership of Dhaka Stock Exchange

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

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

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

Amount in Taka

	31-Dec-22	31-Dec-21
11 Borrowings from other banks, financial institutions and agents		
Conventional and Islamic banking (Note 11.1)	25,313,872,546	25,054,077,570
Off-shore banking unit (Note 11.2)	25,732,158,197	29,038,258,798
Less: Adjustment with Head Office	(21,950,000)	(6,256,185,000)
	<u>51,024,080,743</u>	<u>47,836,151,368</u>
11.1 Conventional and Islamic banking		
In Bangladesh (Note 11.1.1)	25,313,872,546	25,054,077,570
Outside Bangladesh	-	-
	<u>25,313,872,546</u>	<u>25,054,077,570</u>
11.1.1 In Bangladesh		
Secured:	-	-
Un secured:		
Money at call and on short notice	-	-
Borrowings		
Bangladesh Bank Refinance	757,840,789	657,507,660
Covid-19 Stimulus PKG-Tk. 5000 Cr - Export	127,591,942	891,434,476
Refinance under Stimulus Package Tk. 5000 Cr - Agri	665,344,594	188,993,695
Refinance under Stimulus Package Tk. 3000 Cr - Agri	622,543,292	1,223,173,174
Bangladesh Bank Borrowing under IPPF- II Fund	1,431,345,451	951,128,000
Bangladesh Bank Borrowing under Long Term Financing Facilities (LTFF) scheme	288,107,038	337,150,038
SME Foundation Pre Finance	8,250,000	21,300,000
Bangladesh Bank Pre-Finance (SREUP)	87,362,500	32,501,823
Borrowing A/C (AGRI Taka 10)	302,794,616	193,857,516
Borrowing From Joyeeta Foundation	26,490,000	-
Export development fund	19,945,353,441	20,164,807,885
Bangladesh Bank Refinance Scheme for Pre Shipment Loan	234,620,000	45,000,000
BB Refinance for SPCSSECP	172,850,000	-
Bangladesh Bank Borrowing under CMSME Refinance (TL) SMESPD	53,330,000	-
Bangladesh Bank Borrowing under Green Transformation Fund (GTF)	428,668,883	127,223,303
Borrowing From SMEF for Stimulus Loan/Revolving Fund(Trem Loan)	161,380,000	220,000,000
	<u>25,313,872,546</u>	<u>25,054,077,570</u>
11.2 Borrowing at Off-shore banking unit		
Secured:	-	-
Un secured:		
Conventional Banking	27,270,000	6,258,960,250
International Finance Corporation	2,020,000,202	2,828,333,390
Borrowing - ECA	1,950,697,995	1,850,552,942
Yes Bank, Mumbai	505,000,000	169,700,000
SCB Singapore	1,515,000,000	848,500,000
National Bank of RAK, UAE	2,525,000,000	1,272,750,000
Bank Muscat, Oman	303,000,000	678,800,000
Abu Dhabi Commercial bank	-	1,272,750,000
Mashreq Bank, UAE	-	848,500,000
Axis Bank Limited, Singapore	-	1,272,750,000
Caixa Bank, Barcelona	7,342,700,000	2,800,050,000
Standard Chartered Bank, Thailand	505,000,000	848,500,000
HDFC, Gift City, Mumbai	1,010,000,000	848,500,000
Bank Muscat SAOG	2,525,000,000	-
Indusind Bank Limited	303,000,000	424,250,000
Commercial Bank of Dubai	-	1,272,750,000
State Bank of India, Hongkong	2,272,500,000	1,646,090,000
State Bank of India, Dubai	-	848,500,000
Nepal Bangladesh Bank Limited	757,500,000	-
The Commercial Bank, Qatar	-	424,250,000

Amount in Taka

	31-Dec-22	31-Dec-21
DBS Bank Singapore	696,900,000	2,621,865,000
Banca Valsabbina SCPA Vestone Italy	-	1,907,216
Emirates Islami Bank	463,590,000	-
Ajman Bank, U.A.E.	1,010,000,000	-
	<u>25,732,158,197</u>	<u>29,038,258,798</u>
11(aa) Consolidated Borrowings from other banks, financial institutions and agents		
Bank Asia Limited	51,024,080,743	47,836,151,368
Bank Asia Securities Limited	1,256,565,786	1,511,582,711
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>52,280,646,529</u>	<u>49,347,734,079</u>
Less: Inter-company transactions	<u>1,256,565,786</u>	<u>1,511,582,711</u>
	<u>51,024,080,743</u>	<u>47,836,151,368</u>
11(a) Subordinated non-convertible and perpetual bonds		
Subordinated Non-Convertible bond (Note 11(aa).1)	6,000,000,000	8,600,000,000
Perpetual bond (Note 11(aa) 2)	3,340,000,000	-
	<u>9,340,000,000</u>	<u>8,600,000,000</u>
11(aa).1 Subordinated Non-Convertible Bonds		
Subordinated Non-Convertible floating rate bond		
Agrani Bank Limited	-	40,000,000
BRAC Bank Limited	-	20,000,000
Janata Bank Limited	-	50,000,000
Mercantile Bank Limited	-	100,000,000
One Bank Limited	-	120,000,000
Pubali Bank Limited	-	50,000,000
Rupali Bank Limited	-	120,000,000
Sonali Bank Limited	-	100,000,000
	-	<u>600,000,000</u>
Subordinated Non-Convertible floating rate bond - 2		
Agrani Bank Limited	100,000,000	150,000,000
Dhaka Bank Limited	300,000,000	450,000,000
Janata Bank Limited	100,000,000	150,000,000
National Life Insurance Co	200,000,000	300,000,000
Pubali Bank Limited	400,000,000	600,000,000
Sabinco	60,000,000	90,000,000
Sadharan Bima Corporation	40,000,000	60,000,000
Sonali Bank Limited	400,000,000	600,000,000
Southeast Bank Limited	200,000,000	300,000,000
Uttara Bank Limited	200,000,000	300,000,000
	<u>2,000,000,000</u>	<u>3,000,000,000</u>
Subordinated Non-Convertible floating rate bond - 3		
Agrani Bank Limited	2,000,000,000	2,500,000,000
Eastern Bank Limited	800,000,000	1,000,000,000
Trust Bank Limited	400,000,000	500,000,000
Dutch-Bangla Bank Limited	400,000,000	500,000,000
Pubali Bank Limited	400,000,000	500,000,000
	<u>4,000,000,000</u>	<u>5,000,000,000</u>
	<u>6,000,000,000</u>	<u>8,600,000,000</u>
11(aa).2 Perpetual bond		
Institutional subscriber:		
NCC Bank Limited	1,300,000,000	-
Trust Bank Limited	110,000,000	-
Jamuna Bank Limited	730,000,000	-

	31-Dec-22	31-Dec-21
Southeast Bank Limited	500,000,000	-
NRB Bank Limited	200,000,000	-
	2,840,000,000	-
Individual subscriber	500,000,000	-
	3,340,000,000	-

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

Payable on demand	8,898,500,000	9,556,600,000
Up to 1 month	-	-
More than 1 month but within 3 months	17,119,500,000	20,385,600,000
More than 3 months but within 1 year	19,885,382,546	13,585,300,000
More than 1 year but within 5 years	9,375,311,234	6,000,000,000
More than 5 years	5,085,386,963	6,908,651,368
	60,364,080,743	56,436,151,368

11.4 Disclosure regarding REPO

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

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

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

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

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
	National Bank Limited	29-Dec-22	1-Jan-23	5,946,565,451
	National Bank Limited	29-Dec-22	4-Jan-23	4,807,920,689
	National Bank Limited	29-Dec-22	5-Jan-23	3,977,788,878
	Janata Bank	29-Dec-22	5-Jan-23	2,232,189,100
	Agrani Bank	29-Dec-22	5-Jan-23	6,934,775,662
Total				23,899,239,780

b Disclosure regarding overall transaction of REPO & Reverse REPO

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

12 Deposits and other accounts

Conventional and Islamic banking (Note 12.1)	336,694,572,297	317,156,734,094
Off-shore banking unit	1,000,845,140	625,700,808
	337,695,417,437	317,782,434,902

Deposits and other accounts

Current/AI-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	67,482,882,465	63,079,802,314
Off-shore banking unit	893,558,137	570,569,454
	68,376,440,602	63,650,371,768

Bills payable

Deposits from banks	-	-
Deposits from customers	4,167,914,951	3,978,312,853
	4,167,914,951	3,978,312,853

	31-Dec-22	31-Dec-21
Savings bank/Mudaraba savings bank deposits		
Deposits from banks	-	-
Deposits from customers	78,812,880,761	79,212,048,790
	78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits		
Deposits from banks	12,597,265	4,400,007
Deposits from customers	186,218,296,855	170,882,170,130
Off-shore banking unit	107,287,003	55,131,354
	186,338,181,123	170,941,701,491
	337,695,417,437	317,782,434,902
12.1 Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)	12,597,265	4,400,007
Deposits from customers (Note 12.1.2)	336,681,975,032	317,152,334,087
	336,694,572,297	317,156,734,094
12.1.1 Deposits from banks		
Fixed deposit/SND		
AB Bank Limited	39,176	39,525
EXIM Bank Limited	11,352,208	3,168,780
Social Islami Bank Limited	601,789	594,714
Trust Bank Limited	604,092	596,988
	12,597,265	4,400,007
12.1.2 Deposits from customers		
Current/AI-wadeeah current accounts and other accounts (Note 12.1.2a)	67,482,882,465	63,079,802,314
Bills payable (Note 12.1.2b)	4,167,914,951	3,978,312,853
Savings bank/Mudaraba savings deposits	78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	186,218,296,855	170,882,170,130
	336,681,975,032	317,152,334,087
12.1.2a Current/AI-wadeeah current accounts and other accounts		
Current/AI-wadeeah current accounts	24,733,889,452	25,695,837,784
Other demand deposit - Local currency	27,135,833,840	25,236,668,844
Other demand deposit - Foreign currencies	11,915,052,012	9,037,394,275
Foreign currency deposits	3,665,056,408	3,089,917,288
Unclaimed cash dividend	33,050,753	19,984,123
Export retention quota	-	-
	67,482,882,465	63,079,802,314
Less : Inter transaction between OBU and Conventional Banking	-	-
	67,482,882,465	63,079,802,314
12.1.2b Bills payable		
Bills payable - local currency	4,124,475,067	3,948,826,436
Bills payable - foreign currencies	43,439,884	29,486,417
Demand draft	-	-
	4,167,914,951	3,978,312,853
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	120,572,168,795	104,635,816,104
Special notice deposit	27,292,815,442	26,535,531,471
Foreign currency deposits (interest bearing)	4,075,058	3,408,303
Deposit under schemes	38,349,237,560	39,707,414,252
	186,218,296,855	170,882,170,130

	31-Dec-22	31-Dec-21
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	25,660,498,342	26,286,391,361
Savings bank/Mudaraba savings deposits	7,093,159,268	7,129,084,391
Foreign currency deposits (non interest bearing)	15,580,108,420	12,127,311,563
Sundry deposits	27,135,833,840	25,236,668,844
Bills payable	4,167,914,951	3,978,312,853
	<u>79,637,514,821</u>	<u>74,757,769,012</u>
b) Time deposits		
Savings bank/Mudaraba savings deposits	71,719,721,493	72,082,964,399
Fixed deposits/Mudaraba fixed deposits	120,692,053,063	104,695,347,465
Foreign currency deposits (interest bearing)	4,075,058	3,408,303
Special notice deposit	27,292,815,442	26,535,531,471
Deposits under schemes	38,349,237,560	39,707,414,252
	<u>258,057,902,616</u>	<u>243,024,665,890</u>
	<u>337,695,417,437</u>	<u>317,782,434,902</u>
12.3 Sector-wise break-up of deposits and other accounts		
Government	5,410,770,000	6,739,566,000
Deposit from banks	12,597,265	4,400,007
Other public	1,782,720,000	2,817,600,000
Foreign currencies	16,628,468,502	12,785,907,091
Private	313,860,861,670	295,434,961,804
	<u>337,695,417,437</u>	<u>317,782,434,902</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	12,597,265	4,400,007
Up to 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>12,597,265</u>	<u>4,400,007</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	2,697,408,067	2,450,300,000
Up to 1 month	42,388,296,755	51,472,508,259
Over 1 month but within 6 months	66,919,405,099	65,587,221,075
Over 6 months but within 1 year	72,574,460,352	76,919,122,518
Over 1 year but within 5 years	104,244,552,127	96,243,094,716
Over 5 years	44,690,782,821	21,127,475,475
	<u>333,514,905,221</u>	<u>313,799,722,042</u>
12.4.3 Bills payable		
Payable on demand	446,038,758	673,200,000
Up to 1 month	1,155,933,510	1,075,700,000
Over 1 month but within 6 months	2,565,942,683	2,229,412,853
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>4,167,914,951</u>	<u>3,978,312,853</u>
	<u>337,695,417,437</u>	<u>317,782,434,902</u>

	31-Dec-22	31-Dec-21
12(a) Consolidated Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Bank Asia Limited	68,376,440,602	63,650,371,768
Bank Asia Securities Limited	527,347,378	721,351,710
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	68,903,787,980	64,371,723,478
Less: Inter-company transactions	369,639,929	78,856,747
	68,534,148,051	64,292,866,731
Bills payable		
Bank Asia Limited	4,167,914,951	3,978,312,853
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	4,167,914,951	3,978,312,853
Savings bank/Mudaraba savings bank deposits		
Bank Asia Limited	78,812,880,761	79,212,048,790
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits		
Bank Asia Limited	186,338,181,123	170,941,701,491
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	186,338,181,123	170,941,701,491
	337,853,124,886	318,424,929,865
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	41,692,136,095	36,714,295,934
Off-shore banking unit	9,058,202	3,767,610
	41,701,194,297	36,718,063,544
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.2)	19,080,000,001	15,152,708,000
Special general provision COVID-19 (Note 13.2.1)	530,000,000	865,000,000
Provision on off-balance sheet exposures (Note 13.3)	1,195,000,000	1,490,000,000
Interest suspense account (Note 13.4)	4,403,014,529	4,266,332,789
Provision for income tax including deferred tax (Note 13.5)	11,861,337,770	10,656,414,519
Provision for performance and festival bonus	475,942,033	431,563,479
Master card and Visa card payables	78,626,366	9,734,798
Expenditures and other payables	1,060,920,482	1,299,566,096
Provision for nostro accounts (Note 13.6)	-	-
Other payable	235,635,266	114,911,276
Provision for profit equalization	24,240,856	35,167,287
Provision for diminution in value of shares (Note 13.7)	363,383,553	363,383,553
Payable to Government	7,607,621	4,657,621
Provision for others (Note 13.8)	690,572,690	440,572,690
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	806,303,263	896,430,689
Interest payable on subordinated non-convertible zero coupon bond	91,575,615	151,321,370
Fraction Bonus Share	1,608,744	1,608,744
Nostro account credit balance	377,278,975	-
Lease liabilities (Note 13.9)	341,388,331	467,223,023
	41,692,136,095	36,714,295,934

Amount in Taka

	31-Dec-22	31-Dec-21
13.2 Provision for loans and advances/investments		
General provision		
Conventional and Islamic:		
Balance as at 1 January	7,567,208,819	8,805,019,752
Add: Provision made during the year	2,846,924,060	-
Less: Provision no longer required	-	1,237,810,933
Less: Transfer to Specific Provision	(2,102,463,000)	-
Balance as at 31 December	8,311,669,879	7,567,208,819
Off-shore Banking Unit (OBU):		
Balance as at 1 January	295,499,181	184,980,248
Add: Provision made during the year	-	110,518,933
Less: Provision no longer required	(44,632,060)	-
Balance as at 31 December	250,867,121	295,499,181
A. Total general provision on loans and advances/investments	8,562,537,000	7,862,708,000
Specific provision		
Conventional and Islamic:		
Balance as at 1 January	7,290,000,000	4,120,200,000
Add/ Back: Recoveries of amounts previously written off	347,148,119	287,429,432
Specific provision made during the year	1,726,641,239	5,263,688,085
Transfer from General Provision	2,102,463,000	-
Less: Write off/amicable settlement during the year	(948,789,357)	(2,381,317,517)
Balance as at 31 December	10,517,463,001	7,290,000,000
Off-shore Banking Unit (OBU):		
Balance as at 1 January	-	-
Add: Provision made during the year	-	-
Less: Provision no longer required	-	-
Balance as at 31 December	-	-
B. Total Specific provision on loans and advances/investments	10,517,463,001	7,290,000,000
C. Total provision on loans and advances/investments (A+B)	19,080,000,001	15,152,708,000
13.2.1 Special general provision COVID-19		
Balance as at 1 January	865,000,000	850,600,000
Add: Provision made during the year	62,014,669	435,000,000
Less: Provision no longer required	397,014,669	420,600,000
Balance as at 31 December	530,000,000	865,000,000
Special general provision COVID-19 is maintained as per BRPD circular letter no. 56 dated December 10, 2020 and BRPD circular letter no. 53 dated December 30, 2021, and BRPD circular 53 dated December 22, 2022.		
13.3 Provision on off-balance sheet exposures		
Balance at 1 January	1,489,834,144	1,004,645,275
Add: Provision made during the year	-	485,188,869

Amount in Taka

	31-Dec-22	31-Dec-21
Less: Adjustments made during the year	1,489,834,144	1,489,834,144
Balance at the end of the year	(295,399,362)	-
	1,194,434,782	1,489,834,144
Provision maintained for OBU as at 01 January	165,856	354,725
Add: Provision made during the year	399,362	-
Less: Adjustments made during the year	-	(188,869)
	565,218	165,856
Balance at the end of the year	1,195,000,000	1,490,000,000

As per BRPD Circular No. 07, dated 21 June 2018 and BRPD Circular No. 13, dated 18 October 2018 no no provision is required for bills for collection and for counter guarantee provision is maintained based on BB rating grade.

