



FINANCIAL STATEMENTS 2019



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

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 2019 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors / Close family members	Office Rent	18,204,129
Romask Ltd	-do-	Printing	54,167,282
Rangs Industries Ltd.	-do-	Electronics items provider	143,400
Garda Shield Security Service Ltd.	-do-	Maintenance	1,755,751
Rangs workshop Ltd	-do-	Car repair and Services	2,384,644
Rangs ITT Ltd.	-do-	Network Connectivity fees	96,331,449
DHS Motors	-do-	Car providers & Car repair and Services	670,069
Shield Security Service	-do-	Security Service providers	246,193,140
Green Bangla	-do-	Tree Plantation	579,492
Reliance Insurance	-do-	Insurance Service	37,055,997
The Daily Star	-do-	Advertising	6,642,088
Rangs Limited	-do-	Car providers	3,334,055
All Estates Limited	-do-	Office Rent	247,938,038
Rangs Motors Limited	-do-	Machinery Equipments provider	2,021,907
Rangs Power Tech Limited	-do-	Machinery Equipments provider	3,660,700
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	23,499,287
M/s. M Ahmed Tea & Land Co. Ltd.	-do-	Office Rent	270,000
Opex Fashions Limited	-do-	Office Rent	3,308,850
Rancon Motor Bikes Ltd	-do-	Motor Bike	7,120,000
Enterprise Asia Ltd	-do-	Advance Office Rent	293,784,960
ERA Infotech	Associate Company	Software vendor	84,931,606

During the year 2019, Directors and their interest in different entities are given in Annexure F:

40.1. Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2019 is given below:

Particulars	Amount Tk
Short-term employee benefit	98,314,668

Key Management personnel includes President and Managing Director, 05 nos. Deputy Managing Director, 08 nos Senior Executive Vice Presi dent, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer. Key management personnel get car facilities and leave fare assistance as per existing company policy. In addition gratuity, benevolent and superannuation fund benefits are provided as per service rule if eligible.

41 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, ACNABIN , Chartered Accountants worked about 26,500 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

42 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2019 was Tk. 18.20 (2018: Tk. 17.70) at DSE and Tk. 18.50 at CSE (2018: 17.70).

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 428th meeting held on March 22, 2020 has recommended 10 % 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.

31 Directors' fees		
Directors' fees	3,424,000	3,656,000
32(a) Consolidated Directors' fees		
Bank Asia Limited	3,424,000	3,656,000
Bank Asia Securities Ltd.	302,400	230,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,726,400</u>	<u>3,886,000</u>

32 Auditors' fees		
Audit fees	1,478,225	875,500
Others	-	-
	<u>1,478,225</u>	<u>875,500</u>

32(a) Consolidated Auditors fees		
Bank Asia Limited	1,478,225	875,500
Bank Asia Securities Ltd	95,833	95,833
BA Exchange Company (UK) Limited	630,240	650,849
BA Express USA, Inc	1,235,961	1,291,060
	<u>3,440,259</u>	<u>2,913,042</u>

33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	834,076,015	475,722,070
Off-shore banking unit	-	-
	<u>834,076,015</u>	<u>475,722,070</u>

33.1 Conventional and Islamic banking		
Depreciation	761,091,855	406,406,674
Repairs:		
Building	10,055,315	6,477,977
Furniture and fixtures	3,583,154	1,381,017
Equipments	19,297,980	6,990,839
	<u>32,936,449</u>	<u>14,849,833</u>
Maintenance	40,047,711	54,465,563
	<u>834,076,015</u>	<u>475,722,070</u>

33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia Limited	834,076,015	475,722,070
Bank Asia Securities Ltd	4,709,168	1,622,905
BA Exchange Company (UK) Limited	2,033,364	1,882,435
BA Express USA, Inc	1,648,136	1,631,768
	<u>842,466,683</u>	<u>480,859,178</u>

34 Other expenses		
Conventional and Islamic banking (Note 34.1)	1,868,985,671	1,720,922,197
Off-shore banking unit	18,682,659	13,242,801
	<u>1,887,668,330</u>	<u>1,734,164,998</u>

