



# FINANCIAL STATEMENTS 2019



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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.

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

**13.7 Provision for diminution in value of shares**

Balance as at 1 January	263,383,553	253,383,553
Less: Transfer to general provision for loans and advances/investments	-	-
Add: Provision for impairment loss of investment in subsidiaries	(80,000,000)	10,000,000
Balance as at 31 December	183,383,553	263,383,553

Provision requirement for quoted and unquoted share including subsidiaries (Annex B)

Provision maintained	169,694,780	117,455,432
Surplus provision maintained	183,383,553	263,383,553
	13,688,773	145,928,121

**13.8 Provision for others**

Balance at the beginning of the year	147,218,755	134,718,755
Adjustment	-	-
Add: Provision made during the year	25,000,000	12,500,000
Balance at the end of the year	172,218,755	147,218,755

Provision requirement

Provision maintained	167,112,000	139,266,000
Surplus provision maintained	172,218,755	147,218,755
	5,106,755	7,952,755

(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 14 dated June 25, 2001.)

**13.9 Lease liabilities**

Balance as at 1 January	1,405,418,936	-
Add: Interest charge during the year	126,487,704	-
Less: Payment made during the year	(423,137,251)	-
Balance as at 31 December	1,108,769,389	-

Lease liabilities - non current portion

Lease liabilities - current portion	975,063,306	-
	133,706,353	-
	1,108,769,389	-

The lease liabilities represents the present value of the lease payments discounted 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	29,163,552,669	22,760,876,373
Bank Asia Securities Limited	1,704,550,663	1,751,860,673
BA Exchange Company (UK) Limited	92,327,339	88,500,221
BA Express USA, Inc	217,275,726	199,062,632
Foreign currency effect for subsidiaries	-	-
	31,177,706,397	24,800,299,899

Less: Inter-companies transactions

Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	83,868,721	71,073,212
BA Express USA, Inc	219,844,009	206,003,095
	30,873,993,667	24,523,223,592

**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	-
	11,659,068,600	11,103,874,860

**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 10 each amounting to Taka 20,000,000 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)	11,659,068,600	11,103,874,860
Paid up capital	9,052,555,407	8,268,393,179
Statutory reserve (Note 15)	8,166,144	8,166,144
General reserve	1,959,644,131	1,839,667,438
Retained earnings (Note 17)	22,679,434,282	21,220,101,622

Less: Regulatory adjustments

Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	43,436,430	54,732,730
Common Equity Tier-1 capital (Going-Concern Capital)	22,635,997,852	21,165,368,892
Additional Tier 1 Capital	-	-
Total Tier-1 Capital	22,635,997,852	21,165,368,892
Tier-2 Capital (Gone-Concern Capital)	-	-
General provision maintained against unclassified loan/investments	7,674,460,129	5,091,242,413
General provision on off-balance sheet exposure	961,650,585	1,158,027,498
Subordinated non-convertible zero coupon bonds	11,800,000,000	7,400,000,000
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	21,777,406,931	14,990,566,128

100% of revaluation reserve for fixed assets, securities and equity securities

Total Tier-2 Capital	20,436,110,714	13,917,529,155
Maximum Limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	20,121,138,491	13,917,529,155
Excess Amount over Maximum Limit of Tier-2	314,972,223	-
Total admissible Tier-2 Capital	20,121,138,491	13,917,529,155
A) Total capital	42,757,136,343	35,082,898,046
B) Total risk weighted assets (RWA)	238,427,232,656	233,085,671,587
C) Required capital	23,842,723,266	23,308,562,759
D) Capital surplus (A-C)	18,914,413,077	11,774,335,287
E) Minimum total capital plus capital conservation buffer requirement @ 12.50% (2018 @ 11.875%)	29,803,404,882	27,678,918,276
F) Capital surplus (A-E) with capital conservation buffer	12,953,732,261	7,403,979,770

Capital to risk weighted asset ratio

Common Equity Tier-1 to RWA (minimum 4.5% under Basel III)	9.49%	9.08%
Tier-1 to RWA ( minimum 6% under Basel III)	9.49%	9.08%
Capital to Risk Weighted Assets against minimum requirement 10%	17.93%	15.05%

**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	11,103,874,860
Paid up capital	10,196	11,799
Non-controlling (Minority) interest	9,052,555,407	8,268,393,179
Statutory reserve (Note 15)	8,166,144	8,166,144
General reserve	1,800,257,979	1,686,898,121
Retained earnings (Note 17a)	22,520,058,326	21,067,344,104

Less: Regulatory adjustments

Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	43,436,430	54,732,730
Common Equity Tier-1 capital (Going-Concern Capital)	22,476,621,896	21,012,611,374
Additional Tier 1 Capital	-	-
Total Tier-1 Capital	22,476,621,896	21,012,611,374
Tier-2 Capital (Gone-Concern Capital)	-	-
General provision maintained against unclassified loan/investments	7,674,460,129	5,091,242,413
General provision on off-balance sheet exposure	961,650,585	1,158,027,498
Subordinated non-convertible zero coupon bonds	11,800,000,000	7,400,000,000
Revaluation reserve of securities and fixed assets	1,341,296,217	1,341,296,217
	21,777,406,931	14,990,566,128