13.4 Interest suspense account

Balance at 1 January	4,266,332,789	4,341,502,178
Add: Amount transferred to interest suspense" account during the year	2,070,004,711	3,023,428,291
	6,336,337,500	7,364,930,469
Less: Amount of interest suspense recovered	1,784,029,284	2,749,605,348
Interest waiver during the year	149,293,687	348,992,332
	1,933,322,971	3,098,597,680
Balance as at 31 December	4,403,014,529	4,266,332,789

13.5 Provision for taxation

Current tax (Note 13.5.1)	11,389,316,405	10,184,393,154
Deferred tax (Note 13.5.2)	472,021,365	472,021,365
	11,861,337,770	10,656,414,519

13.5.1 Provision for current tax

Balance at 1 January	10,184,393,154	8,484,393,154
Add: Provision made during the year	3,500,000,000	1,700,000,000
	13,684,393,154	10,184,393,154
Less: Adjustments made during the year	2,295,076,749	-
Balance as at 31 December	11,389,316,405	10,184,393,154

13.5.1(a) Consolidated Provision for current tax

Balance as at 1 January	10,479,561,029	8,726,745,036
Add: Provision made during the year		
Bank Asia Limited	3,500,000,000	1,700,000,000
Bank Asia Securities Limited	67,972,708	94,735,436
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	3,567,972,708	1,794,735,436
	14,047,533,737	10,521,480,472
Less: Adjustments made during the year		
Bank Asia Limited	2,295,076,749	-
Bank Asia Securities Limited	38,083,618	41,919,443
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	2,333,160,367	41,919,443
Balance as at 31 December	11,714,373,370	10,479,561,029

Amount in Taka

	31-Dec-22	31-Dec-21
13.5.2 Provision for deferred tax		
Balance at 1 January	472,021,365	472,021,365
Provision made for deferred tax liabilities	-	-
Provision made for deferred tax assets	-	-
	<u>472,021,365</u>	<u>472,021,365</u>

13.5.2 (a) Deferred Tax (asset)/liability

Particulars	Book value	Tax Base	(Deductible)/ Taxable		
Opening Balance					
Deferred Tax Asset				(2,050,312,500)	(1,158,806,250)
Deferred Tax Liability				824,420,883	851,945,619
Net Deferred Tax Asset				<u>(1,225,891,617)</u>	<u>(306,860,631)</u>

Net Deferred Tax Asset as of December 31, 2022

Deferred Tax Asset:					
Loan loss provision	10,517,463,001	-	(7,888,097,251)	(2,958,036,469)	(2,050,312,500)
Closing balance for the year (a)				<u>(2,958,036,469)</u>	<u>(2,050,312,500)</u>

Deferred Tax Liability:

Interest receivable	1,297,139,289	-	1,297,139,289	486,427,233	606,152,131
Fixed assets	3,310,724,723	2,953,374,309	357,350,414	134,006,405	174,151,487
Right-of-use assets	52,871,027		52,871,027	19,826,635	44,117,265
Closing balance for the year (b)				<u>640,260,273</u>	<u>824,420,883</u>

Net Deferred Tax Asset as of December 31, 2022 (a+b)

Movement for the year				(2,317,776,196)	(1,225,891,617)
Opening deferred tax assets				(2,050,312,500)	(1,158,806,250)
Closing deferred tax assets				(2,958,036,469)	(2,050,312,500)
Changes for the year				<u>(907,723,969)</u>	<u>(891,506,250)</u>
Opening deferred tax liabilities				824,420,883	851,945,619
Closing deferred tax liabilities				640,260,273	824,420,883
Changes for the year				<u>(184,160,610)</u>	<u>(27,524,736)</u>
Changes during the year				<u>(1,091,884,579)</u>	<u>(919,030,986)</u>

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

13.5.3 Reconciliation of effective tax rate

	2022		2021	
	%	Amount	%	Amount
Profit before provision		10,694,804,944		9,192,532,066
Income Tax as per applicable tax rate	37.50%	4,010,551,854	37.50%	3,447,199,525
Tax exempted income (on govt. treasury securities)	-0.19%	(19,998,890)	-24.41%	(2,244,157,120)
On probable deductible/non deductible expenses	-4.59%	(490,552,964)	5.41%	496,957,595
	32.73%	3,500,000,000	18.49%	1,700,000,000

13.5.3(a) Consolidated Reconciliation of effective tax rate

	2022		2021	
	%	Amount	%	Amount
Profit before provision		10,869,236,428		9,552,453,672
Income Tax as per applicable tax rate	37.50%	4,075,963,661	37.50%	3,582,170,127
Tax exempted income (on govt. treasury securities)	-0.18%	(19,998,890)	-23.49%	(2,244,157,120)
On probable deductible/non deductible expenses	-4.49%	(487,992,063)	4.78%	456,722,429
	32.83%	3,567,972,708	18.79%	1,794,735,436

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.

Amount in Taka

	31-Dec-22	31-Dec-21
13.7 Provision for diminution in value of shares		
Balance as at 1 January	363,383,553	363,383,553
Add: Provision made during the year	-	-
Adjustment during the year	-	-
Balance as at 31 December	363,383,553	363,383,553
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	234,605,554	66,121,146
Provision maintained	363,383,553	363,383,553
Surplus provision maintained	128,777,999	297,262,407
13.8 Provision for others		
Provision for other assets (Note 13.8.1)	612,228,003	393,106,522
Provision for start up fund (Note 13.8.2)	78,344,687	47,466,168
	690,572,690	440,572,690
13.8.1 Provision for other assets		
Balance as at 1 January	393,106,522	290,572,690
Add: Provision made during the year	219,121,481	102,533,832
Balance as at 31 December	612,228,003	393,106,522
Provision requirement	514,840,623	327,728,000
Provision maintained	612,228,003	393,106,522
Surplus provision maintained	97,387,380	65,378,522
(Provision for others made for legal expenses, protested bills, expenditure related unreconciled entries and other assets that classified as bad and loss as per Bangladesh Bank BRPD Circular 4 dated April 12, 2022).		
13.8.2 Provision for start up fund		
Balance as at 1 January	47,466,168	-
Add: Provision made during the year		
For the year 2020 (1% of profit after tax)	-	20,357,067
For the year 2021 (1% of profit after tax)	-	27,109,101
For the year 2022 (1% of profit after tax)	30,878,519	-
Adjustment during the year	-	-
Balance as at 31 December	78,344,687	47,466,168

Amount in Taka

	31-Dec-22	31-Dec-21
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(As per Bangladesh Bank SMESPD Circular Letter no. 05 dated April 26, 2001 Provision for Start up Fund has been maintained against 1% net profit after tax starting from the year 2020).

13.9 Lease liabilities

Balance as at 1 January	467,223,023	872,228,227
Add: Addition during the year	180,064,817	-
Add: Interest charge during the year	104,674,165	104,658,196
Less: Payment made during the year	410,573,674	419,543,010
Less: Adjustment made during the year	-	90,120,390
Balance as at 31 December	341,388,331	467,223,023

The lease liabilities represents the present value of the lease payments discounting using the incremental borrowing rate as per IFRS 16 against which right-of- use assets has been arisen (ref: Annex C).

13(a) Consolidated Other liabilities

Bank Asia Limited	41,701,194,297	36,718,063,544
Bank Asia Securities Limited	2,259,945,347	2,218,069,633
BA Exchange Company (UK) Limited	65,969,666	68,483,295
BA Express USA, Inc	270,814,608	368,082,914
	44,297,923,918	39,372,699,386
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	56,646,548	60,497,753
BA Express USA, Inc	200,189,787	350,836,788
	44,041,087,583	38,961,364,845

14 Share capital

14.1 Authorized capital

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

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

14.3 Initial public offer (IPO)

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

14.4 Capital to risk-weighted asset

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

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)		
Paid up capital	11,659,068,600	11,659,068,600
Statutory reserve (Note 15)	11,750,000,000	10,725,443,940
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	3,105,969,227	2,804,815,058
	26,523,203,971	25,197,493,742

	31-Dec-22	31-Dec-21
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	39,626,140	44,820,000
Common Equity Tier -1 capital (Going-Concern Capital)	26,483,577,831	25,152,673,742
Additional Tier 1 Capital		-
Perpetual bond	3,340,000,000	-
Total Tier- 1 Capital	29,823,577,831	25,152,673,742
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	9,092,537,000	8,727,708,000
General provision on off-balance sheet exposure	1,195,000,000	1,490,000,000
Subordinated non-convertible zero coupon bonds	6,000,000,000	8,600,000,000
Total Tier- 2 Capital available	16,287,537,000	18,817,708,000
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	17,752,452,437	18,011,759,076
Adjustment as per RBCA Guideline	-	2,600,000,000
Total admissible Tier-2 Capital	16,287,537,000	16,217,708,000
A) Total capital	46,111,114,831	41,370,381,742
B) Total risk weighted assets (RWA)	260,486,878,311	263,153,198,992
C) Minimum total capital requirement 10%	26,048,687,831	26,315,319,899
D) Capital surplus (A-C)	20,062,427,000	15,055,061,843
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,560,859,789	32,894,149,874
F) Capital surplus (A-E) with capital conservation buffer	13,550,255,042	8,476,231,868
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	10.17%	9.56%
Tier- 1 to RWA (minimum 6% under Basel III)	11.45%	9.56%
Capital to Risk Weighted Assets against minimum requirement 10%	17.70%	15.72%

14.4 (a) Consolidated capital to risk-weighted asset

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

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)	11,659,068,600	11,659,068,600
Paid up capital	10,285	10,274
Non-controlling (Minority) interest	11,750,000,000	10,725,443,940
Statutory reserve (Note 15)	8,166,144	8,166,144
General reserve	2,957,002,831	2,650,999,337
Retained earnings (Note 17)	26,374,247,860	25,043,688,295
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	39,626,140	44,820,000
Common Equity Tier -1 capital (Going-Concern Capital)	26,334,621,720	24,998,868,295
Perpetual bond	-	-
Additional Tier 1 Capital	3,340,000,000	-
Total Tier- 1 Capital	29,674,621,720	24,998,868,295
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	9,092,537,000	8,727,708,000
General provision on off-balance sheet exposure	1,195,000,000	1,490,000,000
Subordinated non-convertible zero coupon bonds	6,000,000,000	8,600,000,000
Total Tier- 2 Capital available	16,287,537,000	18,817,708,000
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	17,560,159,598	17,815,600,656
Adjustment as per RBCA Guideline	-	2,600,000,000
Total admissible Tier-2 Capital	16,287,537,000	16,217,708,000
A) Total capital	45,962,158,720	41,216,576,295
B) Total risk weighted assets (RWA)	263,181,642,862	265,901,787,410

Amount in Taka

	31-Dec-22	31-Dec-21
C) Minimum total capital requirement 10%	26,318,164,286	26,590,178,741
D) Capital surplus (A-C)	19,643,994,434	14,626,397,554
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,897,705,358	33,237,723,426
F) Capital surplus (A-E) with capital conservation buffer	13,064,453,362	7,978,852,869
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	10.01%	9.40%
Tier- 1 to RWA (minimum 6% under Basel III)	11.28%	9.40%
Capital to Risk Weighted Assets against minimum requirement 10%	17.46%	15.50%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2022		At 31 December 2021	
	No. of shares	%	No. of shares	%
Sponsors & Directors	622,067,148	53.35	624,484,380	53.56
General Public	123,526,402	10.60	154,104,666	13.22
Institutions	304,842,383	26.15	259,562,631	22.26
Investment Companies	111,733,939	9.58	124,005,748	10.64
Non-resident Bangladeshi	1,310,082	0.11	1,322,529	0.11
Foreign Investors	2,426,906	0.21	2,426,906	0.21
	1,165,906,860	100	1,165,906,860	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Less than 5,000	5,709	5,823	0.52	0.55
5,000 to 50,000	1,303	1,441	1.57	1.70
50,001 to 100,000	89	91	0.56	0.56
100,001 to 200,000	49	43	0.59	0.52
200,001 to 300,000	23	19	0.50	0.41
300,001 to 400,000	16	17	0.48	0.51
400,001 to 500,000	7	8	0.27	0.32
500,001 to 1,000,000	35	44	2.17	2.78
1,000,001 to 10,000,000	68	67	21.83	20.65
Over 10,000,000	28	30	71.50	72.00
	7,327	7,583	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2022

SI	Name of the director	Status	Closing position	Opening position
1	Mr. Romo Rouf Chowdhury	Chairman	23,323,746	23,323,746
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Mr. A Rouf Chowdhury	Director	23,350,148	23,350,148
4	Mr. Rume A Hossain	Director	36,216,554	36,216,554
5	Mrs. Hosneara Sinha	Director	53,184,729	53,184,729
6	Ms. Naheed Akhter Sinha	Director	55,842,838	55,842,838
7	Ms. Romana Rouf Chowdhury (Representing MAYA Limited)	Director	41,679,196	41,679,196
8	Ms. Farhana Haq	Director	58,230,519	58,230,519
9	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	25,959,122	25,959,122
10	Ms. Tania Nusrat Zaman (Representing Amiran Generations Limited)	Director	47,558,630	47,558,630
11	Mr. Nafees Khundker	Director	24,784,734	24,784,734
12	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-

Amount in Taka

		31-Dec-22	31-Dec-21
13	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-
14	Mr. Md. Abul Quasem (Independent Director)	Director	-
15	Mr. M. A. Baqui Khalily (Independent Director)	Director	-
16	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-
15 Statutory reserve			
	Balance at the beginning of the year	10,725,443,940	9,844,096,744
	Add: Addition during the year	1,024,556,060	881,347,196
	Balance at the end of the year	<u>11,750,000,000</u>	<u>10,725,443,940</u>
15.1 Statutory reserve			
	Bank Asia Limited	<u>8,166,144</u>	<u>8,166,144</u>
15.1(a) Consolidated General and other reserve			
	Bank Asia Limited	8,166,144	8,166,144
	Bank Asia Securities Limited		
	Opening Balance	150,947	-
	Addition during the year	1,609,440	150,947
	Adjustment made during the year	-	-
	Closing Balance	<u>1,760,387</u>	<u>150,947</u>
		<u>9,926,531</u>	<u>8,317,091</u>
16 Revaluation reserve			
	HTM securities (Note 16.1)	82,779,825	61,048,535
	HFT securities (Note 16.2)	157,340,380	167,454,171
	Fixed Assets revaluation (Note 16.3)	1,876,926,919	1,930,642,171
		<u>2,117,047,124</u>	<u>2,159,144,877</u>
16.1 Revaluation reserve on HTM securities			
	Balance at 1 January	61,048,535	46,593,577
	Gain from revaluation on investments	25,706,970	22,232,864
	Adjustment for sale/maturity of securities	<u>(3,975,680)</u>	<u>(7,777,906)</u>
		<u>82,779,825</u>	<u>61,048,535</u>
16.2 Revaluation reserve on HFT securities			
	Balance at 1 January	167,454,171	1,746,995,202
	Gain from revaluation on investments	449,360,664	5,282,090,860
	Adjustment for sale/maturity of securities	<u>(459,474,455)</u>	<u>(6,861,631,891)</u>
		<u>157,340,380</u>	<u>167,454,171</u>
16.3 Revaluation reserve on Fixed Assets			
	Balance at 1 January	1,930,642,171	1,984,357,423
	Depreciation charged during the year	<u>(53,715,252)</u>	<u>(53,715,252)</u>
		<u>1,876,926,919</u>	<u>1,930,642,171</u>
16 (a) Consolidated Revaluation reserve			
	Bank Asia Limited	2,117,047,124	2,159,144,877
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>2,117,047,124</u>	<u>2,159,144,877</u>
17 Retained earnings			
	Balance at 1 January	2,804,815,058	2,091,617,881
	Add: Post - tax profit for the year	3,045,871,705	2,706,735,981
	Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
		<u>5,904,402,015</u>	<u>4,852,069,114</u>
	Less: Issue of cash dividend for the year 2021	1,748,860,290	-
	Issue of cash dividend for the year 2020	-	1,165,906,860
	Transfer to statutory reserve	1,024,556,060	881,347,196
	Coupon/dividend on perpetual bond	25,016,438	-
		<u>2,798,432,788</u>	<u>2,047,254,056</u>
		<u>3,105,969,227</u>	<u>2,804,815,058</u>

Amount in Taka

	31-Dec-22	31-Dec-21
17(a) Consolidated Retained earnings		
Balance at 1 January	2,650,999,337	1,918,254,038
Add: Foreign exchange revaluation reserve for opening retained earnings	-	(1,835,153)
Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
Post- tax profit for the year	3,052,330,481	2,728,270,279
Less: Non controlling interest	11	76
	5,757,045,059	4,698,404,340
Less: Issue of cash dividend for the year 2021	1,748,860,290	-
Issue of cash dividend for the year 2020	-	1,165,906,860
Transferred to statutory reserve	1,024,556,060	881,347,196
Coupon/dividend on perpetual bond	25,016,438	-
Transferred to General and other reserve	1,609,440	150,947
	2,800,042,228	2,047,405,003
	2,957,002,831	2,650,999,337
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,285	10,274
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	10,285	10,274
18 Contingent liabilities		
Conventional and Islamic banking	153,506,750,679	173,948,946,762
Off-shore banking unit	56,521,785	16,585,630
	153,563,272,464	173,965,532,392
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	57,446,507,689	62,539,512,475
Off-shore banking unit	14,488,854	-
	57,460,996,543	62,539,512,475
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	38,211,461,475	37,395,022,735
Off-shore banking unit	667,610	560,859
	38,212,129,085	37,395,583,594
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	28,759,170,485	46,592,755,948
Off-shore banking unit	16,079,604	16,024,771
	28,775,250,089	46,608,780,719
Bills for collection		
Conventional and Islamic banking (Note 18.4)	27,331,428,035	24,377,029,730
Off-shore banking unit	25,285,717	-
	27,356,713,752	24,377,029,730
Other commitments		
Conventional and Islamic banking (Note 18.5)	1,758,182,995	3,044,625,874
Off-shore banking unit	-	-
	1,758,182,995	3,044,625,874
	153,563,272,464	173,965,532,392
18.1 Acceptances and endorsements		
Conventional and Islamic banking	57,446,507,689	62,539,512,475
Off-shore banking unit	14,488,854	-
	57,460,996,543	62,539,512,475
18.2 Letters of guarantee		
Letters of guarantee (Local)	22,825,157,280	22,815,550,343
Letters of guarantee (Foreign)	15,386,304,195	14,579,472,392
	38,211,461,475	37,395,022,735