34.1 Conventional and Islamic banking		
Car expenses	324,170,297	327,603,784
Contractual service expenses	744,761,162	653,073,820
Computer expenses	168,235,611	154,704,899
Other management and administrative expenses	246,377,129	205,074,053
Commission paid to agents	153,238,259	65,197,958
Entertainment	63,159,412	49,288,292
AGM/EGM expenses	1,528,027	3,451,105
Payment to superannuation fund	7,320,000	7,320,000
Donation and subscription to institutions	103,516,418	192,002,911
Travelling expenses	37,390,737	40,157,362
Training and internship	18,106,353	22,478,413
Directors' travelling expenses	682,266	69,600
Sharia council fees	500,000	500,000
	<u>1,868,985,671</u>	<u>1,720,922,197</u>

34(a) Consolidated other expenses		
Bank Asia Limited	1,887,668,330	1,734,164,998
Bank Asia Securities Ltd	11,032,998	12,952,991
BA Exchange Company (UK) Limited	6,329,186	11,255,466
BA Express USA, Inc	9,288,053	8,755,540
	<u>1,914,318,567</u>	<u>1,767,128,995</u>

34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	5,414,376,135	3,384,158,645
Off-shore banking unit	(12,723,002)	59,942,287
	<u>5,401,653,133</u>	<u>3,444,100,932</u>

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

General provision		
Conventional and Islamic banking	2,860,517,628	933,259,584
Off-shore banking unit	(12,630,144)	56,796,306
	<u>2,847,887,484</u>	<u>990,055,890</u>
Specific provision		
Conventional and Islamic banking	2,805,142,562	2,601,190,658
Off-shore banking unit	-	3,326,356
	<u>2,805,142,562</u>	<u>2,604,517,014</u>
Provision for off-balance sheet items		
Conventional and Islamic banking	(196,284,055)	(172,791,597)
Off-shore banking unit	(92,859)	(180,375)
	<u>(196,376,913)</u>	<u>(172,971,972)</u>
Provision for diminution in value of investments	(80,000,000)	10,000,000
Other provisions	25,000,000	12,500,000
	<u>5,401,653,133</u>	<u>3,444,100,932</u>

34(c) Consolidated Provision for loans and advances/investments		
Bank Asia Limited	5,401,653,133	3,444,100,932
Bank Asia Securities Limited:		
Specific Provision	36,000,000	110,000,000
Provision for diminution in value of investments	13,934,688	-
Other provisions	-	-
	<u>36,000,000</u>	<u>110,000,000</u>
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>5,451,587,821</u>	<u>3,554,100,932</u>

35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	1,015,312,483	967,208,220
Off-shore banking unit	28,308,974	26,079,410
	<u>1,043,621,457</u>	<u>993,287,630</u>

35.1 Conventional and Islamic banking		
Locker charge	11,975,125	11,407,510
Service and other charges	536,740,372	479,149,066
Master card fees and charges	241,919,424	206,373,235
Postage/telex/SWIFT/ fax recoveries	127,286,381	118,436,866
Non-operating income	97,391,181	151,841,543
	<u>1,015,312,483</u>	<u>967,208,220</u>

35(a) Consolidated Receipts from other operating activities		
Bank Asia Limited	1,043,621,457	993,287,630
Bank Asia Securities Ltd	29,775,796	66,480,030
BA Exchange Company (UK) Limited	2,661,714	433,766
BA Express USA, Inc	948,684	554,369
	<u>1,077,007,651</u>	<u>1,060,755,795</u>
Less: inter-companies transactions	-	-
	<u>1,077,007,651</u>	<u>1,060,755,795</u>

36 Payments for other operating activities		
Conventional and Islamic banking (Note 36.1)	2,475,302,230	2,557,325,672
Off-shore banking unit	18,940,208	13,503,015
	<u>2,494,242,438</u>	<u>2,570,828,687</u>

36.1 Conventional and Islamic banking		
Rent, rates and taxes	439,835,697	684,268,635
Legal expenses	20,534,559	25,213,849
Directors' fees	3,424,000	3,656,000
Postage, stamp, telecommunication, etc	124,471,658	108,489,491
Other expenses	1,868,985,671	1,720,922,197
Managing Director's salary	16,572,420	13,900,000
Auditors' fee	1,478,225	875,500
	<u>2,475,302,230</u>	<u>2,557,325,672</u>

36(a) Payments for other operating activities		
Bank Asia Limited	2,494,242,438	2,570,828,687
Bank Asia Securities Ltd	31,150,297	30,584,107
BA Exchange Company (UK) Limited	14,778,918	21,988,243
BA Express USA, Inc	18,668,744	17,949,054
	<u>2,558,840,397</u>	<u>2,641,350,091</u>

37 Earnings per share (EPS)		
Net profit after tax (Numerator)	1,960,811,140	2,265,276,987
Number of ordinary shares outstanding (Denominator)	1,110,387,486	1,110,387,486
Issue of bonus shares 5%	55,519,374	55,519,374
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	1.68	1.94

Earnings per share has been calculated in accordance with IAS 33: "Earnings Per Share (EPS)". Earnings per share for previous period has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2018, the earliest period reported. Actual EPS for December 2018 was Taka 2.04.

