



FINANCIAL STATEMENTS 2019



The Financial Statements are available at www.bankasia-bd.com

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 Bangladesh 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	N/A
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
Regulatory Deferral Accounts	IFRS-14	N/A
Revenue from Contracts with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Complied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	N/A
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

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

Leases previously classified as operating leases

a) Bank Asia recognises 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, 2019.

b) recognise 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 recognised 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 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.

3.20 Approval of financial statements

The financial statements were approved by the Board of Directors on March 22, 2020.

3.21 General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calendar year from 01 January 2019 to 31 December 2019.

4 Cash

4.1 In hand (including foreign currencies)

	31 Dec 2019	31 Dec 2018
Conventional and Islamic banking		
Local currency	3,215,685,185	2,642,651,071
Foreign currencies	26,279,990	36,957,655
	3,241,965,175	2,679,608,726
Off-shore banking unit		
	3,241,965,175	2,679,608,726

4.1(a) Consolidated Cash in hand

Bank Asia Limited	3,241,965,175	2,679,608,726
Bank Asia Securities Limited	6,689	7,290
BA Exchange Company (UK) Limited	905,678	3,483,040
BA Express USA, Inc.	-	108,796
	3,242,877,542	2,683,207,852

4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)

	31 Dec 2019	31 Dec 2018
Conventional and Islamic banking		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	14,281,134,218	11,813,624,203
Foreign currencies	5,483,798,564	333,978,489
	19,764,932,782	12,147,602,692
Balance with agent bank (Sonali Bank Limited)		
Local currency	978,794,122	724,909,310
Foreign currencies	978,794,122	724,909,310
	20,743,726,904	12,872,512,002
Off-shore banking unit		
	20,743,726,904	12,872,512,002

4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)

Bank Asia Limited	20,743,726,904	12,872,512,002
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc.	-	-
	20,743,726,904	12,872,512,002

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

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

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

4.3.1 Cash Reserve Ratio (CRR)

Conventional and Offshore Banking

As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, MPD circular no. 01 and MPD circular no. 116/2018-592 dated 03 April 2018 and DOS Circular Letter No. 26 dated August 19, 2019 Bank has to maintain CRR @ 5.5% on fortnightly cumulative average basis and minimum @ 5% on daily basis for its Conventional and Offshore Banking.

i. Daily Bank's CRR maintenance:

Required reserve (5% on Demand and Time Liabilities)	12,425,814,000	10,107,919,550
Domestic Banking Operation	11,454,521,000	10,107,919,550
Offshore Banking Operation	971,293,000	-
Actual reserve maintained	14,342,548,530	11,016,525,310
Surplus	1,916,734,530	908,605,760

ii. Fortnightly Bank's CRR maintenance:

Required reserve (5.5% of Demand and Time Liabilities)	13,668,395,000	11,118,711,505
Domestic Banking Operation	12,599,973,000	11,118,711,505
Offshore Banking Operation	1,068,422,000	-
Actual reserve maintained (average)	13,858,631,590	11,338,798,000
Surplus	190,236,590	220,086,495

Islamic Banking

i. Daily Bank's CRR maintenance:

Required reserve (5% Demand and Time Liabilities)	881,019,000	686,085,700
Actual reserve maintained	971,336,000	755,523,504
Surplus	90,317,000	69,437,804

ii. Fortnightly Bank's CRR maintenance:

Required reserve (5.5% of Demand and Time Liabilities)	969,120,000	754,694,240
Actual reserve maintained (Average)	982,962,670	755,523,504
Surplus	13,842,670	829,264

4.3.2 Statutory Liquidity Ratio (SLR)

Conventional Banking

13% of Average Demand and Time Liabilities		
Required reserve	32,307,116,000	26,280,590,830
Domestic Banking Operation	29,781,755,000	26,280,590,830
Offshore Banking Operation	2,525,361,000	-
Actual reserve maintained	55,749,003,020	35,613,981,000
Surplus	23,441,887,020	9,333,390,170

Islamic Banking

5.5% of Average Demand and Time Liabilities		
Required reserve	969,120,000	754,694,240
Actual reserve maintained	1,010,836,000	786,588,000
Surplus	41,716,000	31,893,760
	23,483,603,020	9,365,283,930