Amount in Taka

	31-Dec-22	31-Dec-21
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	26,475,797,111	26,675,385,012
Banks and other financial institutions	1,968,793,268	2,104,717,664
Others	9,766,871,096	8,614,920,059
	<u>38,211,461,475</u>	<u>37,395,022,735</u>
18.3 Irrevocable letters of credit		
Letters of credit Back to Back (Inland)	3,399,516,690	4,948,179,357
Letters of credit (General)	21,691,897,669	35,500,951,363
Back to back L/C	3,667,756,126	6,143,625,228
	<u>28,759,170,485</u>	<u>46,592,755,948</u>
18.4 Bills for collection		
Local bills for collection	16,968,980,243	17,066,924,015
Foreign bills for collection	10,362,447,792	7,310,105,715
	<u>27,331,428,035</u>	<u>24,377,029,730</u>
18.5 Other commitments		
Forward Assets Purchased and Forward Deposits Placed	<u>1,758,182,995</u>	<u>3,044,625,874</u>
18.6 Workers' profit participation fund (WPPF)		
As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as it is not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.		
19 Income statement		
Income:		
Interest, discount and similar income (Note 19.1)	26,605,150,451	25,029,338,381
Dividend income (Note 22.1)	88,244,680	136,087,793
Fees, commission and brokerage (Note 19.2)	1,825,653,628	1,634,656,721
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	415,604	24,181,171
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	5,490,530,270	1,533,729,532
Income from non-banking assets	-	-
Other operating income (Note 24)	1,138,685,128	1,036,304,780
Profit/ less Losses on interest rate changes	-	-
	<u>35,148,679,761</u>	<u>29,394,298,378</u>
Expenses:		
Interest paid/profit shared on deposits and borrowings, etc (Note 21)	14,916,319,233	12,700,889,562
Administrative expenses (Note 19.3)	6,116,677,750	4,722,660,291
Other expenses (Note 34)	2,582,537,751	2,007,368,660
Depreciation on banks assets (Note 33.1)	838,340,083	770,847,799
	<u>24,453,874,817</u>	<u>20,201,766,312</u>
	<u>10,694,804,944</u>	<u>9,192,532,066</u>
19.1 Interest, discount and similar income		
Interest income/profit on investments (Note 20)	20,423,046,139	18,340,772,912
Interest on treasury bills/reverse repo/bills	5,583,800,846	3,908,121,855
Interest income on corporate bonds	342,470,619	346,609,674
Interest on debentures	202,502,475	189,676,820
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	53,330,372	2,244,157,120
	<u>26,605,150,451</u>	<u>25,029,338,381</u>
19.2 Fees, commission and brokerage		
Commission	1,825,653,628	1,634,656,721
Brokerage	-	-
	<u>1,825,653,628</u>	<u>1,634,656,721</u>

Amount in Taka

	31-Dec-22	31-Dec-21
19.3 Administrative expenses		
Salaries and allowances (Note 25)	5,045,556,865	3,870,113,954
Rent, taxes, insurance, electricity, etc (Note 26)	578,252,761	480,758,487
Legal expenses (Note 27)	25,413,828	16,556,291
Postage, stamp, telecommunication, etc (Note 28)	153,111,892	118,317,263
Stationery, printing, advertisement, etc (Note 29)	174,289,799	116,093,929
Managing Director's salary and fees (Note 30)	18,854,125	20,401,265
Directors' fees (Note 31)	3,024,000	4,040,000
Auditors' fees (Note 32)	955,000	977,625
Repair of Bank's assets (Note 33.1)	117,219,480	95,401,477
	6,116,677,750	4,722,660,291

On an overall basis, the bank has taken initiative to save extra cost against total target costs for the second half of 2022 under BRPD circular no. 28 dated July 26, 2022 and 30 dated July 27, 2022.

20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	19,005,809,058	17,596,574,931
Off-shore banking unit	1,452,752,732	861,488,771
	20,458,561,790	18,458,063,702
Less: inter transaction between OBU and Conventional banking	35,515,651	117,290,790
	20,423,046,139	18,340,772,912

20.1 Conventional and Islamic banking

Agricultural loan	319,316,834	230,248,953
Cash credit/Bai Murabaha (Muajjal)	385,901,543	450,478,260
Credit card	449,958,131	396,593,918
Credit for poverty alleviation scheme-micro credit	109,760	63,645
Consumer credit scheme	1,381,621,172	1,287,781,175
Demand loan	2,078,318,118	2,293,343,863
Export Development Fund (EDF)	313,368,284	179,315,733
House building loan	130,161,666	146,408,154
Loans (General)	2,321,183,500	1,843,566,090
Loans against trust receipts/ Bai Murabaha post import	768,551,032	851,496,676
Overdrafts/ Quard against scheme	2,745,803,049	2,669,590,719
Packing credit	56,008,697	42,759,146
Payment against documents	20,035,972	10,033,865
Staff loan	87,177,151	74,902,706
Transport loan	169,834,986	184,755,553
Term loan- industrial	2,185,309,996	2,480,006,904
Term loan- others	2,249,608,284	1,983,400,312
Foreign bills purchased	35,128,242	7,535,041
Local bills purchased	121,156,955	102,772,448
Loan Under Covit-19 Stimulus Pkg	496,557,597	1,000,763,628
Total interest/profit on loans and advances/investments	16,315,110,969	16,235,816,789
Interest/profit on balance with other banks and financial institutions	2,668,233,248	1,359,097,512
Interest/profit received from foreign banks	22,464,841	1,660,630
	19,005,809,058	17,596,574,931

20(a) Consolidated Interest income/profit on investments

Bank Asia limited	20,423,046,139	18,340,772,912
Bank Asia Securities Ltd	160,281,453	231,094,069
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	20,583,327,592	18,571,866,981
Less: Inter-company transactions	98,878,292	149,649,645
	20,484,449,300	18,422,217,336

Amount in Taka

	31-Dec-22	31-Dec-21
21 Interest paid/profit shared on deposits and borrowings etc.		
Conventional and Islamic banking (Note 21.1)	13,937,691,785	12,361,833,326
Off-shore banking unit	1,014,143,099	456,347,026
	14,951,834,884	12,818,180,352
Less: inter transaction with OBU	35,515,651	117,290,790
	<u>14,916,319,233</u>	<u>12,700,889,562</u>
21.1 Conventional and Islamic banking		
Interest paid/profit shared on deposits		
Fixed deposits/ Mudaraba Fixed deposit	5,993,819,357	4,335,521,237
Scheme deposits	5,218,663,228	5,431,369,895
Sanchaya plus	43,627,266	40,834,844
Savings deposits/ Mudaraba Savings bank	1,416,936,278	1,446,078,240
Special notice deposits	643,052,201	337,207,272
	<u>13,316,098,330</u>	<u>11,591,011,488</u>
Interest on borrowings and others		
Local banks including Bangladesh Bank	51,521,260	38,813,775
Interest on subordinated non-covertable bond	567,929,314	731,753,425
Foreign banks	2,142,881	254,638
	<u>621,593,455</u>	<u>770,821,838</u>
	<u>13,937,691,785</u>	<u>12,361,833,326</u>
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited	14,916,319,233	12,700,889,562
Bank Asia Securities Limited	119,900,685	176,722,894
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	<u>15,036,219,918</u>	<u>12,877,612,456</u>
Less: Inter-company transactions	98,878,292	149,649,645
	<u>14,937,341,626</u>	<u>12,727,962,811</u>
22 Investment income		
Conventional and Islamic banking (Note 22.1)	6,270,764,596	6,848,834,433
Off-shore banking unit	-	-
	<u>6,270,764,596</u>	<u>6,848,834,433</u>
22.1 Conventional and Islamic Banking		
Interest on treasury bills	1,829,572,795	387,232,252
Interest on treasury bonds	3,505,721,296	3,514,386,015
Interest income on corporate bonds	342,470,619	346,609,674
Interest on Islamic bonds	1,300,991	6,226,273
Capital gain from investment in shares	415,604	24,181,171
Dividend on shares	88,244,680	136,087,793
Profit on Govt Investment SUKUK	202,502,475	189,676,820
Capital gain on Government securities	53,330,372	2,244,157,120
Interest on reverse repo	247,205,764	277,315
	<u>6,270,764,596</u>	<u>6,848,834,433</u>
Interest income on corporate bonds includes dividend income from perpetual bonds Tk. 187,206,013 (2021: Tk. 130,301,522)		
22(a) Consolidated investment income		
Bank Asia Limited	6,270,764,596	6,848,834,433
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,270,764,596</u>	<u>6,848,834,433</u>
Less: Inter-company transactions	-	-
	<u>6,270,764,596</u>	<u>6,848,834,433</u>

	31-Dec-22	31-Dec-21
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	7,259,202,384	3,156,545,125
Off-shore banking unit	56,981,514	11,841,128
	<u>7,316,183,898</u>	<u>3,168,386,253</u>
23.1 Conventional and Islamic Banking		
Commission on L/C	276,791,670	280,239,889
Commission on back to back L/C against Export	819,708,152	764,754,486
Fees and commission including Export	288,985,233	211,398,936
Commission on L/G	329,703,175	276,648,417
Commission on export	11,845,859	5,366,953
Commission on PO, DD, TT, TC, etc	35,422,694	35,724,045
Other commission	6,215,331	48,682,867
	<u>1,768,672,114</u>	<u>1,622,815,593</u>
Foreign exchange gain	5,490,530,270	1,533,729,532
	<u>7,259,202,384</u>	<u>3,156,545,125</u>
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia limited	7,316,183,898	3,168,386,253
Bank Asia Securities Ltd	195,774,974	294,493,388
BA Exchange Company (UK) Limited	27,725,518	23,534,818
BA Express USA, Inc	115,659,529	76,182,143
	<u>7,655,343,919</u>	<u>3,562,596,602</u>
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	1,127,546,959	1,019,374,422
Off-shore banking unit	11,138,169	16,930,358
	<u>1,138,685,128</u>	<u>1,036,304,780</u>
24.1 Conventional and Islamic banking		
Locker charge	12,967,350	12,159,700
Service and other charges	553,433,147	507,502,894
Master/Visa card fees and charges	359,977,730	310,674,269
Postage/telex/SWIFT/fax recoveries	123,266,754	129,699,133
Profit on sale of fixed assets	-	15,800
Non-operating income	22,489,892	10,949,554
Rebate on nostro account	55,412,086	48,373,072
	<u>1,127,546,959</u>	<u>1,019,374,422</u>
24 (a) Consolidated other operating income		
Bank Asia Limited	1,138,685,128	1,036,304,780
Bank Asia Securities Ltd	76,835,465	148,131,302
BA Exchange Company (UK) Limited	2,205,291	631,997
BA Express USA, Inc	207,532	253,613
	<u>1,217,933,416</u>	<u>1,185,321,692</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	5,036,303,827	3,867,432,687
Off-shore banking unit	9,253,038	2,681,267
	<u>5,045,556,865</u>	<u>3,870,113,954</u>
25.1 Conventional and Islamic banking		
Basic salary	1,696,369,921	1,380,984,008
Allowances	1,636,072,591	1,455,910,304
Festival bonus	255,435,041	234,384,584
Gratuity	865,326,617	362,400,000
Provident fund contribution	163,099,657	133,753,791
Performance bonus	420,000,000	300,000,000
	<u>5,036,303,827</u>	<u>3,867,432,687</u>

	31-Dec-22	31-Dec-21
25(a) Consolidated Salaries and allowances		
Bank Asia Limited	5,045,556,865	3,870,113,954
Bank Asia Securities Ltd	92,687,337	86,960,433
BA Exchange Company (UK) Limited	14,381,908	13,337,732
BA Express USA, Inc	27,681,514	24,609,230
	<u>5,180,307,624</u>	<u>3,995,021,349</u>
26 Rent, taxes, insurance, electricity etc.		
Rent expenses (26.1)	493,825,552	464,663,480
Insurance	267,239,390	209,962,041
Power and electricity	123,087,328	121,017,780
	<u>884,152,270</u>	<u>795,643,301</u>
Less: Adjustment as per "IFRS 16: Leases"	410,573,674	419,543,010
Add: Interest portion on lease liabilities	104,674,165	104,658,196
	<u>578,252,761</u>	<u>480,758,487</u>
26.1 The amount represents actual rent expense before adjustment as per IFRS 16: Leases. Business segment wise actual rent expense is given below:		
Conventional banking	481,980,758	456,173,379
Islamic banking	11,558,779	8,230,910
Off-shore banking unit	286,015	259,191
	<u>493,825,552</u>	<u>464,663,480</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia Limited	578,252,761	480,758,487
Bank Asia Securities Ltd	9,152,626	8,075,242
BA Exchange Company (UK) Limited	3,479,995	2,215,594
BA Express USA, Inc	16,020,697	13,982,599
	<u>606,906,079</u>	<u>505,031,922</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	25,338,865	16,556,291
Off-shore banking unit	74,963	-
	<u>25,413,828</u>	<u>16,556,291</u>
27.1 Conventional and Islamic Banking		
Legal expenses	25,338,865	16,556,291
Other professional charges	-	-
	<u>25,338,865</u>	<u>16,556,291</u>
27(a) Consolidated Legal expenses		
Bank Asia Limited	25,413,828	16,556,291
Bank Asia Securities Ltd	665,869	461,598
BA Exchange Company (UK) Limited	263,670	71,519
BA Express USA, Inc	-	469,357
	<u>26,343,367</u>	<u>17,558,765</u>
28 Postage, stamps, telecommunication etc.		
Conventional and Islamic banking (Note 28.1)	152,491,855	117,729,891
Off-shore banking unit	620,037	587,372
	<u>153,111,892</u>	<u>118,317,263</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	92,799,799	70,479,084
Master/VISA card process fee	27,108,934	18,804,255
ATM charge	3,584,107	2,291,285
SWIFT and Reuter charge	24,427,936	23,037,929
Internet	4,571,079	3,117,338
	<u>152,491,855</u>	<u>117,729,891</u>

Amount in Taka

	31-Dec-22	31-Dec-21
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia Limited	153,111,892	118,317,263
Bank Asia Securities Ltd	2,601,323	2,166,306
BA Exchange Company (UK) Limited	354,215	385,400
BA Express USA, Inc	1,423,372	380,061
	<u>157,490,802</u>	<u>121,249,030</u>
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	174,196,354	116,060,261
Off-shore banking unit	93,445	33,668
	<u>174,289,799</u>	<u>116,093,929</u>
29.1 Conventional and Islamic banking		
Office and security stationery	68,834,997	49,046,627
Calendar, diary, souvenir, etc	23,348,620	19,271,249
ATM card /Supplies And Stationeries	26,457,880	18,939,363
Books and periodicals	1,991,278	1,335,646
Publicity and advertisement	53,563,579	27,467,376
	<u>174,196,354</u>	<u>116,060,261</u>
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia Limited	174,289,799	116,093,929
Bank Asia Securities Ltd	660,159	743,405
BA Exchange Company (UK) Limited	1,705,328	1,241,108
BA Express USA, Inc	1,016,427	778,408
	<u>177,671,713</u>	<u>118,856,850</u>
30 Managing Director's salary and fees		
Basic salary	9,158,649	10,982,968
House rent allowance	2,032,708	2,400,000
Entertainment allowances	423,135	600,000
Incentive bonus	1,471,100	880,000
Festival bonus	2,129,600	1,760,000
Utility allowance and others	1,234,177	1,200,000
House maintenance allowance	657,252	600,000
Provident fund	779,504	1,098,297
Leave fare assistance	968,000	880,000
	<u>18,854,125</u>	<u>20,401,265</u>
31 Directors' fees		
Directors' fees	<u>3,024,000</u>	<u>4,040,000</u>
31(a) Consolidated Directors' fees		
Bank Asia Limited	3,024,000	4,040,000
Bank Asia Securities Ltd.	440,000	319,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,464,000</u>	<u>4,359,000</u>
32 Auditors' fees		
Audit fees	955,000	977,625
Others	-	-
	<u>955,000</u>	<u>977,625</u>

Amount in Taka

	31-Dec-22	31-Dec-21
32(a) Consolidated Auditors fees		
Bank Asia Limited	955,000	977,625
Bank Asia Securities Ltd	76,667	76,667
BA Exchange Company (UK) Limited	673,200	720,909
BA Express USA, Inc	1,934,922	1,622,149
	<u>3,639,789</u>	<u>3,397,350</u>
33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	955,531,466	866,249,276
Off-shore banking unit	28,097	-
	<u>955,559,563</u>	<u>866,249,276</u>
33.1 Conventional and Islamic banking		
Depreciation		
Owned assets	527,090,901	770,847,799
Leased assets	311,221,085	-
	<u>838,311,986</u>	<u>770,847,799</u>
Repairs		
Building	12,021,430	9,344,331
Furniture and fixtures	4,474,908	3,606,055
Equipments	20,612,629	21,210,990
	<u>37,108,967</u>	<u>34,161,376</u>
Maintenance	80,110,513	61,240,101
	<u>955,531,466</u>	<u>866,249,276</u>
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	955,559,563	866,249,276
Bank Asia Securities Ltd	21,997,848	20,197,492
BA Exchange Company (UK) Limited	621,925	292,598
BA Express USA, Inc	1,371,372	1,666,069
	<u>979,550,708</u>	<u>888,405,435</u>
34 Other expenses		
Conventional and Islamic banking (Note 34.1)	2,563,932,243	1,980,749,343
Off-shore banking unit	18,605,508	26,619,317
	<u>2,582,537,751</u>	<u>2,007,368,660</u>
34.1 Conventional and Islamic banking		
Car expenses	419,487,683	326,270,935
Contractual service expenses	771,548,450	761,415,548
Computer expenses	197,834,767	158,856,357
Other management and administrative expenses	422,098,729	460,732,208
Entertainment	65,181,056	41,354,916
AGM/EGM expenses	11,730,614	500,000
Payment to superannuation fund	15,320,000	7,320,000
Donation and subscription to institutions	627,643,701	208,151,353
Travelling expenses	15,666,461	9,939,328
Training and internship	16,920,782	5,708,698
Sharia council fees	500,000	500,000
	<u>2,563,932,243</u>	<u>1,980,749,343</u>

As per Bangladesh Bank letter ref: BRPD(CMS)651/9(24) Kha/2022-12037 dated November 29,2022 Bank has to transfer CSR fund equivalent to 50% of the income generated from Exchange Gain for the month of May-June 2022 after net of tax.