37(a) Consolidated Earnings per share (EPS)		
Net profit after tax (Numerator)	1,957,811,647	2,233,390,509
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	1.68	1.92

38 Number of employees
The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,376 (2018: 2,256).

39 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 409th meeting held on April 30, 2019 consisting of the following members:

Name	Status with the Board	Status with the Audit Committee
Mr. Dilwar H Choudhury	Independent Director	Chairman
Mr. Mohd. Safwan Choudhury	Vice Chairman	Member
Major General. Mohammad Matiur Rahman (ret.)	Director	Member
Mr. Ashrafuul Haq Chowdhury	Independent Director	Member

The Company Secretary of the Bank acts as the Secretary of the Committee.			
No. of meeting	Date	No. of meeting	Date
200 th Audit	21 st March, 2019	204 th Audit	11 th September, 2019
201 st Audit	29 th April, 2019	205 th Audit	23 rd October, 2019
202 nd Audit	10 th July, 2019	206 th Audit	2 nd December, 2019
203 rd Audit	31 st July, 2019		

In the year 2019, 07 (seven) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- External Audit Report of the Bank and the recommendations made therein.
 - Bangladesh Bank comprehensive inspection report and the recommendations made therein.
 - Audit and inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
 - Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank inspection report and by the Internal Audit Team of the Bank.
 - 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.
 - The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
 - Management Report on Accounts of the Bank for the year ended on 31.12.2018.
 - Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
 - Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL).
- The Audit Committee has further satisfied that
- The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
 - Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
 - The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
 - Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
 - The Financial Standards of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.

40 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic

Highlights on the overall activities

as at and for the year ended 31 December 2019

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2019	2018	2019	2018
1	Paid-up Capital	11,659,068,600	11,103,874,860	139,046,733	132,425,460
2	Total Capital	42,757,136,343	35,082,898,046	509,924,107	418,400,692
3	Capital (deficit)/surplus	18,914,413,077	11,774,335,287	225,574,396	140,421,411
4	Total Asset	353,800,373,697	307,291,400,556	4,219,443,932	3,664,775,200
5	Total Deposit	253,709,574,615	222,471,716,244	3,025,755,213	2,653,210,689
6	Total loans and advances / investments	227,298,956,048	214,618,151,145	2,710,780,633	2,559,548,612
7	Total contingent liabilities and commitments	120,617,276,961	137,459,256,487	1,438,488,694	1,639,347,126
8	Credit deposit ratio	76.47%	81.75%	76.47%	81.75%
9	Percentage of classified loans / investments against total loans and advances / investments	4.61%	4.10%	4.61%	4.10%
10	Profit after tax and provision	1,960,811,140	2,266,276,987	23,384,748	27,027,752
11	Amount of classified loans/investments during current year	10,479,985,000	8,809,830,429	124,984,914	105,066,553
12	Provisions kept against classified loans / investments	4,604,656,791	3,892,759,378	54,915,406	46,425,276
13	Provision surplus against classified loans / investments	1,843,000	5,114,917	21,980	61,001
14	Cost of fund	8.26%	8.25%	8.26%	8.25%
15	Interest earning assets	312,059,883,788	278,695,296,655	3,721,644,410	3,323,736,394
16	Non-interest earning assets	41,740,489,909	28,596,103,901	497,799,522	341,038,806
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	2.76%	3.65%	2.76%	3.65%
18	Return on assets (ROA) [PAT/ Average assets]	0.59%	0.76%	0.59%	0.76%
19	Income from investment	3,293,064,994	2,311,462,131	39,273,286	27,566,632
20	Capital adequacy	17.93%	15.05%	17.93%	15.05%
21	Earnings per share	1.68	2.04	1.68	2.04
22	Net income per share	1.68	2.04	1.68	2.04
23	Price earning ratio	10.83	8.67	10.83	8.67

Exchange rate used 1 USD equivalent to BDT 83.85 (2018: BDT 82.75)

Balance with other banks- Outside Bangladesh (Nostro Account)

as at 31 December 2019

Annex A