Less: Regulatory adjustments

100% of revaluation reserve for fixed assets, securities and equity securities	1,341,296,217	1,073,036,973
Total Tier-2 Capital	20,436,110,714	13,917,529,155
Maximum Limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	19,979,469,203	13,917,529,155
Excess Amount over Maximum Limit of Tier-2	456,641,511	-
Total admissible Tier-2 Capital	19,979,469,203	13,917,529,155
A) Total capital	42,456,091,099	34,930,140,528
B) Total risk weighted assets (RWA)	242,096,830,071	236,588,929,108
C) Required capital	24,209,683,071	23,658,929,911
D) Capital surplus (A-C)	18,246,408,028	11,271,247,617

Dutch-Bangla Bank Limited	500,000,000	-
Pubali Bank Limited	500,000,000	-
	5,000,000,000	-
	11,800,000,000	7,400,000,000

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

Payable on demand	4,207,328,495	4,076,274,113
Up to 1 month	-	-
More than 1 month but within 3 months	11,386,200,000	13,952,500,000
More than 3 months but within 1 year	17,036,200,000	10,117,500,000
More than 1 year but within 5 years	3,352,400,000	9,572,400,000
More than 5 years	10,200,000,000	1,000,000,000
	46,182,128,495	38,718,674,113

**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

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

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

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

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
1	Brac Bank Limited	30-Dec-19	2-Jan-20	1,003,285,998
2	Jamuna Bank Limited	30-Dec-19	2-Jan-20	492,985,000
	Total			1,496,270,998

**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)	253,114,207,271	222,012,507,650
Off-shore banking unit	595,367,344	459,208,594
	253,709,574,615	222,471,716,244

**Deposits and other accounts**

Current/Al-wadeeah current accounts and other accounts	-	-
Deposits from banks	-	-
Deposits from customers	47,005,242,314	46,831,596,579
Off-shore banking unit	448,441,616	393,033,599
	47,453,683,930	47,224,630,178

**Bills payable**

Deposits from banks	-	-
Deposits from customers	3,742,697,471	4,124,678,804
	3,742,697,471	4,124,678,804

**Savings bank/Mudrabah savings bank deposits**

Deposits from banks	-	-
Deposits from customers	48,293,710,027	39,558,517,712
	48,293,710,027	39,558,517,712

**Fixed deposits/Mudrabah fixed deposits**

Deposits from banks	1,654,615	1,958,989
Deposits from customers	154,070,902,844	131,495,755,566
Off-shore banking unit	146,925,728	66,174,995
	154,219,483,187	131,563,889,550
	253,709,574,615	222,471,716,244

**12.1 Conventional and Islamic banking**

Deposits from banks (Note 12.1.1)	1,654,615	1,958,989
Deposits from customers (Note 12.1.2)	253,112,552,656	222,010,548,661
	253,114,207,271	222,012,507,650

**12.1.1 Deposits from banks**

**Fixed deposit/SND**

AB Bank Limited	40,107	40,056
EXIM Bank Limited	456,585	784,438
Social Islami Bank Limited	577,859	566,168
Trust Bank Limited	580,064	568,327
	1,654,615	1,958,989

**12.1.2 Deposits from customers**

Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	47,005,242,314	46,831,596,579
Bills payable (Note 12.1.2b)	3,742,697,471	4,124,678,804
Savings bank/Mudrabah savings deposits	48,293,710,027	39,558,517,712
Fixed deposits/Mudrabah fixed deposits (Note 12.1.2c)	154,070,902,844	131,495,755,566
	253,112,552,656	222,010,548,661

**12.1.2a Current/Al-wadeeah current accounts and other accounts**

Current/Al-wadeeah current accounts	17,441,207,887	16,626,865,081
Other demand deposit - Local currency	22,733,007,110	23,221,634,537
Other demand deposit - Foreign currencies	5,227,954,342	5,456,866,477
Foreign currency deposits	1,603,072,975	1,526,230,484
Export retention quota	-	-
	47,005,242,314	46,831,596,579

**12.1.2b Bills payable**

Bills payable - local currency	3,669,925,828	4,114,942,932
Bills payable - foreign currencies	72,771,643	9,735,872
Demand draft	-	-
	3,742,697,471	4,124,678,804

**12.1.2c Fixed deposits/Mudrabah fixed deposits**

Fixed deposits/Mudrabah fixed deposits	91,651,024,581	78,423,944,865
Special notice deposit	27,251,216,317	19,471,499,885
Foreign currency deposits (interest bearing)	3,364,448	3,314,296
Deposit under schemes	35,165,297,498	33,596,996,520
	154,070,902,844	131,495,755,566

**12.2 Payable on demand and time deposits**

a) **Demand deposits**

Current/Al-wadeeah current accounts and other accounts	17,889,649,503	17,019,898,680
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