Amount in Taka

	31-Dec-22	31-Dec-21
34(a) Consolidated other expenses		
Bank Asia Limited	2,582,537,751	2,007,368,660
Bank Asia Securities Ltd	12,896,931	24,213,486
BA Exchange Company (UK) Limited	4,928,273	8,807,334
BA Express USA, Inc	67,322,015	23,883,134
	<u>2,667,684,970</u>	<u>2,064,272,614</u>
34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	4,193,165,937	4,675,466,021
Off-shore banking unit	(44,232,698)	110,330,064
	<u>4,148,933,239</u>	<u>4,785,796,085</u>
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	2,511,924,060	(1,223,410,933)
Off-shore banking unit	(44,632,060)	110,518,933
	<u>2,467,292,000</u>	<u>(1,112,892,000)</u>
Specific provision		
Conventional and Islamic banking	1,726,641,239	5,263,688,085
Off-shore banking unit	-	-
	<u>1,726,641,239</u>	<u>5,263,688,085</u>
Provision for off-balance sheet items		
Conventional and Islamic banking	(295,399,362)	485,188,869
Off-shore banking unit	399,362	(188,869)
	<u>(295,000,000)</u>	<u>485,000,000</u>
Provision for diminution in value of investments	-	-
Other provisions	250,000,000	150,000,000
	<u>4,148,933,239</u>	<u>4,785,796,085</u>
34(c) Consolidated Provision for loans and advances/investments		
Bank Asia Limited	4,148,933,239	4,785,796,085
Bank Asia Securities Limited:		
Specific Provision	100,000,000	8,000,000
Provision for diminution in value of investments	-	51,208,223
Other provisions	-	-
	<u>100,000,000</u>	<u>59,208,223</u>
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,248,933,239</u>	<u>4,845,004,308</u>
35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	1,181,292,935	3,287,712,713
Off-shore banking unit	11,138,169	16,930,358
	<u>1,192,431,104</u>	<u>3,304,643,071</u>
35.1 Conventional and Islamic banking		
Locker charge	12,967,350	12,159,700
Service and other charges	553,433,147	507,502,894
Master card fees and charges	359,977,730	310,674,269
Postage/telex/SWIFT/ fax recoveries	123,266,754	129,699,133
Non-operating income	131,647,954	2,327,676,717
	<u>1,181,292,935</u>	<u>3,287,712,713</u>
35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	1,192,431,104	3,304,643,071
Bank Asia Securities Ltd	76,835,465	148,131,302
BA Exchange Company (UK) Limited	2,205,291	631,997

Notes to the financial statements

Amount in Taka

	31-Dec-22	31-Dec-21
BA Express USA, Inc	207,532	253,613
Less: inter- companies transactions	1,271,679,392	3,453,659,983
	-	-
	<u>1,271,679,392</u>	<u>3,453,659,983</u>
36 Payments for other operating activities		
Conventional and Islamic banking (Note 36.1)	3,343,257,834	2,621,541,083
Off-shore banking unit	18,891,523	26,878,508
	<u>3,362,149,357</u>	<u>2,648,419,591</u>
36.1 Conventional and Islamic banking		
Rent, rates and taxes	577,966,746	480,499,296
Legal expenses	25,413,828	16,556,291
Directors' fees	3,024,000	4,040,000
Postage, stamp, telecommunication, etc	153,111,892	118,317,263
Other expenses	2,563,932,243	1,980,749,343
Managing Director's salary	18,854,125	20,401,265
Auditors' fee	955,000	977,625
	<u>3,343,257,834</u>	<u>2,621,541,083</u>
36(a) Payments for other operating activities		
Bank Asia Limited	3,362,149,357	2,648,419,591
Bank Asia Securities Ltd	25,833,416	35,312,299
BA Exchange Company (UK) Limited	9,699,353	12,200,756
BA Express USA, Inc	86,701,006	40,337,300
	<u>3,484,383,132</u>	<u>2,736,269,946</u>
37 Earnings per share (EPS)		
Net profit after tax (Numerator)	3,045,871,705	2,706,735,981
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>2.61</u>	<u>2.32</u>
37(a) Consolidated Earnings per share (EPS)		
Net profit after tax (Numerator)	3,052,330,481	2,728,270,279
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>2.62</u>	<u>2.34</u>
38 Reconciliation of net profit with cash flows from operating activities (Solo basis)		
Profit before tax as per profit and loss account	6,545,871,705	4,406,735,981
Adjustment for non-cash items:		
Provision for Loans and advances	4,193,933,239	4,150,796,085
Provision for Off balance sheet items	(295,000,000)	485,000,000
Provision for Diminution in value of investments	-	-
Provision for other assets	250,000,000	150,000,000
Depreciation of Property plant and equipment	955,559,563	866,249,276
Foreign exchange gain/(loss)	-	-
Profit on sale of fixed assets	-	(15,800)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(15,603,656,638)	(17,624,671,692)
Other operating assets	348,218,683	258,482,635
Deposits from customers and banks	19,912,982,535	14,754,328,542
Other operating liabilities	3,153,827,892	11,341,256,537
Trading liabilities	(386,603,576)	(406,708,893)
Income tax paid	(2,498,150,041)	(1,215,831,944)
Cash flows from operating activities as per cash flow statement	<u>16,576,983,362</u>	<u>17,165,620,727</u>

	31-Dec-22	31-Dec-21
38(a) Reconciliation of net profit with cash flows from operating activities (Consolidated basis)		
Profit before tax as per profit and loss account	6,620,303,189	4,523,005,715
Adjustment for non-cash items:		
Provision for Loans and advances	4,293,933,239	4,343,239,734
Provision for Off balance sheet items	(295,000,000)	485,000,000
Provision for Diminution in value of investments	-	51,208,223
Provision for other assets	250,000,000	150,000,000
Depreciation of Property plant and equipment	979,550,708	888,405,435
Foreign exchange gain/(loss)	-	-
Profit on sale of fixed assets	-	(15,800)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(15,591,983,473)	(17,667,635,689)
Other operating assets	411,064,662	298,862,909
Deposits from customers and banks	19,428,195,021	14,931,015,417
Other operating liabilities	3,153,827,892	11,341,256,537
Trading liabilities	(565,596,792)	(279,683,390)
Income tax paid	(2,569,789,573)	(1,310,722,518)
Cash flows from operating activities as per cash flow statement	<u>16,114,504,873</u>	<u>17,753,936,573</u>

39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,865 (2021: 2,547).

40 Audit committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in the 478th meeting held on 17th August, 2022 consisting of the following members:

Name	Status with the Audit Committee	Educational qualification
Mr. Dilwar H Choudhury	Chairman	BA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA
Mr. Ashraful Haq Chowdhury	Member	M.Sc.
Mr. M. A. Baqui Khalily	Member	Ph.D.
Ms. Tania Nusrat Zaman	Member	M.Phil

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

No. of meeting	Date	No. of meeting	Date
223 rd Audit	19 th January 2022	227 th Audit	21 st June 2022
224 th Audit	20 th February 2022	228 th Audit	28 th July 2022
225 th Audit	16 th March 2022	229 th Audit	28 th August 2022
226 th Audit	26 th April 2022	230 th Audit	30 th October 2022

In the year 2022, 8 (eight) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- 1 External Audit Report of the Bank and the recommendations made therein.
 - 2 Bangladesh Bank comprehensive inspection report and the recommendations made therein.
 - 3 Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
 - 4 Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank.
 - 5 The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
 - 6 The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
 - 7 Management Report on Accounts of the Bank for the year ended on 31.12.2021.
 - 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
 - 9 Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL).
- The Audit Committee has further satisfied that
- * The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.

Notes to the financial statements

- * Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- * The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- * Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
- * The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.

41 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – December 2022 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	14,097,250
Romask Ltd	-do-	Printing	37,823,759
Rangs Industries Ltd.	-do-	Electronic items supplier	318,770
Garda Shield Security Service Ltd.	-do-	Maintenance	6,801,637
Rangs workshop Ltd	-do-	Car repair and Services	759,384
Rangs ITT Ltd.	-do-	Network Connectivity fees	27,273,541
DHS Motors	-do-	Car providers & Car repair and Services	255,139
Shield Security Service	-do-	Security Service providers	448,667,220
Green Bangla	-do-	Tree Plantation	226,241
Reliance Insurance	-do-	Insurance Service	39,534,676
The Daily Star	-do-	Advertising	4,436,413
Ali Estates Limited	-do-	Office Rent	126,337,106
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	5,982,017
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	378,000
Opex Fashions Limited	-do-	Office Rent	6,883,277
Rangs Power Tech Limited	-do-	Machinery Equipments provider	517,929
Rancon British Motors Ltd	-do-	Car Supplier	3,739,514
Rangs Limited	-do-	Car Supplier	3,328,464
Thai-Chi Restaurant	-do-	Food Supplier	885,190
Clean-X International Ltd.	-do-	Cleaning Material	384,577
ERA Infotech	Associate Company	Software vendor	88,846,862

During the year 2022, Directors and their interest in different entities are given in Annexure F:

41.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2022 is given below:

Particulars	Amount Tk
Short-term employee benefit	137,509,149

Key Management personnel includes President and Managing Director, 01 no. Additional Managing Director, 04 nos. Deputy Managing Director, 11 nos Senior Executive Vice President including Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

42 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, Hoda Vasi Chowdhury & Co , Chartered Accountants worked about 7,100 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

43 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2022 was Tk. 20.50 (2021: Tk. 21.80) at DSE and Tk. 20.20 at CSE (2021: 20.90).

44 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 491st meeting held on March 18, 2023 has recommended 15% Cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

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

Bank Asia Limited

Highlights on the overall activities

as at and for the year ended 31 December 2022

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2022	2021	2022	2021
1	Paid-up Capital	11,659,068,600	11,659,068,600	115,436,322.77	137,407,997.64
2	Total Capital	46,111,114,831	41,370,381,742	456,545,691.40	487,570,792.48
3	Capital (deficit)/surplus	20,062,427,000	15,055,061,843	198,637,891.09	177,431,489.01
4	Total Asset	468,400,943,572	438,293,288,433	4,637,633,104.67	5,165,507,229.62
5	Total Deposit	337,695,417,437	317,782,434,902	3,343,518,984.52	3,745,226,103.74
6	Total loans and advances / investments	277,870,358,403	262,266,701,765	2,751,191,667.36	3,090,945,218.21
7	Total contingent liabilities and commitments	153,563,272,464	173,965,532,392	1,520,428,440.24	2,050,271,448.34
8	Credit deposit ratio	68.17%	65.58%	68.17%	65.58%
9	Percentage of classified loans / investments against total loans and advances / investments	4.87%	5.14%	4.87%	5.14%
10	Profit after tax and provision	3,045,871,705	2,706,735,981	30,157,145.59	31,900,247.27
11	Amount of classified loans/investments during current year	13,519,786,227	13,469,542,253	133,859,269.57	158,745,341.81
12	Provisions kept against classified loans / investments	10,517,463,001	7,290,000,000	104,133,297.04	85,916,322.92
13	Provision surplus (shortfall) against classified loans / investments	222,615,901	4,174,000	2,204,117.83	49,192.69
14	Cost of fund	5.96%	5.96%	5.96%	5.96%
15	Interest earning assets	426,187,538,664	388,166,235,081	4,219,678,600.63	4,574,734,650.34
16	Non-interest earning assets	42,213,404,908	50,127,053,352	417,954,504.04	590,772,579.28
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	3.42%	3.23%	3.42%	3.23%
18	Return on assets (ROA) [PAT/ Average assets]	0.67%	0.64%	0.67%	0.53%
19	Income from investment	6,270,764,596	6,848,834,433	62,086,778.18	80,716,964.44
20	Capital to Risk Weighted Asset (CRAR)	17.70%	15.72%	17.70%	15.72%
21	Earnings per share	2.61	2.32	2.61	2.32
22	Net income per share	2.61	2.32	2.61	2.32
23	Price earning ratio	7.85	9.4	7.85	9.40

Exchange rate used 1 USD equivalent to BDT 101 to BDT (2021 :84.85)

Bank Asia Limited

Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2022

Annex A

Name of the Bank	Account type	Currency type	2022		Equivalent Taka	FC amount	2021		Equivalent Taka
			Exchange rate				Exchange rate		
Conventional and Islamic banking:									
Interest bearing									
Citibank NA, New York	CD	USD		8,579,625	103.50	887,996,838	7,173,227	85.80	615,462,873
Habib American Bank, New York	CD	USD		2,180,937	103.50	225,723,382	250,186	85.80	21,465,934
Mashreqbank psc, New York	CD	USD		287,724	103.50	29,782,196	2,070,118	85.80	177,616,158
Wells Fargo Bank N.A, New York	CD	USD		-	-	-	2,191,458	85.80	188,027,096
Zhejiang Chouzhou Commercial Bank (USD)	CD	USD		77,961	103.49	8,068,565	-	-	-
Zhejiang Chouzhou Commercial Bank (CNY)	CD	CNY		1,513,305	14.80	22,396,916	-	-	-
						1,173,967,897			1,002,572,061
Non-interest bearing :									
AB Bank Ltd, Mumbai	CD	ACU		148,986	103.50	15,420,960	437,299	85.80	37,520,250
AKTIF Bank, Istanbul -JPY	CD	JPY		1,898,220	0.76	1,442,647	3,176,183	0.76	2,413,899
Al Rajhi Bank, KSA	CD	SAR		2,064,371	27.50	56,770,209	199,335	22.85	4,554,798
AXIS Bank Ltd	CD	ACU		164,056	103.50	16,979,847	228,590	85.80	19,613,001
Bank Alfalan Limited , Karachi PAK (ACU)	CD	ACU		124,388	103.50	12,874,139	51,464	85.80	4,415,603
Bank of Sydney	CD	AUD		85,035	69.45	5,905,713	15,228	62.10	945,640
Bhutan National Bank Ltd, Thimphu	CD	USD		56,949	103.50	5,894,157	415,749	85.80	35,671,239
Citibank N.A., London	CD	GBP		397,121	126.05	50,057,073	12,955	115.05	1,490,446
Commerzbank AG, Frankfurt (EURO)	CD	EURO		47,888	109.75	5,255,696	86	97.15	8,386
Commerzbank AG, Frankfurt (USD)	CD	USD		139,554	103.50	14,444,095	51,667	85.80	4,442,535
Habib Metropolitan Bank Ltd, Karachi	CD	ACU		384,005	103.50	39,743,904	290,021	85.80	24,883,778
HDFC Bank Limited, Mumbai, India	CD	ACU		-	-	-	53,839	85.80	4,619,354
ICICI Bank Ltd, Hongkong	CD	USD		91,979	103.50	9,519,691	55,426	85.80	4,755,562
ICICI Bank Ltd, Mumbai	CD	ACU		233,952	103.50	24,214,035	49,438	85.80	4,241,821
JP Morgan Chase Bank, New York	CD	USD		-	-	-	103,746	85.80	8,901,430
Mashreqbank PSC (Dubai AE)	CD	AED		1,109,946	28.20	31,300,466	164,169	23.35	3,833,343
Mashreqbank psc, Mumbai (EURO)	CD	EURO		8,104	109.75	889,403	8,104	97.15	787,294
Muslim Commercial Bank Ltd, Colombo	CD	ACU		82,479	103.50	8,536,503	73,823	85.80	6,334,019
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU		74,914	103.50	7,753,453	17,614	85.80	1,511,272
Riyad Bank, Riyadh (SAR)	CD	SAR		15,470	27.50	425,425	327	22.85	7,474
Standard Chartered Bank, Mumbai	CD	ACU		1,315,649	103.50	136,168,284	1,481,290	85.80	127,094,715
Standard Chartered Bank, New York	CD	USD		1,924,556	103.50	199,197,607	147,700	85.80	12,672,697
Unicredit Bank AG Munich	CD	EURO		97,805	109.75	10,734,092	62,394	97.15	6,061,530
Wells Fargo Bank N.A, London	CD	EURO		96,788	109.75	10,622,519	4,522	97.15	439,276
Zurcher Kantonal Bank, Switzerland	CD	CHF		83,032	110.95	9,212,397	24,662	93.30	2,300,923
						673,362,315			319,520,285
Off-shore banking unit:									
Commerzbank AG, Frankfurt	CD	EURO		7,589	133.04	1,009,613	7,589	114.54	869,242
Habib American Bank, New York	CD	USD		6,094,482	101.00	615,542,715	1,040,573	84.85	88,292,605
Sonali Bank, London	CD	GBP		3	161.59	530	3	135.67	445
						616,552,858			89,162,292
						2,463,883,070			1,411,254,638

Bank Asia Limited Investment in Shares

as at 31 December 2022

Annex B

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Cost of Per Share	Quoted rate per share as at 31 Dec 2022	Total market value as at 31 Dec 2022	Unrealized profit/(loss) as at 31 Dec 2022
Quoted Shares								
1	AB Bank Limited	10	161,150	9,720,673	60.32	9.90	1,595,385	(8,125,288)
2	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	85.00	85,000,000	27,350,000
3	Dhaka Bank Limited	10	621,272	15,811,372	25.45	13.20	8,200,790	(7,610,582)
4	Exim Bank Limited	10	1,924,051	38,577,223	20.05	10.40	20,010,130	(18,567,093)
5	Golden Son Limited	10	119,185	8,586,791	72.05	18.20	2,169,167	(6,417,624)
6	Lanka Bangla Finance Limited	10	1,310,017	59,762,976	45.62	26.00	34,060,442	(25,702,534)
7	Mercantile Bank Limited	10	559,132	10,495,713	18.77	13.60	7,604,195	(2,891,518)
8	Phoenix Finance and Investments Limited	10	1,398,248	49,440,057	35.36	16.30	22,791,442	(26,648,615)
9	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	11.50	834,624	(11,167,197)
10	Prime Insurance Company Limited	10	6,362	574,298	90.27	82.80	526,774	(47,524)
11	Southeast Bank Limited	10	1,445,823	34,741,473	24.03	13.80	19,952,357	(14,789,116)
12	United Commercial Bank Limited	10	3,031,160	63,775,606	21.04	13.00	39,405,080	(24,370,526)
13	Energypac Power Generation Limited	10	1,192,800	49,978,320	41.90	34.50	41,151,600	(8,826,720)
A. Provision requirement for quoted shares				411,116,323			283,301,986	(127,814,337)
Available cash balance				38,058,371				
Mutual Fund				449,174,694				
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,000	6.90	6.10	44,213,300	-
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	6.60	33,000,000	(5,290,000)
16	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	6.50	145,444,267	-
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.00	194,036,740	-
18	EXIM Bank 1st Mutual Fund	10	17,078,783	119,209,905	6.98	5.80	99,056,941	-
B. Provision requirement for Mutual Fund as per BB Circular				90,510,254			515,751,248	(5,290,000)

Sl. No.	Name of the company	Face value	No. of Shares including bonus Share	Cost of holding	Per Unit cost	Unquoted Rate		
						Per share (NAV)	Total book value	Unrealized profit (loss)
Unquoted Shares								
1	Industrial & Infrastructure Development Finance Co. Ltd.	10	13,380,903	59,000,260	4.41	7.58	101,437,169	42,436,909
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	39.14	44,712,513	41,573,623
3	Era-InfoTech Limited	100	195,650	383,700	1.96	231.67	45,326,236	44,942,536
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	24.80	793,871	(2,407,641)
5	UFS-Bank Asia Unit Fund	10	2,900,000	29,000,000	10.00	12.46	36,134,000	7,134,000
6	Investment in SWIFT share	431,333	23	9,920,667	431,333	431,333	9,920,667	-
	C. Unrealized profit of unquoted stocks		17,650,952	104,645,029			238,324,456	133,679,427
7	Provision required for subsidiaries							(235,180,644)
	D. Provision for unquoted stock							(101,501,217)
	E. Total Provision Requirement (A+B+D)							(234,605,554)
	F. Provision maintained							363,383,553
	G. Provision Excess / (Shortfall) for quoted and unquoted share							128,777,999