4.3.3 Held for Statutory Liquidity Ratio

Conventional Banking

Cash in hand	3,202,645,610	2,645,456,000
Excess of CRR - Balance with Bangladesh Bank	674,153,530	-
Balance with agent bank (Sonali Bank Limited)	644,180,530	589,932,000
Government securities	51,225,860,540	32,377,047,000
Other securities	2,162,800	1,546,000
	55,749,003,010	35,613,981,000

Islamic Banking

Cash in hand	39,320,000	31,058,000
Excess of CRR - Balance with Bangladesh Bank	2,216,000	830,000
Government securities	969,300,000	754,700,000
	1,010,836,000	786,588,000
	56,759,839,010	36,400,569,000

5. Balance with other banks and financial institutions

In Bangladesh

Conventional and Islamic banking (Note 5.1)	19,491,968,105	23,488,274,856
Off-shore banking unit	-	-
	19,491,968,105	23,488,274,856

Outside Bangladesh

Conventional and Islamic banking (Note 5.2)	3,163,855,218	1,911,475,826
Off-shore banking unit	457,730,481	465,862,484
	3,621,585,699	2,377,338,310
	23,113,553,804	25,865,613,166

5.1 Conventional and Islamic banking-In Bangladesh

Current accounts

AB Bank Limited	41,480	41,480
Agrani Bank Limited	242,743,542	5,696
Januna Bank Limited	-	345
Janata Bank Limited	74,235,985	66,465,691
Rupali Bank Limited	106,657,418	59,552,217
Pubali Bank Limited	181,718,255	-
Standard Chartered Bank	258,270	9,354,693
Sonali Bank Limited	276,432,774	249,494,042
Trust Bank Limited	(5,022,218)	(8,923,545)
	877,065,506	375,990,619

Short-notice deposit accounts

AB Bank Limited	558,562	545,194
Bank Alfalah Limited	15,035	2,012,720
BRAC Bank Limited	-	829,427
Islami Bank Bangladesh Limited	180,283	180,283
Uttara Bank Limited	48,719	116,613
	802,599	3,684,237

Fixed deposit accounts/ MTD

Islamic Finance and Investment Limited	150,000,000	200,000,000
Hajj Finance Company Limited	150,000,000	150,000,000
Premier Bank Limited	-	500,000,000
	300,000,000	850,000,000
	1,177,868,105	1,229,674,856

Placements

With Banking companies	12,764,100,000	19,308,600,000
With Non-banking financial institutions	5,550,000,000	2,950,000,000
	18,314,100,000	22,258,600,000
	19,491,968,105	23,488,274,856

Details of Placement with Banking companies (Local Currency)

EXIM Bank Limited	-	1,000,000,000
Januna Bank Limited	3,500,000,000	4,000,000,000
Mercantile Bank Limited	1,000,000,000	1,000,000,000
Mutual Trust Bank Limited	500,000,000	1,000,000,000
National Credit and Commerce Bank Limited	-	500,000,000
National Bank Limited	1,000,000,000	1,600,000,000
One Bank Limited	3,000,000,000	-
Social Islami Bank Limited	-	1,000,000,000
Standard Bank Limited	3,000,000,000	3,000,000,000
	12,000,000,000	13,100,000,000

Details of Placement- with Banking companies (Foreign Currencies)

Eastern Bank Limited	-	1,845,800,000
Islami Bank Bangladesh Limited	-	4,195,000,000
Modhumoti Bank Limited	764,100,000	167,800,000
	764,100,000	6,208,600,000
	12,764,100,000	19,308,600,000

Details of Placement with Non-banking financial institutions

Delta Brac Housing	400,000,000	300,000,000
Investment Corporation of Bangladesh	3,000,000,000	2,000,000,000
PDC Finance Limited	500,000,000	300,000,000
ICICI Bank Limited	1,500,000,000	-
United Finance Limited	-	200,000,000
Union Capital Limited	150,000,000	150,000,000
	5,550,000,000	2,950,000,000

5.2 Conventional and Islamic banking-Outside Bangladesh Current accounts Interest bearing:

Citibank N.A., London (EURO)	467,484	23,748,210
Citibank N.A., London (GBP)	12,159,468	6,372,