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

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

as at 31 December 2022

Annex C-1

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

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

2. For Machinery, Furniture and Fixture and Office Renovation

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

Bank Asia Limited

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

as at 31 December 2021

Annex C-2

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2021
	Balance as at 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2021		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2021	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	2,646,764,306
Building	3,232,313,394	19,125,814	-	3,251,439,208	5	1,398,875,120	120,504,077	53,715,264	-	1,573,094,461
Furniture and fixtures	1,264,024,914	74,271,052	(1,525,000)	1,336,770,966	20	1,114,593,341	68,914,505	-	(1,102,493)	1,182,405,353
Machinery & Equipments	1,216,047,288	237,560,507	-	1,453,607,795	20	881,006,920	135,964,963	-	-	1,016,971,883
Computer and accessories	493,230,712	15,017,773	-	508,248,485	20	413,725,727	37,978,956	-	-	451,704,683
Motor vehicles	274,882,241	22,459,576	(17,880,000)	279,461,817	20	164,900,748	34,567,998	-	(17,879,995)	181,588,751
Sub-total	9,127,262,855	368,434,722	(19,405,000)	9,476,292,577		3,973,101,856	397,930,499	53,715,264	(18,982,488)	4,405,765,131
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	-	72,204,100
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	-	9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	-	354,568,087
Total	9,481,830,942	368,434,722	(19,405,000)	9,830,860,664		4,327,669,943	397,930,499	53,715,264	(18,982,488)	4,760,333,218
Intangible assets										
Corporate Membership ¹	24,000,000	-	-	24,000,000		-	-	-	-	24,000,000
Work in progress -building										
Kawran bazar building ⁽²⁾	380,881,206	67,246,048	(109,216,471)	338,910,783		-	-	-	-	338,910,783
Sukrabad building ⁽²⁾	42,912,507	26,453,129	(69,365,636)	-		-	-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613		-	-	-	-	20,834,613
Total	444,741,638	94,779,177	(179,775,419)	359,745,396		-	-	-	-	359,745,396
Grand Total	9,950,572,580	463,213,899	(199,180,419)	10,214,606,060		4,327,669,943	397,930,499	53,715,264	(18,982,488)	4,760,333,218
Right-of-use assets										
Office space ⁽³⁾	1,739,075,475	-	(202,555,677)	1,536,519,798		653,323,106	314,884,814	-	-	968,207,920
ATM	-	20,874,406	-	20,874,406		-	4,317,222	-	-	4,317,222
Sub-total	1,739,075,475	20,874,406	(202,555,677)	1,557,394,204		653,323,106	319,202,036	-	-	972,525,142
Grand Total	11,689,648,055	484,088,305	(401,736,096)	11,772,000,264		4,980,993,049	717,132,535	53,715,264	(18,982,488)	5,732,858,360
										6,039,141,904

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

2. For Machinery, Furniture and Fixture and Office Renovation

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

Bank Asia Limited and its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2022

Annex C-3

Particulars	Cost			Rate of dep. %	Depreciation				Written down value as at 31 Dec 2022
	Balance as at 01 Jan 2022	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2022	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2022	
Own assets									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,264,531,173	26,867,474	2,491,870	3,293,890,517	5	1,584,372,511	124,446,237	53,715,264	1,764,795,525
Furniture and fixtures	1,371,912,970	341,346,971	(2,147,140)	1,711,112,801	20	1,196,535,769	115,409,256	- (1,464,583)	400,632,359
Machinery & Equipments	1,470,402,673	241,239,174	472,671	1,712,114,518	20	1,026,843,865	181,760,307	- 384,078	503,126,268
Computer and accessories	520,045,586	30,139,155	-	550,184,741	20	460,186,801	27,751,366	-	62,246,574
Motor vehicles	279,461,817	10,442,592	(3,319,055)	286,585,354	20	181,588,751	35,900,497	- (1,714,844)	70,810,950
Sub-total	9,553,118,525	650,035,366	(2,501,654)	10,200,652,237	4,449,527,697	485,267,663	53,715,264	(533,836)	5,212,675,449
Leased assets									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	-
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	-
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	-
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	-
Sub-total	354,568,087	-	-	354,568,087	-	-	-	-	-
Total	9,907,686,612	650,035,366	(2,501,654)	10,555,220,324	4,804,095,784	485,267,663	53,715,264	(533,836)	5,212,675,449
Intangible assets									
Corporate Membership ¹	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
Sub-total	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
Work in progress -building									
Kawran bazar building ²	338,910,783	31,386,062	(370,296,845)	-	-	-	-	-	-
Renovation & Decoration	20,834,613	4,685,277	(15,519,890)	10,000,000	-	-	-	-	10,000,000
Total	359,745,396	36,071,339	(385,816,735)	10,000,000	-	-	-	-	10,000,000
Grand Total	10,291,432,008	686,106,705	(388,318,389)	10,589,220,324	4,804,095,784	485,267,663	53,715,264	(533,836)	5,246,675,449
Right-of-use assets									
Office space ³	1,633,538,025	183,016,663	(151,651,108)	1,664,903,580	992,160,961	317,410,299	- (82,704,212)	1,226,867,048	438,036,532
ATM	20,874,406	6,641,866	-	27,516,272	4,317,222	3,898,154	-	8,215,376	19,300,896
Sub-total	1,654,412,431	189,658,529	(151,651,108)	1,692,419,852	996,478,183	321,308,453	- (82,704,212)	1,235,082,424	457,337,428
Grand Total	11,945,844,439	875,765,234	(539,969,497)	12,281,640,176	5,800,573,967	806,576,116	53,715,264	83,238,048	5,704,012,877

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

2. For Machinery, Furniture and Fixture and Office Renovation

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

Bank Asia Limited and its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2021

Annex C-4

Particulars	Cost			Rate of dep. %	Depreciation				Written down value as at 31 Dec 2021
	Balance as at 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2021	Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2021	
Own assets									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,244,920,333	19,475,684	135,155	3,264,331,172	5	1,408,530,839	122,011,794	53,715,264	1,584,372,511
Furniture and fixtures	1,292,023,558	81,403,107	(1,513,695)	1,371,912,970	20	1,123,100,426	74,537,836	(1,102,493)	1,196,535,769
Machinery & Equipments	1,230,249,358	240,118,623	34,692	1,470,402,673	20	888,630,079	138,182,907	-	1,026,843,866
Computer and accessories	503,278,813	16,766,773	-	520,045,586	20	420,815,049	39,371,752	-	460,186,801
Motor vehicles	274,882,241	22,459,576	(17,880,000)	279,461,817	20	164,900,748	34,567,998	(17,879,995)	181,588,751
Sub-total	9,192,118,609	380,223,763	(19,223,848)	9,553,118,524		4,005,977,141	408,672,287	53,715,264 (18,836,994)	4,449,527,698
5,103,590,826									
Leased assets									
Furniture and fixtures	167,162,848			167,162,848	20	167,162,848			167,162,848
Machinery & Equipments	106,201,139			106,201,139	20	106,201,139			106,201,139
Computer and accessories	72,204,100			72,204,100	20	72,204,100			72,204,100
Motor vehicles	9,000,000			9,000,000	20	9,000,000			9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	354,568,087
Total	9,546,686,696	380,223,763	(19,223,848)	9,907,686,611		4,360,545,228	408,672,287	53,715,264 (18,836,994)	4,804,095,785
5,103,590,826									
Intangible assets									
Corporate Membership ¹	24,000,000	-	-	24,000,000		-	-	-	24,000,000
Work in progress -building									
Kawran bazar building ⁽²⁾	380,881,206	67,246,048	(109,216,471)	338,910,783		-	-	-	338,910,783
Sukrabad building ⁽²⁾	42,912,507	26,453,129	(69,365,636)	-		-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613		-	-	-	20,834,613
Total	444,741,638	94,779,177	(179,775,419)	359,745,396		-	-	-	359,745,396
Grand Total	10,015,428,334	475,002,940	(198,999,267)	10,291,432,007		4,360,545,228	408,672,287	53,715,264 (18,836,994)	4,804,095,785
5,487,336,222									
Right-of-use assets									
Office space ⁽³⁾	1,825,332,260	13,075,282	(204,869,517)	1,633,538,025		666,111,966	326,048,995	-	992,160,961
ATM	-	20,874,406	-	20,874,406		-	4,317,222	-	4,317,222
Sub-total	1,825,332,260	33,949,688	(204,869,517)	1,654,412,431		666,111,966	330,366,217	-	996,478,183
Grand Total	11,840,760,594	508,952,628	(403,868,784)	11,945,844,438		5,026,657,194	739,038,504	53,715,264 (18,836,994)	5,800,573,968
6,145,270,470									

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

2. For Machinery, Furniture and Fixture and Office Renovation

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

Bank Asia Limited

Statement of tax position

Annex D

as at 31 December 2022

Accounting year	Assessment year	Status
2000	2001-2002	Assessment Finalized
2001	2002-2003	Assessment Finalized
2002	2003-2004	Assessment Finalized
2003	2004-2005	Assessment Finalized
2004	2005-2006	Assessment Finalized
2005	2006-2007	Assessment Finalized
2006	2007-2008	Assessment Finalized
2007	2008-2009	Assessment Finalized
2008	2009-2010	Assessment Finalized
2009	2010-2011	Assessment Finalized
2010	2011-2012	At Honorable High Court stage
2011	2012-2013	At Honorable High Court stage
2012	2013-2014	Assessment Finalized
2013	2014-2015	Assessment Finalized
2014	2015-2016	Assessment Finalized
2015	2016-2017	Assessment Finalized
2016	2017-2018	Assessment Finalized
2017	2018-2019	Assessment Finalized
2018	2019-2020	Assessment Finalized
2019	2020-2021	Assessment Finalized
2020	2021-2022	Assessment Under DCT Level
2021	2022-2023	Return Submitted

Bank Asia Limited

Details of Large Loan

Annex E

as at 31 December 2022

	2022	2021
Number of clients	9	13
Amount of outstanding advances (Taka)	60,136	68,681
Amount of classified advances (Taka)	-	4,351
Measures taken for recovery (Taka)	-	4,351

Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2022			Outstanding (Taka) 2021		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	ACI Group	4,426	509	4,935	-	-	-
2	Summit Group	4,561	1,275	5,836	-	-	-
3	BSRM	3,418	3,674	7,092	-	-	-
4	Doreen Power Group	5,267	1,885	7,152	-	-	-
5	Bashundhara Group	6,793	87	6,880	4,770	2,119	6,889
6	CITY Group	4,424	3,437	7,861	404	5,557	5,961
7	Western Marine Group	-	-	-	4,351	106	4,457
8	Pran Group	4,937	3,541	8,478	2,463	2,646	5,109
9	Echotex Group	1,024	4,579	5,602	1,228	3,809	5,038
10	MAX Group	3,121	3,179	6,300	3,333	1,539	4,873
11	Saiham Group	-	-	-	3,020	1,768	4,787
12	Spectra Group	-	-	-	2,076	2,708	4,784
13	AA Group	-	-	-	2,147	2,542	4,689
14	Bulk Trade International Ltd	-	-	-	82	4,227	4,309
15	Gemcon Group	-	-	-	3,116	1,073	4,188
16	Meghna Group	-	-	-	493	7,241	7,733
17	Ahmed Group	-	-	-	-	5,865	5,865
Total		37,972	22,165	60,136	27,483	41,198	68,681

Bank Asia Limited

Names of Directors and their interest in different entities

Annex F

as at 31 December 2022

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. Romo Rouf Chowdhury	Chairman	Ranks Telecom Limited
			Softex Communications Limited
			Ranks ITT Limited
			Shield Security Services Limited
			Rangs Properties Limited
			Rangs Limited
			Rangs Workshop Limited
			Rancon Motors Limited
			Rancon Automobiles Limited
			Rangs Industries Limited
			Rancon Electronics Limited
			Rancon Engineering Limited
			Rancon Holdings Limited
			Rancon Car Hubs Limited
			Rancon Infrastructure & Engineering Limited
			Rancon Electronic Limited
			Rancon Oceana Limited
			Inspace Architects Limited
			Rancon Auto Industries Limited
			Rancon Industrial Solutions Limited
			Rancon Sea Fishing Limited
			Rancon Trucks & Buses Limited
			Rancon Motor Bikes Limited
			Ranks Agro Biotech Limited
			Metro Foils Limited
			Agro Food Services Limited
			Sea Resources Limited
			Sea Fishers Limited
			Deep Sea Fishers Limited
			Sea Resources Agencies Limited
			Fishers Shipyard Limited
			Seamans Dockyard & Fish Meal Limited
			Bank Asia Limited
2.	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	Anandaniketan Ltd.
			Bank Asia Ltd.
			FIVDB
			JVS Ltd.
			M. Ahmed Cold Storage Ltd.
			M. Ahmed Food & Spices Ltd.
			M. Ahmed Real Estates Ltd.
			M. Ahmed Tea & Lands Co. Ltd.
			Phulbari Tea Estates Ltd.
			Premier Dyeing & Calendaring Ltd.

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. A Rouf Chowdhury	Director	Agro Food Services Ltd.
			Bank Asia Ltd.
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Mavis Ispat Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Holdings Limited
			Rancon Motor Bikes Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Appliance Limited
			Ranks Commercial Vehicles Limited
			Ranks Dolonchapa Express Ltd.
			Ranks FC Properties Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Seamans Dockyard & Fish Meal Ltd.
			Shield Security Services Limited
			Softex Communications Limited
			The Daily Star
4.	Mr. Rume A Hossain	Director	Bank Asia Ltd.
			Rangs Industries Ltd.
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Petroleum Ltd.
5.	Ms. Hosneara Sinha	Director	Ranks Telecom Limited
			Romask Limited
			Bank Asia Limited
			Pritha Fashions Ltd.
6.	Ms. Naheed Akhter Sinha	Director	Sattar Jute Mills Ltd.
			Sinha Auto Spinning Mills Ltd.
			Bank Asia Limited
			Cluster World Pte. Ltd. (Singapore)
			Enterprise Cluster Pte. Ltd. (Singapore)
			Lafarge Holcim Bangladesh Limited

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
7.	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	Agro Food Services Ltd.
			Amiran Romana Ltd.
			Amreen Romana Ltd.
			Bank Asia Ltd.
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Mavis Ispat Limited
			Maya Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Romask Limited
			Sash Limited
			Sea Fishers Limited
			Sea Natural Food Ltd.
			Sea Natural Ltd.
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			Seamans Dockyard & Fish Meal Ltd.
			Shield Security Services Limited
			SRL Marine Product Ltd.
8.	Ms. Farhana Haq	Director	Ali Estates Limited
			Bank Asia Ltd.
			DHS Automobiles Limited
			DHS Motors Limited
			FAR Limited
			Platform Services Limited
			Platform Solutions Limited
			Surja Soft Ltd.

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

Bank Asia Limited

Islamic Banking Operations

Annex G

as at and for the year ended 31 December 2022

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

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

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

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

The ISR declared on Mudaraba deposits for the year 2022

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.12.2022	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	50%	50%
2. Mudaraba Term Deposit Account (MTDA) 2 months	50%	50%
3. Mudaraba Term Deposit Account (MTDA) 3 months (Individual)	90%	10%
4. Mudaraba Term Deposit Account (MTDA) 3 months (Institutional)	80%	20%
5. Mudaraba Term Deposit Account (MTDA) 6 months (Individual)	90%	10%
6. Mudaraba Term Deposit Account (MTDA) 6 months (Institutional)	86%	14%
7. Mudaraba Term Deposit Account (MTDA) 12 months to 60 months (Individual)	90%	10%
8. Mudaraba Term Deposit Account (MTDA) 12 months to 60 months (Institutional)	90%	10%
9. Corporate Term Deposit Account (CTDA) 3 months (Tk. 1 crore to below 10 crore)	86%	14%
10. Corporate Term Deposit Account (CTDA) 3 months (Tk. 10 crore and above)	88%	12%
11. Corporate Term Deposit Account (CTDA) 6 months (Tk. 1 crore to below 10 crore)	88%	12%
12. Corporate Term Deposit Account (CTDA) 6 months (Tk. 10 crore and above)	90%	10%
13. Corporate Term Deposit Account (CTDA) 12 months (Tk. 1 crore to below 10 crore)	90%	10%
14. Corporate Term Deposit Account (CTDA) 12 months (Tk. 10 crore and above)	90%	10%
15. Mudaraba Savings Account (MSA)	45%	55%
16. Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
17. Smart Junior Saver (School Banking) Account	50%	50%
18. Mudaraba Special Notice Deposit Account (MSND)	40%	60%
19. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 - 2 years	85%	15%

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.12.2022	
	Client	Bank
20. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	90%	10%
21. Mudaraba Deposit Pension Scheme (MDPS) 3-12 Years	85%	15%
22. Mudaraba Hajj Savings Scheme (MHSA) 1- 10 Years	90%	10%
23. Cash Waqf	90%	10%

2. Investment Operation and Return Thereon

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

- Fixed return based investment
- Variable return based investment

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

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

3. Income/ Revenue Recognition Principle

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

For Bai-Murabaha Muajjal Investment

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

For Hire Purchase Shirkatul Melk (HPSM) Investment

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

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

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

For Musharaka Investment

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

4. Cost Recognition Principle

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

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

Bank Asia Limited

Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2022

Amount in Taka

	31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS		
Cash	1,409,700,260	1,576,470,464
Cash in hand (including foreign currencies)	56,422,354	68,253,888
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	1,353,277,906	1,508,216,576
Balance with other banks and financial institutions	8,702,502,662	1,600,531,809
In Bangladesh	8,702,502,662	1,600,531,809
Outside Bangladesh	-	-
Placement with other banks and financial institutions	-	-
Investments in shares and securities	4,817,750,000	4,817,750,000
Government	4,317,750,000	4,317,750,000
Others	500,000,000	500,000,000
Investments	15,827,529,858	17,338,653,338
General Investment	15,738,040,803	17,333,027,938
Bills purchased and discounted	89,489,055	5,625,400
Fixed assets including premises, furniture and fixtures	3,522,869	3,569,921
Other assets	3,183,585,297	2,044,544,763
Non - banking assets	-	-
Total assets	<u>33,944,590,946</u>	<u>27,381,520,295</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks, financial institutions and agents	-	-
Deposits and other Accounts		
Al-wadeeah current and other deposits accounts, etc.	1,661,221,019	897,305,856
Bills payable	56,160,215	132,400,064
Mudaraba savings deposits	5,455,180,165	4,486,939,825
Mudaraba term deposits	23,146,572,918	19,544,150,991
	30,319,134,317	25,060,796,736
Other liabilities	3,625,456,629	2,320,723,559
Total liabilities	<u>33,944,590,946</u>	<u>27,381,520,295</u>
OFF- BALANCE SHEET ITEMS	-	-
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	411,507,356	407,396,858
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	411,507,356	407,396,858
Other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	<u>411,507,356</u>	<u>407,396,858</u>

Bank Asia Limited

Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2022

Amount in Taka

	31 Dec 2022	31 Dec 2021
Operating income		
Investment income	1,244,096,784	987,456,843
Profit paid on deposits, borrowings, etc.	1,272,698,114	929,506,372
Net investment income	(28,601,330)	57,950,471
Profit on Investment with bank and financial institutions	240,603,466	204,920,737
Commission, exchange and brokerage	94,598,765	61,606,578
Other operating income	16,976,613	11,997,587
Total operating income	323,577,514	336,475,373
Salaries and allowances	101,783,021	92,785,684
Rent, taxes, insurance, electricity, etc.	13,664,062	11,579,114
Legal expenses	15,000	-
Postage, stamp, telecommunication, etc.	1,278,160	1,274,997
Stationery, printing, advertisement, etc.	945,359	1,462,096
Depreciation and repair of Bank's assets	2,230,602	2,225,126
Other expenses	34,622,805	29,971,739
Total operating expenses	154,539,009	139,298,756
Profit before provision	169,038,505	197,176,617

Bank Asia Limited

Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2022

	Notes	31 Dec 2022		31 Dec 2021	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions					
	3				
In Bangladesh		10,000,000	1,010,000,000	-	-
Outside Bangladesh		6,104,484	616,552,858	1,050,823	89,162,292
		16,104,484	1,626,552,858	1,050,823	89,162,292
Investments					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loans and advances					
	4				
Loans, cash credits, overdrafts, etc.		36,793,185	3,716,111,667	43,647,689	3,703,506,372
Bills purchased and discounted		211,590,103	21,370,600,408	304,612,984	25,846,411,723
		248,383,288	25,086,712,075	348,260,673	29,549,918,095
Fixed assets including premises, furniture & fixtures					
		-	-	-	-
Other assets					
	5	285,115	28,796,606	337,617	28,646,829
Non - banking assets					
		-	-	-	-
Total assets					
		264,772,887	26,742,061,539	349,649,113	29,667,727,216
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
	6	254,773,844	25,732,158,197	342,230,510	29,038,258,798
Deposits and other accounts					
	7				
Current deposits		8,847,110	893,558,137	6,724,448	570,569,454
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		1,062,248	107,287,003	649,751	55,131,354
Bearer certificate of deposit		-	-	-	-
		9,909,358	1,000,845,140	7,374,199	625,700,808
Other liabilities					
	8	89,685	9,058,202	44,403	3,767,610
Total liabilities					
		264,772,887	26,742,061,539	349,649,113	29,667,727,216
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements	9	143,454	14,488,854	-	-
Letters of guarantee		6,610	667,610	6,610	560,859
Irrevocable letters of credit	10	159,204	16,079,604	188,860	16,024,771
Bills for collection		250,354	25,285,717	-	-
Other contingent liabilities		-	-	-	-
		559,622	56,521,785	195,470	16,585,630
Other commitments		-	-	-	-
Total Off-Balance Sheet items including contingent liabilities					
		559,622	56,521,785	195,470	16,585,630

Bank Asia Limited

Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2022

	Notes	31 Dec 2022		31 Dec 2021	
		USD	Taka	USD	Taka
Operating Income					
Interest income	11	15,715,629	1,452,752,732	10,227,814	861,488,771
Interest paid on deposits and borrowings, etc.	12	10,970,825	1,014,143,099	5,417,868	456,347,026
Net interest/net profit on investments		4,744,803	438,609,633	4,809,946	405,141,745
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	64,120	56,981,514	52,873	11,841,128
Other operating income	14	120,491	11,138,169	201,002	16,930,358
Total operating income (A)		4,929,414	506,729,316	5,063,820	433,913,231
		-	-	-	-
Salaries and allowances		100,098	9,253,038	31,833	2,681,267
Rent, taxes, insurance, electricity, etc.		3,094	286,015	3,077	259,191
Legal expenses		811	74,963	-	-
Postage, stamp, telecommunication, etc.		6,707	620,037	6,973	587,372
Stationery, printing, advertisements, etc.		1,011	93,445	400	33,668
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		304	28,097	-	-
Other expenses		201,271	18,605,508	316,031	26,619,317
Total operating expenses (B)		313,296	28,961,103	358,314	30,180,815
Profit before provision (C=A-B)		4,616,118	477,768,213	4,705,506	403,732,416

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

Annex H-2

as at and for the year ended 31 December 2022

1 Status of the unit

Off-shore banking Unit ("the Unit") is a separate business unit of Bank Asia Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore banking unit permission vide letter no. BRPD(P-3)744(94)/2007-1853 dated 21 June 2007 under Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985. The Bank commenced the operation of its Off-shore Banking Unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong.

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

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

2.2 Foreign currency

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

2.3 Loans and advances

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

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

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

2.4 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 101.00 (2021 : BDT 84.85). Income and expenses are translated at an average rate @ USD 1 = BDT 92.44 (2021 : BDT 84.23). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 103.50

	31 Dec 2022		31 Dec 2021	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Placements with Eastern Bank Limited	10,000,000	1,010,000,000	-	-
	<u>10,000,000</u>	<u>1,010,000,000</u>	<u>-</u>	<u>-</u>
Outside Bangladesh				
Commerzbank A.G, Frankfurt	9,996	1,009,613	10,244	869,242
Habib American Bank, New York	6,094,482	615,542,715	1,040,573	88,292,605
Sonali Bank (UK) Limited, London	5	530	5	445
	<u>6,104,484</u>	<u>616,552,858</u>	<u>1,050,823</u>	<u>89,162,292</u>
	<u>16,104,484</u>	<u>1,626,552,858</u>	<u>1,050,823</u>	<u>89,162,292</u>
4 Loans and advances				
Loans, cash credit, overdrafts etc. (Note 4.1)	36,793,185	3,716,111,667	43,647,689	3,703,506,372
Bills purchased and discounted (Note 4.2)	211,590,103	21,370,600,408	304,612,984	25,846,411,723
	<u>248,383,288</u>	<u>25,086,712,075</u>	<u>348,260,673</u>	<u>29,549,918,095</u>

	31 Dec 2022		31 Dec 2021	
	USD	Taka	USD	Taka
4.1 Loans, cash credit, overdrafts etc.				
Term loan industrial	36,377,614	3,674,138,997	43,213,399	3,666,656,897
Loan against trust receipts	215,184	21,733,560	130,996	11,115,043
Demand loan	-	-	100,994	8,569,315
Overdraft	200,387	20,239,110	202,300	17,165,117
	<u>36,793,185</u>	<u>3,716,111,667</u>	<u>43,647,689</u>	<u>3,703,506,372</u>
4.2 Bills purchased and discounted				
Payable in Bangladesh	211,590,103	21,370,600,408	304,612,984	25,846,411,723
Payable outside Bangladesh	-	-	-	-
	<u>211,590,103</u>	<u>21,370,600,408</u>	<u>304,612,984</u>	<u>25,846,411,723</u>
5 Other assets				
Branch adjustment account	169,698	17,139,488	169,698	14,398,875
Prepaid expenses	100,417	10,142,109	167,919	14,247,954
Income receivable	15,000.09	1,515,009	-	-
	<u>285,115</u>	<u>28,796,606</u>	<u>337,617</u>	<u>28,646,829</u>
6 Borrowings from other banks, financial institutions and agents				
Borrowing from other banks (Note 6.1)	215,190,000	21,734,190,000	213,322,478	18,100,412,216
Borrowing from Bank Asia Treasury Division	270,000	27,270,000	73,765,000	6,258,960,250
Borrowing - ECA	19,313,842	1,950,697,995	21,809,699	1,850,552,942
Borrowing from IFC	20,000,002	2,020,000,202	33,333,334	2,828,333,390
	<u>254,773,844</u>	<u>25,732,158,197</u>	<u>342,230,510</u>	<u>29,038,258,798</u>
6.1 Borrowing from other banks				
Yes Bank, Mumbai	5,000,000	505,000,000	2,000,000	169,700,000
SCB Singapore	15,000,000	1,515,000,000	10,000,000	848,500,000
National Bank of RAK, UAE	25,000,000	2,525,000,000	15,000,000	1,272,750,000
Bank Muscat, Oman	3,000,000	303,000,000	8,000,000	678,800,000
Abu Dhabi Commercial bank	-	-	15,000,000	1,272,750,000
Mashreq Bank, UAE	-	-	10,000,000	848,500,000
Axis Bank Limited, Singapore	-	-	15,000,000	1,272,750,000
Caixa Bank, Barcelona	72,700,000	7,342,700,000	33,000,000	2,800,050,000
Standard Chartered Bank, Thailand	5,000,000	505,000,000	10,000,000	848,500,000
HDFC, Gift City, Mumbai	10,000,000	1,010,000,000	10,000,000	848,500,000
Bank Muscat SAOG	25,000,000	2,525,000,000	-	-
Indusind Bank Limited	3,000,000	303,000,000	5,000,000	424,250,000
Commercial Bank of Dubai	-	-	15,000,000	1,272,750,000
State Bank of India, Hongkong	22,500,000	2,272,500,000	19,400,000	1,646,090,000
State Bank of India, Dubai	-	-	10,000,000	848,500,000
Nepal Bangladesh Bank Limited	7,500,000	757,500,000	-	-
The Commercial Bank, Qatar	-	-	5,000,000	424,250,000
DBS Bank Singapore	6,900,000	696,900,000	30,900,000	2,621,865,000
Banca Valsabbina SCPA Vestone Italy	-	-	22,478	1,907,216
Emirates Islami Bank	4,590,000	463,590,000	-	-
Ajman Bank, U.A.E.	10,000,000	1,010,000,000	-	-
	<u>215,190,000</u>	<u>21,734,190,000</u>	<u>213,322,478</u>	<u>18,100,412,216</u>
7 Deposits and other accounts				
Customer deposits and other accounts (Note 7.1)	<u>9,909,358</u>	<u>1,000,845,140</u>	<u>7,374,199</u>	<u>625,700,808</u>

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

	31 Dec 2022		31 Dec 2021	
	USD	Taka	USD	Taka
7.1 Customer deposits and other accounts				
Foreign currency (Current)	6,734,203	680,154,510	5,373,244	455,919,766
Other demand deposits (Current)	2,112,907	213,403,627	1,351,204	114,649,688
Fixed deposit	1,062,248	107,287,003	649,751	55,131,354
	<u>9,909,358</u>	<u>1,000,845,140</u>	<u>7,374,199</u>	<u>625,700,808</u>
8 Other liabilities				
Provision for loans and advances	(474,836)	(47,958,416)	1,302,521	110,518,933
Provision for off balance sheet items	3,954	399,362	(2,226)	(188,869)
Due to Head Office	470,882	47,559,054	(1,300,295)	(110,330,064)
FDR on Export Bill	50,494	5,099,911	27,877	2,365,363
Interest suspense account	39,191	3,958,291	16,526	1,402,247
	<u>89,685</u>	<u>9,058,202</u>	<u>44,403</u>	<u>3,767,610</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	143,454	14,488,854	-	-
	<u>143,454</u>	<u>14,488,854</u>	<u>-</u>	<u>-</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	159,204	16,079,604	188,860	16,024,771
	<u>159,204</u>	<u>16,079,604</u>	<u>188,860</u>	<u>16,024,771</u>
11 Interest income				
Demand loan	402	37,190	22,119	1,863,085
Loan against trust receipt	20,102	1,858,188	16,281	1,371,338
Term loan - industrial	1,203,713	111,271,238	920,353	77,521,295
Term loan - others	-	-	-	-
Foreign bill purchased	14,287,435	1,320,730,530	9,264,367	780,337,605
Payment against documents	-	-	95	8,028
Overdraft	13,088	1,209,825	4,600	387,420
	<u>15,524,740</u>	<u>1,435,106,971</u>	<u>10,227,814</u>	<u>861,488,771</u>
Interest/profit on balance with other banks and financial institutions	143,858	13,298,263	-	-
Interest/profit received from foreign banks	47,030	4,347,498	-	-
	<u>15,715,629</u>	<u>1,452,752,732</u>	<u>10,227,814</u>	<u>861,488,771</u>
12 Interest paid on deposits and borrowings etc.				
Interest on deposit	29,871	2,761,295	10,218	860,681
Interest on borrowings	10,940,954	1,011,381,804	5,407,650	455,486,345
	<u>10,970,825</u>	<u>1,014,143,099</u>	<u>5,417,868</u>	<u>456,347,026</u>
13 Commission, exchange and brokerage				
Commission on L/C	8,231	760,874	5,991	504,623
Commission on export	45,090	4,168,108	35,984	3,030,920
Commission on PO, DD, TT, TC, etc	10,799	998,259	10,898	917,938
Foreign exchange gain and charges	-	51,054,273	-	7,387,647
	<u>64,120</u>	<u>56,981,514</u>	<u>52,873</u>	<u>11,841,128</u>
14 Other operating income				
SWIFT charge recovery	4,410	407,660	4,530	381,562
Other	116,081	10,730,509	196,472	16,548,796
	<u>120,491</u>	<u>11,138,169</u>	<u>201,002</u>	<u>16,930,358</u>

Bank Asia Limited

Statement of outstanding unreconciled entries (nostro account)

as at 31 December 2022

Annex I

Amount in USD

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Less than 1 month	30	2,187,580	137	7,580,488	153	12,964,995	563	21,575,430
2	More than 1 month but less than 3 months	8	32,119	12	1,106,167	2	1,203	54	554,421
3	More than 3 months but less than 6 months	-	-	1	3,879	-	-	2	29,375
4	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
5	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
6	More than 12 months	-	-	-	-	-	-	-	-
Total		38	2,219,698	150	8,690,534	155	12,966,198	619	22,159,226

Bank Asia Limited

Reconciliation between Bangladesh Bank statement and Bank's book

Annex J

as at 31 December 2022

The reconciling items relates to clearing of the following:

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

Local currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	17,376,424,179.52	17,584,268,289.10	(207,844,109.58)
Bangladesh Bank, Dhaka (Al-wadeeah current account)	1,354,725,943.30	1,353,277,905.80	1,448,037.50
Bangladesh Bank, Chittagong	100,808,972.86	100,808,972.86	-
Bangladesh Bank, Sylhet	33,075,481.88	33,075,481.88	-
Bangladesh Bank, Khulna	73,772,863.25	73,772,863.25	-
Bangladesh Bank, Rajshahi	5,456,145.36	5,456,145.36	-
Bangladesh Bank, Bogra	15,746,174.26	15,746,174.26	-
Bangladesh Bank, Barishal	21,361,623.56	21,358,023.56	3,600.00
Bangladesh Bank, Rangpur	1,709,126.73	1,709,230.73	(104.00)
Total	18,983,080,510.72	19,189,473,086.80	(206,392,576.08)

Bank credited but not debited by Bangladesh Bank

3,251,495.74

Bank debited but not credited by Bangladesh Bank

1,086,683.20

Bangladesh Bank credited but not debited by Bank

16,710,973.25

Bangladesh Bank debited but not credited by Bank

225,268,361.87

(206,392,576.08)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	13,366,216.70	12,224,820.62	1,265,257,529.90	1,141,396.08
Total	13,366,216.70	12,224,820.62	1,265,257,529.90	1,141,396.08

Bank credited but not debited by Bangladesh Bank

2,344,284.85

Bank debited but not credited by Bangladesh Bank

36,382.15

Bangladesh Bank credited but not debited by Bank

87,248.95

Bangladesh Bank debited but not credited by Bank

1,253,755.57

1,141,396.08

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	14,680.88	14,680.88	1,850,524.92	-
	14,680.88	14,680.88	1,850,524.92	-

Bank credited but not debited by Bangladesh Bank

Bank debited but not credited by Bangladesh Bank

Bangladesh Bank credited but not debited by Bank

Bangladesh Bank debited but not credited by Bank

-

-

-

-

-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	25,390.15	54,783.99	6,012,542.90	(29,393.84)
	25,390.15	54,783.99	6,012,542.90	(29,393.84)

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

190.66

29,584.50

-

-

(29,393.84)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	34,380.88	-
	45,238.00	45,238.00	34,380.88	-

Bank credited but not debited by Bangladesh Bank

Bank debited but not credited by Bangladesh Bank

Bangladesh Bank credited but not debited by Bank

Bangladesh Bank debited but not credited by Bank

-

-

-

-

Total (BDT)

20,462,628,065

Bank Asia Limited Segment Reporting

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

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				Outside Bangladesh				
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
Interest income	17,726,196,623	1,244,096,784	1,452,752,732	20,423,046,139	160,281,453	-	-	(98,878,292)	20,484,449,300
Interest paid on deposits and borrowings, etc	12,629,478,020	1,272,698,114	1,014,143,099	14,916,319,233	119,900,685	-	-	(98,878,292)	14,937,341,626
Net interest income	5,096,718,603	(28,601,330)	438,609,633	5,506,726,906	40,380,768	-	-	-	5,547,107,674
Investment income	6,030,161,130	240,603,466	-	6,270,764,596	-	-	-	-	6,270,764,596
Commission, exchange and brokerage	7,164,603,619	94,598,765	56,981,514	7,316,183,898	195,774,974	27,725,518	115,659,529	-	7,655,343,919
Other operating income	1,110,570,346	16,976,613	11,138,169	1,138,685,128	76,835,485	2,205,291	207,532	-	1,217,933,416
Total operating income (A)	19,402,053,698	323,577,514	506,729,316	20,232,360,528	312,991,207	29,930,809	115,867,061	-	15,144,041,931
Salaries and allowances	4,934,520,806	101,783,021	9,253,038	5,045,556,865	92,687,337	14,381,908	27,681,514	-	5,180,307,624
Rent, taxes, insurance, electricity, etc	564,302,684	13,664,062	286,015	578,252,761	9,152,626	3,479,995	16,020,697	-	606,906,079
Legal expenses	25,323,865	15,000	74,963	25,413,828	665,869	263,670	-	-	26,343,367
Postage, stamp, telecommunication, etc	151,213,695	1,278,160	620,037	153,111,892	2,601,323	354,215	1,423,372	-	157,490,802
Stationery, printing, advertisements, etc	173,250,995	945,359	93,445	174,289,799	660,159	1,705,328	1,016,427	-	177,671,713
Managing Director's salary and fees	18,854,125	-	-	18,854,125	-	-	-	-	18,854,125
Directors' fees	3,024,000	-	-	3,024,000	440,000	-	-	-	3,464,000
Auditors' fees	955,000	-	-	955,000	76,667	673,200	1,934,922	-	3,639,789
Depreciation and repairs of Bank's assets	953,300,864	2,230,602	28,097	955,559,563	21,997,848	621,925	1,371,372	-	979,550,708
Other expenses	2,529,309,438	34,622,805	18,605,508	2,582,537,751	12,896,931	4,928,273	67,322,015	-	2,667,684,970
Total operating expenses (B)	9,354,055,472	154,539,009	28,961,103	9,537,555,584	141,178,760	26,408,514	116,770,319	-	9,821,913,177
Profit before provision (C=A-B)	10,047,998,226	169,038,505	477,768,213	10,694,804,944	171,812,447	3,522,295	(903,258)	-	10,869,236,428
Provision:									
Provision for loans and advances/investments				4,193,933,239	100,000,000	-	-	-	4,293,933,239
Provision for off-balance sheet items				(295,000,000)	-	-	-	-	(295,000,000)
Provision for diminution in value of investments				-	-	-	-	-	-
Other provisions				250,000,000	-	-	-	-	250,000,000
Total provision (D)				4,148,933,239	100,000,000	-	-	-	4,248,933,239
Profit before tax provision (E=C-D)				6,545,871,705	71,812,447	3,522,295	(903,258)	-	6,620,303,189
Provision for taxation				3,500,000,000	67,972,708	-	-	-	3,567,972,708
Profit after tax provision				3,045,871,705	3,839,739	3,522,295	(903,258)	-	3,052,330,481

Bank Asia Limited

Segment Reporting

Annex K-1

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

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				In side Bangladesh	Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total		BA Exchange Company (UK) Ltd	BA Express USA Inc.		
PROPERTY AND ASSETS									
Cash	24,387,453,435	1,409,700,260	-	25,797,153,695	107	56,806	26,621	-	25,797,237,229
Balance with other banks and financial institutions	29,251,851,532	8,702,502,662	1,626,552,858	39,580,907,052	598,386,033	16,002,011	157,813,356	(369,639,929)	39,983,468,523
Money at call and on short notice	3,750,000,000	-	-	3,750,000,000	-	-	-	-	3,750,000,000
Investments	98,031,359,937	4,817,750,000	-	102,849,109,937	989,145,651	-	-	-	103,838,255,588
Loans and advances/investments	236,956,116,470	15,827,529,858	25,086,712,075	277,870,358,403	3,977,674,827	-	-	(1,256,565,786)	280,591,467,444
Fixed assets including premises, furniture and fixtures	5,612,388,112	3,522,869	-	5,615,910,981	85,357,425	156,944	2,587,527	-	5,704,012,877
Other assets	9,725,121,601	3,183,585,297	28,796,606	12,937,503,504	452,050,976	3,404,588	54,929,777	(2,390,199,645)	11,057,689,200
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	407,714,291,087	33,944,590,946	26,742,061,539	468,400,943,572	6,102,615,019	19,620,349	215,357,281	(4,016,405,360)	470,722,130,861
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, Financial institutions and agents	25,291,922,547	-	25,732,158,197	51,024,080,743	1,256,565,786	-	-	(1,256,565,786)	51,024,080,743
Subordinated Non-Convertible Zero Coupon Bond	9,340,000,000	-	-	9,340,000,000	-	-	-	-	9,340,000,000
Deposits and other accounts	306,375,437,980	30,319,134,317	1,000,845,140	337,695,417,437	527,347,378	-	-	(369,639,929)	337,853,124,886
Other liabilities	38,235,717,971	3,625,456,629	9,058,202	41,701,194,297	2,259,945,347	65,969,666	270,814,608	(256,836,335)	44,041,087,583
Total liabilities	379,243,078,498	33,944,590,946	26,742,061,539	439,760,692,477	4,043,858,511	65,969,666	270,814,608	(1,883,042,050)	442,258,293,212
Total shareholders' equity	28,640,251,095	-	-	28,640,251,095	2,058,756,508	(46,349,317)	(55,457,327)	(2,133,363,310)	28,463,837,649
Total liabilities and shareholders' equity	407,883,329,591	33,944,590,946	26,742,061,539	468,400,943,572	6,102,615,019	19,620,349	215,357,281	(4,016,405,360)	470,722,130,861

Bank Asia Securities Limited

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

Opinion

We have audited the financial statements of Bank Asia Securities Limited (the "Company") which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respect, of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

Basis for Opinion

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

Other Matter

We note that pursuant to BSEC notification, the Company has opted to maintain partial provision against diminution in the value of investment and client margin loan for the year as at 31 December 2022. In addition, the Company has sold out all shares of some negative equity portfolio to prevent further increase of negative equity. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 3, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

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

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

Dhaka, 14 March 2023
DVC No: 2303140770AS556093

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

Bank Asia Securities Limited

Statement of Financial Position

as at 31 December 2022

Amount in Taka

	Notes	31 Dec 2022	31 Dec 2021
Non-current assets			
Property, plant and equipment	4	85,357,425	102,516,205
Demutualization membership of DSE	5	114,839,239	114,839,239
Total non- current assets		200,196,664	217,355,444
Current Assets			
Advances, deposits and prepayments	6	67,508,148	98,661,790
Investment in shares	7	874,306,412	815,404,194
Margin loans	8	3,977,674,827	4,244,364,917
Accounts receivable	9	12,093,453	3,495,881
Advance income tax	10	372,449,376	338,893,462
Deferred tax assets	23	4,671,014	3,596,494
Cash and cash equivalents	11	598,386,140	787,745,134
Total current assets		5,907,089,369	6,292,161,872
Total assets		6,107,286,033	6,509,517,316
Shareholders' equity and liabilities			
Share capital	12	2,000,000,000	2,000,000,000
Capital reserve	12.1	1,760,387	150,947
Retained earnings	13	61,667,135	58,362,315
Shareholders' equity		2,063,427,521	2,058,513,262
Non-current liabilities			
Financial lease obligation	14	47,356,532	56,158,627
Total non- current liabilities		47,356,532	56,158,627
Current Liabilities			
Clients' payable (customer deposits)	15	527,347,378	721,351,710
Loans and borrowings	16	1,256,565,786	1,511,582,711
Accounts payable	17	28,985,927	105,665,304
Other liabilities	18	27,897,120	30,429,024
Interest suspense account	19	890,799,214	890,799,214
Provision for diminution in value of investments	20	84,911,772	84,911,772
Provision for client margin loan	21	854,937,818	754,937,818
Provision for corporate income tax	22	325,056,964	295,167,874
Total current liabilities		3,996,501,979	4,394,845,426
Total liabilities		4,043,858,511	4,451,004,054
Total equity and liabilities		6,107,286,033	6,509,517,316

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

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Chairman

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Director

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Chief Executive Officer

Sabbir Ahmed.

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

Dhaka, 14 March 2023
DVC No: 2303140770AS556093

Bank Asia Securities Limited

Statement of Profit or loss and Other Comprehensive Income

for the year ended 31 December 2022

		Amount in Taka	
	Notes	31 Dec 2022	31 Dec 2021
Brokerage commission	24	195,774,974	294,493,388
Interest income	25	160,281,453	231,094,069
Interest expense	26	(119,900,685)	(176,722,894)
Net interest income		40,380,767	54,371,175
Other operating income/(loss)	27	76,835,465	148,131,302
Total operating income		312,991,207	496,995,865
Operating expenses	28	(141,178,759)	(143,213,629)
Profit before provision		171,812,447	353,782,236
Provision for diminution in value of investments	20	-	(51,208,223)
Provision for client margin loan	21	(100,000,000)	(192,443,649)
Profit /(Loss) before tax		71,812,447	110,130,364
Current tax expense	22	(67,972,708)	(94,735,436)
Deferred tax Income/(expense)	23	1,074,520	850,416
Income tax expense		(66,898,188)	(93,885,020)
Profit after tax		4,914,259	16,245,344
Other comprehensive income		-	-
Total comprehensive income/(loss)		4,914,259	16,245,344
Appropriation to			
Capital reserve		(1,609,440)	(150,947)
Total Comprehensive income		3,304,820	16,094,397
Earnings per share	29	0.25	0.81

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

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Chairman

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Director

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Chief Executive Officer

Sabbir Ahmed.

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

Dhaka, 14 March 2023
DVC No: 2303140770AS556093

Bank Asia Securities Limited

Statement of Cash Flows

for the year ended 31 December 2022

Amount in Taka

	31 Dec 2022	31 Dec 2021
A. Cash flows from operating activities		
Cash received from		
Interest income	160,281,453	231,094,069
Brokerage commission	195,774,974	294,493,388
Cash payment for		
Interest expenses	(98,878,292)	(149,649,645)
Operating expenses	(121,712,814)	(120,841,017)
Customers' deposits	(194,004,332)	202,285,602
Margin loan to customers	312,177,557	677,370,928
Other assets	22,556,070	45,950,693
Accounts Payable	(76,679,377)	33,254,627
Income tax paid	(71,639,532)	(94,890,574)
Net cash flows from/ (used in) operating activities	127,875,705	1,119,068,071
B. Cash flows from investing activities		
Investment in shares	(58,902,218)	(274,616,289)
Demutualization membership of DSE	-	-
Acquisition of property and equipment	(3,315,557)	(11,214,467)
Net cash used in investing activities	(62,217,775)	(285,830,756)
C. Cash flows from financing activities		
Loans and borrowings	(255,016,925)	(609,386,506)
Net cash from financing activities	(255,016,925)	(609,386,506)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(189,358,994)	223,850,809
E. Opening cash and cash equivalents	787,745,134	563,894,325
F. Closing cash and cash equivalents	598,386,140	787,745,134

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

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Chairman

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Director

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Chief Executive Officer

Bank Asia Securities Limited

Statement of Changes in Equity

for the year ended 31 December 2022

Particulars	Amount in Taka			
	Share capital	Capital reserve	Retained earnings/ (Accumulated Losses)	Total
Period ended 31 Dec 2021				
Opening balance	2,000,000,000	-	42,267,918	2,042,267,918
Net profit for the period	-	-	16,245,344	16,245,344
Transfer during the year	-	150,947	(150,947)	-
Closing balance	2,000,000,000	150,947	58,362,315	2,058,513,262
Period ended 31 Dec 2022				
Opening balance	2,000,000,000	150,947	58,362,315	2,058,513,262
Net profit for the period	-	-	4,914,259	4,914,259
Transfer during the year	-	1,609,440	(1,609,440)	-
Closing balance	2,000,000,000	1,760,387	61,667,135	2,063,427,522

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

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Chairman

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Director

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Chief Executive Officer

Bank Asia Securities Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2022

1. Reporting Entity

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

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

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

2. Basis of Preparation

2.1 Statement of compliance

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

2.2 Components of the financial statements

The financial statements referred to here comprise:

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

2.3 Use of estimates and judgments

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

Key estimates include the following:

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

2.4 Statement of cash flows

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

2.5 Reporting period

These financial statements cover period from 1 January 2022 to 31 December 2022.

2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on Date: 14 March 2023.

2.7 Functional and presentational currency

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

2.8 Share capital

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

2.9 Going concern

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

2.10 Investment in securities

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

2.11 Provision, Contingent asset and contingent liabilities

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

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

*It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

*The amount of the obligation cannot be measured with sufficient reliability.

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

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

2.12 Taxation

Current tax

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

Deferred Tax

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

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

2.13 Branch Details

The Company has a total six number of Branch offices, Two Extension Office (excluding Head Office), with no overseas branch as on December 31, 2022.

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

3. Significant Accounting Policies

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

3.1 Revenue Recognition

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

Brokerage commission

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

Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

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

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

3.2 Interest paid and other expenses

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

3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2022 as per International Accounting Standard IAS- 33 "Earnings Per Share".

3.4 Property, plant and equipment

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

Bank Asia Securities Limited

Notes to the Financial Statements

Subsequent costs

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

Depreciation

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

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

3.5 Intangible assets

Computer software

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

Subsequent costs

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

Amortization of intangible assets

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

3.6 Lease assets

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

3.7 Advance, deposits and prepayments

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

3.8 Advance income tax

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

3.9 Related party

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

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

3.10 Events after reporting period

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

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

3.11 Directors' responsibility statement

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

3.12 Departures from IFRS

The Financial Reporting Council (FRC) has been formed, but no financial reporting standards have yet been issued as per the provisions of the Financial Reporting Act (FRA), 2015. Hence, the financial statements of the Company as at and for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and as per the requirements of the provisions, circulars, rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and The Income Tax Ordinance 1984. In case any requirements of the BSEC provisions, circulars, rules and regulations differ from those of IFRS, the requirements of BSEC provisions, circulars rules and regulations shall prevail, and such departures from IFRS have been followed accordingly. In addition, there has been a departure from the provisions of IFRS-9 with regard to interest income. Material departures from the requirements of IFRS are as follows:

i) Provision for impairment of client margin loan

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

BSEC: As per BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022, provision has been made for impairment of margin loan arising out of year-end (31.12.2022) revaluation of shares purchased through margin loan complying with the relevant instruction. Bank Asia Securities Limited has opted for the option to maintain minimum 20% of total impairment of margin loan arising from diminution in value of investments as provision as on 31.12.2022 in accordance with the aforesaid directives.

ii) Recognition of interest income from margin loan

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

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

iii) Valuation of shares of DSE

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

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

3.13 Others

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

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

3.14 Application of International Accounting Standards (IASs):

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

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

Bank Asia Securities Limited

Notes to the Financial Statements

IAS- 38 Intangible Assets
IFRS- 7 Financial Instruments : Disclosures;
IFRS- 9 Financial Instruments
IFRS- 13 Fair Value Measurement
IFRS- 15 Revenue
IFRS- 16 Lease

3.15 New and amended standards and interpretations:

IFRS 16 Leases

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

Leases previously classified as operating leases

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

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

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

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

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

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

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

4. Property, Plant and Equipment

	31 Dec 2022	31 Dec 2021
Opening balance	29,451,019	27,269,864
Add: Addition during the period	3,315,557	11,214,467
Less: Depreciation charge for the period	10,487,223	9,033,312
A. Closing balance	<u>22,279,353</u>	<u>29,451,019</u>

4.1 Right of use of assets

Opening balance	73,065,185	73,467,925
Add: Addition during the year	2,951,846	13,075,282
	<u>76,017,031</u>	<u>86,543,206</u>

	31 Dec 2022	31 Dec 2021
Less: Adjustment/disposal	1,428,336	2,313,840
Less: Depreciation charge for right of use of assets	11,510,625	11,164,181
B. Closing balance	63,078,070	73,065,185
Grand Total (A+B)	85,357,424	102,516,205

Details are given in Annex I

5. Demutualization Membership of Dhaka Stock Exchange

114,839,239 114,839,239

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

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

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

6. Advances, Deposits and Prepayments

Advance Office Rent	-	-
Investment in BTCL	30,000,000	-
Advance for Renovation of New Branch	7,111,658	-
Security Deposit for CSE TREC	30,000,000	30,000,000
Advance for Legal Advice & Stamp	96,490	84,290
Collateral amount for digital booth to DSE	300,000	-
Own subscription in IPOs but not yet allotted	-	22,037,500
Subscription in IPOs but not yet allotted for Client	-	46,540,000
	67,508,148	98,661,790

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

874,306,412 815,404,194

7.1 Investment in shares in Dealer Account

491,329,492 459,548,598

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Sufficient provision has maintained as per BSEC guidelines against this unrealized loss. Please see note 20.00 for details. Details are given in Annex II

7.2 Investment in share Under SFCM

382,976,919 355,855,596

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Investment made under Bangladesh Bank DOS circular No. 01 dated February 10, 2020 (Details are given in Annex III).

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

Proprietary positions in Equity securities		
Value of "A" category instruments	807,807,861	733,646,328
Value of "B/G/N/..." category instruments	10,572,987	30,026,552
Value of "Z" category instruments		
Value of "OTC" category instruments		
Value of Non-Listed Instruments	-	46,400
Proprietary positions in MFs & CISs	-	-
Value of listed funds	42,396,974	51,684,914
Value of non-listed funds	9,287,940	-

Bank Asia Securities Limited

Notes to the Financial Statements

	31 Dec 2022	31 Dec 2021
Value of listed debt instruments	4,240,650	-
	874,306,412	815,404,194

8. Margin Loans to Customers

Opening balance	4,244,364,917	4,810,787,426
Add: Interest charged during the period	135,002,089	200,593,893
	4,379,367,006	5,011,381,319
Less: Repayment of Margin Loan during the period/(addition)	401,692,179	767,016,402
Closing balance	3,977,674,827	4,244,364,917

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

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

Receivable to Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)	2,851,413,305	3,141,687,584
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	86,897,980	5,441,988
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	86,322,793	119,762,579
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	953,040,749	977,472,766
Total margin loan	3,977,674,827	4,244,364,917

9. Accounts Receivable

Receivable from Dhaka Stock Exchange Ltd (Broker) (note 9.1)	380,003	3,482,812
Receivable from Dhaka Stock Exchange Ltd (Dealer)	-	-
Receivable from Chittagong Stock Exchange PLC (Broker)	1	-
Receivable Dividend (Dealer & SFCM)	11,713,449	13,069
	12,093,453	3,495,881

9.1 Receivable from Dhaka Stock Exchange Ltd (Broker)

Receivable against A,B,G and N category	-	-
Receivable against Z category	380,003	3,479,021
Receivable against DVP category	-	3,792
Total receivable from DSE	380,003	3,482,812

10. Advance Income Tax

Opening balance	338,893,462	285,922,331
Tax deducted at source from brokerage commission	44,026,410	66,108,703
Tax deducted at source from dividend income	6,157,480	5,044,490
Advance Tax as per Section 64 & 74	17,516,100	11,068,309
Advance tax others	3,000	3,000
Advance Tax for Appeal to Appellate Tribunal/High Court	-	9,610,964
Tax deducted at source from bank interest	3,936,541	3,055,108
	71,639,532	94,890,574
Less: Adjusted during the period	38,083,618	41,919,443
Closing balance	372,449,376	338,893,462

	31 Dec 2022	31 Dec 2021
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11. Cash and Cash Equivalents

Cash in hand (note 11.1)	107	15,772
Cash at Bank (note 11.2)	598,386,033	787,729,362
	<u>598,386,140</u>	<u>787,745,134</u>

11.1 Cash in hand

Head-office	107	15,772
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11.2 Cash at Bank

Bank Asia Limited (Consolidated Customer A/C-00836000674)	369,482,673	78,791,998
ONE Bank Limited (Consolidated Customer A/C-0015025406003)	124,965,113	613,819,302
Midland Bank Ltd (Consolidated Customer A/C-0001-1060000011)	102,862,201	93,883,863
Bank Asia Limited (Current Deposit Account-00833007917)	157,256	64,749
Bank Asia Limited (IPO-00836000676)	-	-
ONE Bank Limited (Dealer Account-0015025405007)	918,790	1,169,450
	<u>598,386,033</u>	<u>787,729,362</u>

12. Share Capital

Authorized capital :

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

20,000,000 ordinary shares of Taka 100 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
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The Company's shareholding position as at 31 December 2022 was as under:

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

12.1 Capital reserve

Opening balance	150,947	-
Add: Addition during the year	1,609,440	150,947
	1,760,387	150,947
Less: Adjusted during the period	-	-
Closing balance	<u>1,760,387</u>	<u>150,947</u>

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

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

	31 Dec 2022	31 Dec 2021
13. Retained Earnings		
Opening balance	58,362,315	42,267,918
Less: Dividend paid	-	-
	58,362,315	42,267,918
Add: Total comprehensive income during the period	4,914,259	16,245,344
Less: Transfer to capital reserve	(1,609,440)	(150,947)
Closing balance	61,667,135	58,362,315
14. Financial Lease Obligation		
Opening balance	56,158,627	55,506,820
Add: Addition during the year	2,951,846	13,075,282
	59,110,473	68,582,101
Less: Conversion to short term	11,753,941	12,423,474
Closing balance	47,356,532	56,158,627
15. Clients' Payable (Customer Deposits)	527,347,378	721,351,710
Customer deposits represent uninvest funds lying with the Company's account at the reporting date.		
16. Loans and Borrowings		
Bank Asia Limited	868,403,324	1,152,611,494
Bank Asia Limited-(SFCM)	388,162,462	358,971,217
	1,256,565,786	1,511,582,711
17. Accounts Payable		
Payable for IPO Application Process	-	69,395,000
Interest Payable	21,022,393	27,073,249
Dhaka Stock Exchange Ltd (Broker)	7,963,534	9,197,055
	28,985,927	105,665,304
18. Other Liabilities	27,897,120	30,429,024
18.1 Liabilities for expenses	16,251,885	18,715,491
The amount represents provisions against operating expenses during the period.		
18.2 Current portion of lease obligation		
Opening balance	11,713,533	9,946,839
Add: Interest charge during the year	5,330,929	5,617,075
Add: Conversion from long term	11,753,941	12,423,474
	28,798,403	27,987,388
Less: Paid during the period	17,153,167	16,273,855
Closing balance	11,645,236	11,713,533

	31 Dec 2022	31 Dec 2021
19. Interest Suspense Account		
Opening balance	890,799,214	890,799,214
Add: Interest suspense during the year	-	-
Closing Balance	890,799,214	890,799,214

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

20. Provision for Diminution in Value of Investments

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

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss within 2023.

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

Opening Balance	754,937,818	562,494,169
Add: Provision made during the period for unrealized loss arising for client margin loan	102,666,901	150,000,000
Add: Provision made during the period for outstanding margin loan	(2,666,901)	42,443,649
Closing Balance	854,937,818	754,937,818

21.1 Provision for unrealized loss arising for client margin loan

Opening Balance	712,494,169	562,494,169
Add: Provision made during the period	102,666,901	150,000,000
Closing Balance	815,161,070	712,494,169

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss arising for client margin loan within 2023.

21.2 Provision for outstanding margin exposure

Opening balance	42,443,649	-
Add: Provision made during the period	-	42,443,649
	42,443,649	42,443,649
Less: Adjusted during the period	2,666,901	-
Closing balance	39,776,748	42,443,649

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

22 Provision for Corporate Income Tax

Opening balance	295,167,874	242,351,881
Add: Provision made during the period	67,972,708	94,735,436
Less: Adjusted during the period	38,083,618	41,919,443
Closing balance	325,056,964	295,167,874

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

	31 Dec 2022	31 Dec 2021
23. Deferred Tax		
Opening balance	3,596,494	2,746,078
Add: Provision for the during year	-	-
Less: Adjustment during the year	(1,074,520)	(850,416)
Closing balance	4,671,014	3,596,494
WDV of fixed assets as per accounts	22,279,354	29,451,020
WDV of fixed assets as per tax base	39,264,858	41,439,335
Temporary difference	(16,985,504)	(11,988,315)
Applicable tax rate	27.50%	30.00%
Deferred tax liabilities/(assets)	(4,671,014)	(3,596,494)
24. Brokerage Commission		
Brokerage commission	230,334,353	346,524,345
Less: Hawla charges	43,000	2,900
Laga charges	21,947,379	33,018,108
Service charge from clients for CDBL	12,569,000	19,009,950
	195,774,974	294,493,388
25. Interest Income		
Income from bank deposits	25,279,364	30,500,176
Income from margin loan	135,002,089	200,593,893
	160,281,453	231,094,069
26. Interest Expense		
Interest on loan	98,878,292	149,649,645
Interest expense agnt. customer deposit	21,022,393	27,073,249
	119,900,685	176,722,894
27. Others Operating Income		
BO account opening fees	1,200,500	1,908,500
Margin account renewal fees	734,000	764,000
Income from transfer/transmission/corporate action	1,590,950	1,084,369
Margin account opening fees	708,000	192,000
BO account renewal fees	1,078,700	978,300
IPO processing fees	69,015	347,555
Other income	767,299	6,547
Dividend Income from investment in shares	42,992,987	18,205,048
Capital gain from investment in shares (Note # 27.01)	27,694,015	124,644,983
	76,835,465	148,131,302
Other income includes cheque collection charge, RTGS charge, cheque dishonor charge & other unclassified income		
27.1. Capital gain from investment in shares		
Sales price of shares	170,088,891	569,461,907
Less: Cost Price of Shares	142,394,876	444,816,924
Capital gain from shares investment	27,694,015	124,644,983

31 Dec 2022

31 Dec 2021

28. Operating Expenses

Audit fees	76,667	76,667
Bank charges	359,136	354,803
Bank guarantee commission	2,798,336	2,239,567
Business and promotional expenses	187,145	473,700
Cleaning expenses	413,568	444,359
Computer accessories	343,099	389,863
Traveling & Conveyance	439,552	1,182,885
Depreciation	21,997,848	20,197,492
Directors' remuneration	440,000	319,000
Entertainment	1,909,203	1,967,781
Fuel and oil	65,230	33,100
Insurance premium	525,594	490,386
Internet charges	2,074,393	1,750,918
Internship Allowance	157,500	105,000
Investor protection fund to DSE & CSE	171,252	-
License and renewal fees	1,814,437	12,745,362
Newspaper	66,403	177,252
Rent & others (Note: 28.1)	6,717,829	5,617,075
Others	38,341	288,850
Postage and courier	32,527	18,348
Printing and stationery	660,159	743,405
Professional & Legal expenses	665,869	461,598
Repair and maintenance	1,312,911	1,299,631
Salaries and allowances	92,687,337	86,960,433
Telephone & Mobile Bill	494,403	397,040
Training Expenses	89,997	66,900
Utilities	4,640,023	4,412,215
Closing balance	141,178,759	143,213,629

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

	31 Dec 2022	31 Dec 2021
28.1 Rent & others		
Office rent	1,386,900	-
Interest portion on lease liabilities	5,330,929	5,617,075
	<u>6,717,829</u>	<u>5,617,075</u>

Total rent expenses for the period was Tk. 18,540,067.34 as per IAS 17. To implement “IFRS16: Lease” this rent expense has been adjusted with depreciation arises against right of use of assets (ref: Annex I) and interest expenses arises against lease liabilities.

29. Earning per Share

Profit After Tax	4,914,259	16,245,344
Number of Ordinary Shares	20,000,000	20,000,000
Earning per shares	<u>0.25</u>	<u>0.81</u>

30. Disclosure on Payments/ Perquisites to Directors and Key Management Personnel (As Per Requirement of Companies Act 1994, Schedule-Xi, Part-ii)

30.1 Paid to Directors

Board Meeting Attendance Fees	<u>440,000</u>	<u>319,000</u>
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30.2 Paid to Key Management Personnel

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

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

31. Number Of Employee

The number of employees receiving remuneration of Tk. 36,000 or above per employee per year were 69 in 31 December 2022. (2021: 64)

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

Opinion

We have audited the financial statements of BA Exchange Company (UK) Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We considered the provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which may be fundamental to the ability of the Company to operate and hence may affect the Company's ability to continue as a going concern. These include compliance with Regulation (EU) 2015/ 847 on information accompanying transfers of funds (the Payments Regulation), Payment Services Regulations

2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Proceeds of Crime Act 2002. In addition there are other laws in relation to Terrorism Finance and Anti Bribery and Corruption which are relevant.

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors> responsibilities. This description forms part of our auditor's report.

Use of our report

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

Forhad Ahmed (Senior Statutory Auditor)

For and on behalf of AGP Consulting Date: March 17, 2023

Chartered Accountants
Statutory Auditor
Q West

Great West Road Brentford
TW8 OGP

BA EXCHANGE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	266,761	211,193
Cost of Sales		(42,084)	(76,165)
Gross Profit		224,677	135,028
Administrative expenses		(194,054)	(160,418)
Profit/(loss) before taxation		30,623	(25,390)
Tax on Profit/(loss)		-	-
Profit/(loss) for the financial Year		30,623	(25,390)

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		1,293		1,591
Current assets					
Debtors	9	28,171		101	
Cash at bank and in hand		132,180		191,088	
		160,351		191,189	
Creditors: amounts falling due within one year	10	(543,497)		(605,256)	
Net current liabilities			(383,146)		(414,064)
Net liabilities			(381,853)		(412,476)
Capital And Reserves					
Called up share capital			300,000		300,000
Profit and loss reserves			(681,853)		(712,476)
Total Equity			(381,853)		(412,476)

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

The financial statements were approved by the board of directors and authorised for issue on March 17, 2023 and are signed on its behalf by:

Mr A K H Azad
Director

Company Registration No. 7314397

BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

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

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

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

1.2 Going concern

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

The director considers that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds by way of the inter company position the Board of the Bank has approved this, to allow the Company to be able to meet all its commitments as they fall due.

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2022.

1.3 Turnover

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

Commission income

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

1.4 Tangible fixed assets

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

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

Fixtures and fittings 25% Reducing balance basis

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

1.5 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1.6 Financial instruments

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

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

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

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

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

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

1.7 Taxation

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

Current tax

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

Deferred tax

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

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

1.8 Leases

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

1.9 Foreign exchange

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

1.10 Debtors

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

1.11 Creditors

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

2 Judgements and key sources of estimation uncertainty

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

3 Turnover and other revenue

100% Turnover of the company for the year ended 31 December 2022 (2021 - 100%) have arisen from within the United Kingdom..

4 Operating (loss)/profit

	2022 £	2021 £
Operating (Loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	298	398
Operating lease charges	20,471	16,800

5 Auditor's remuneration

Fees payable to the company's auditor and associates:

For audit services

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

6 Employees

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

Management	1	1
Counter Staff	6	6
	7	7

Their aggregate remuneration comprised:

Wages and salaries	128,181	116,558
	128,181	116,558

7 Directors' remuneration

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

Cost	Plant and machinery (etc)
At 1 January 2022 and 31 December 2022	21,902
Depreciation and impairment	
At 1 January 2022	20,311
Depreciation charged in the year	298
At 31 December 2022	20,609
Carrying amount	
At 31 December 2022	1,293
At 31 December 2021	1,591

9 Debtors

Amounts falling due within one year:

Other debtors

2022 £	2021 £
28,171	101

10 Creditors: amounts falling due within one year

Trade creditors

485,288 569,391

Taxation and social security

932 6,244

Other creditors

57,277 29,621

543,497 605,256

11 Reserves

Profit and loss account

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

12 Parent company

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

13 Related party transactions

Transactions with related parties

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

All of the Company's remittances are routed through its parent entity Bank Asia Limited as part of the normal business cycles, these transactions are at arms length, these amounts have no transactional value and purely for settlement. All commission income is earned from the remitters. There is a position at the year end included in Trade Creditors of £472,127 (2021 - £562,800)

BA EXPRESS USA INC.

INDEPENDENT AUDITOR'S REPORT

MONIS J. SIDDIQUI, CPA P.C.

Certified Public Accountant

www.monisjs.com

516.730.6064

REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

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

Jackson Heights, New York

We have audited the accompanying financial statements of BA Express USA, Inc. (the "Company") (a New York corporation), which comprise the balance sheet as of December 31, 2022, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BA Express USA, Inc as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Monis Siddiqui, CPA P.C.

Bellerose, New York

March 03, 2023

BA EXPRESS USA INC.

BALANCE SHEET

Year Ended December 31, 2022

Assets	2022 (\$)
Current Assets:	
Cash, cash equivalents and investments	1,562,772
Accounts receivable	480,915
Other current assets	16,434
Total current assets	2,060,121
Furniture, equipment & leasehold improvements, net	25,619
Other assets	
Organization costs, net	5,845
Security deposits	40,665
Total other assets	46,510
Total assets	2,132,250
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities	
Remittance payable	2,298,892
Due to beneficiary	335,138
Other liabilities	47,302
Total liabilities	2,681,332
Stockholder's equity	(549,082)
Total liabilities and stockholder's equity	2,132,250

BA EXPRESS USA INC.

STATEMENT OF OPERATIONS

Year Ended December 31, 2022

	2022 (\$)
Revenue	
Commissions & fees	282,847
Realized gain on foreign exchange	1,104,641
Interest income	2,245
Other income	-
Total revenues	1,389,733
Expenses	
Payroll and wages	226,727
Payroll taxes	67,421
Commission fees	136,326
Professional fees	20,931
Filing and regulatory costs	22,196
Rent and lease costs	160,269
General and administrative expenses	667,134
Total expenses	1,301,004
Net Income Before Provision For taxes	88,729
Provision For Taxes	-
Net Income	88,729

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2022

	Balance Beginning (\$)	Net Change (\$)	Balance Ending (\$)
Common stock, no par value	-	-	-
Paid-in capital	960,000	-	960,000
Deficit	(1,597,811)	88,729	(1,509,082)
Stockholders' equity	(637,811)	88,729	(549,082)

BA EXPRESS USA INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

	2022 (\$)
Cash flows from operating activities :	
Net Profit	88,729
Adjustments to reconcile net income to net cash provided in operating activities	
Depreciation	14,835
Amortization	861
Changes in operating assets and liabilities	
Accounts receivable	720,156
Remittance payable	(1,952,018)
Other liabilities	27,830
Due to beneficiary	274,159
Withholding taxes	(6,681)
Net cash provided by operating activities	(832,129)
Cash flows from investing activities	
Furniture, equipment & leasehold improvements	-
Net increase in cash and cash equivalents	(832,129)
Cash, cash equivalents and investments - beginning of year	2,394,901
Cash, cash equivalents and investments - ending of year	1,562,772

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

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

Basis of Accounting

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

Use of Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable

The Company performs credit evaluations of its customers and generally does not require collateral. The Company does not believe significant credit risks exist at December 31, 2022, with respect to its accounts receivable. The company uses direct write-off method to recognize bad debt expense.

Revenue Recognition

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

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

Foreign Currency Translation

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

Furniture, Equipment and Leasehold Improvements

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

Income Taxes

No provision for income taxes has been made in the financial statements. The Company has approximately \$329,530 of net operating loss carry forwards for federal income tax purposes as of December 31, 2022. Because the future utilization of these tax carry forward losses is uncertain, no related deferred tax asset has been reflected in the accompanying financial statements.

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

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities. Unrealized gains and losses are included in earnings and are reported in the Statement of Income as a component of other income and losses. Generally, for all trading securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. As of December 31, 2022, the Company was liquid in its security positions.

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following for the year ended December 31, 2022:

FDIC insured amount	\$	774,753
Bank deposits in-excess of insured amounts		287,969
Certificate of deposits		500,000
Cash, cash equivalents and investments	\$	<u>1,562,722</u>

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

NOTE 4: FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following for the year ended December 31, 2022:

Furniture and fixtures	\$	12,561
Equipment		21,953
Leasehold improvements		154,295
		<u>188,809</u>
Less: accumulated depreciation		(163,190)
Furniture, equipment and leasehold improvements, net	\$	<u>25,619</u>

Depreciation expense for the year ended December 31, 2022 was \$14,835

NOTE 5: ORGANIZATION COSTS

Organization costs consist of the following for the year ended December 31, 2022:

Capitalized organization costs	\$	12,917
Less: accumulated amortization		(7,072)
Organization costs, net	\$	<u>5,845</u>

Amortization expense for the year ended December 31, 2022 was \$861.

BA EXPRESS USA INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

NOTE 6: OPERATING LEASES

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

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2022 for each of the next five years are:

2023	40,600
2024	6,800
Total base rent obligation	\$ 47,400

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

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2022 for each of the next five years are:

2023	86,500
2024	89,500
2025	92,650
2026	95,950
2027	99,250
Thereafter	221,900
Total base rent obligation	\$ 685,750

Rent expense for the year ended December 31, 2022 was \$160,269.

NOTE 7: BAD DEBT EXPENSE

Bad debt expense for the year ended December 31, 2022 was \$391,249

NOTE 8: RELATED PARTY TRANSACTIONS

The Company is a 100% owned subsidiary of Bank Asia Limited. The Company signed paying agent agreement with Bank Asia Limited. For the year ended December 31, 2022, there was no expense paid for related party agent fee.

NOTE 9: CONCENTRATION OF CREDIT RISK

The company may be subject to credit risk to its cash and cash equivalents. The Federal Deposit Insurance Corporation ("FDIC") insured up to \$250,000 for substantially all depository accounts. From time to time, the Company may have amounts on deposits in-excess of FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2022, the Company has \$1,203,075 in cash and cash equivalents in-excess of the FDIC limits.

NOTE 10: PRIOR PERIOD ADJUSTMENT

The accompanying financial statements of BA Express USA, Inc have been restated for a correction that was made in the prior year. The correction was a recognition of bad debt expense of \$98,499 in the prior year. Retained earnings as of December 31, 2021 have been adjusted for the effect of the restatement of the prior year.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred subsequent to the date of the financial statements through March 3, 2023 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.