Bank Asia

FINANCIAL STATEMENTS 2019

20 years Reaching the Unreached Bank Asia

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

E)	Minimum total capital plus capital conservation buffer requirement @ 12.50% (2018 @ 11.875%)	30,262,103,759	28,094,935,332
F)	Capital surplus (A-E) with capital conservation buffer	12,193,987,340	6,835,205,197
Capital to risk weighted asset ratio			
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)		9.28%	8.88%
Tier- 1 to RWA (minimum 6% under Basel III)		9.28%	8.88%
Capital to Risk Weighted Assets against minimum requirement 10%		17.54%	14.76%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2019 No. of shares	At 31 December 2019 %	At 31 December 2018 No. of shares	At 31 December 2018 %
Sponsors & Directors	596,898,621	51.20	580,171,212	52.25
General public	169,727,589	14.56	168,707,497	15.19
Institutions	259,623,630	22.27	255,227,403	22.99
Investment companies	133,181,344	11.42	95,345,747	8.59
Non-resident Bangladeshi	2,129,985	0.18	6,690,904	0.60
Foreign investors	4,345,691	0.37	4,244,723	0.38
	1,165,906,860	100	1,110,387,486	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	2019	2018	2019	2018
Less than 5,000	6,836	7,767	0.68	0.83
5,000 to 50,000	1,769	2,150	2.10	2.65
50,001 to 100,000	118	149	0.71	0.95
100,001 to 200,000	49	77	0.58	0.95
200,001 to 300,000	27	41	0.58	0.93
300,001 to 400,000	12	9	0.35	0.27
400,001 to 500,000	12	14	0.47	0.59
500,001 to 1,000,000	37	30	2.34	1.9
1,000,001 to 10,000,000	70	80	22.27	24.6
Over 10,000,000	30	27	69.92	66.33
	8,960	10,344	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2019

Sl	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	23,350,148	22,238,237
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	43,491,664
3	Mr. Romo Rouf Chowdhury	Vice Chairman	23,323,746	22,213,092
4	Mr. Rumee A Hossain	Director	34,416,554	32,177,671
5	Mrs. Hosneara Sinha	Director	53,184,729	50,652,123
6	Ms. Naheed Akhter Sinha	Director	55,842,838	53,183,656
7	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	41,679,196	39,694,473
8	Maj. Gen. Mohammad Matiur Rahman (Retd.) (Representing Sinha Fashions Limited)	Director	23,401,435	22,287,081
9	Ms. Farhana Haq	Director	54,907,244	52,211,661
10	Mr. Enam Chowdhury (Representing Amiran Generations Limited)	Director	47,558,630	45,293,934
11	Mr. M Shahjahan Bhuiyan (Independent Director)	Director	-	-
12	Mr. Md. Nazrul Huda (Independent Director)	Director	-	-
13	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
14	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-

15 Statutory reserve

Balance at the beginning of the year	8,268,393,179	7,345,137,782
Add: Addition during the year (20% of pre-tax profit)	784,162,228	923,255,397
Balance at the end of the year	9,052,555,407	8,268,393,179

16 Revaluation reserve

HTM securities (Note 16.1)	20,176,016	16,504,049
HFT securities (Note 16.2)	7,434,933	11,740,204
Fixed Assets revaluation (Note 16.3)	2,038,072,687	2,091,787,951
	2,065,683,636	2,120,032,204

16.1 Revaluation reserve on HTM securities

Balance at 1 January	16,504,049	8,880,978
Gain from revaluation on investments	14,919,561	9,815,237
Adjustment for sale/maturity of securities	(11,247,594)	(2,192,166)
	20,176,016	16,504,049

16.2 Revaluation reserve on HFT securities

Balance at 1 January	11,740,204	-
Gain from revaluation on investments	492,331,474	934,571,047
Adjustment for sale/maturity of securities	(496,636,745)	(922,830,843)
	7,434,933	11,740,204

16.3 Revaluation reserve on Fixed Assets

Balance at 1 January	2,091,787,951	2,145,503,215
Depreciation charged during the year	(53,715,264)	(53,715,264)
	2,038,072,687	2,091,787,951

16 (a) Consolidated Revaluation reserve

Bank Asia Limited	2,065,683,636	2,120,032,204
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	2,065,683,636	2,120,032,204

17 Retained earnings

Balance at 1 January		1,839,667,438	1,676,694,455
Add: Post - tax profit fot the year		1,960,811,140	2,266,276,987
	Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
		3,854,193,842	3,996,686,706
Less:	Issue of bonus shares for the year 2017	-	1,233,763,870
	Issue of cash dividend for the year 2018	555,193,743	-
	Issue of bonus shares for the year 2018	555,193,740	
	Transfer to statutory reserve	784,162,228	923,255,397
		1,894,549,711	2,157,019,267
		1,959,644,131	1,839,667,438

17(a) Consolidated Retained earnings

Balance at 1 January		1,686,898,121	1,554,316,722
Add:	Foreign exchange revaluation reserve for opening retained earnings	(3,618,945)	2,494,969
	Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
	Post- tax profit for the year	1,957,811,647	2,233,390,509
	Adjustment of non controlling interest	1,693	-
Less:	Non controlling interest	90	76
		3,694,807,690	3,843,917,389
Less:	Issue of bonus shares for the year 2017	-	1,233,763,870
	Issue of cash dividend for the year 2018	555,193,743	-
	Issue of bonus shares for the year 2018	555,193,740	
	Transferred to statutory reserve	784,162,228	923,255,397
		1,894,549,711	2,157,019,267
		1,800,257,979	1,686,898,121

17(b) Non-controlling (Minority) interest

Bank Asia Securities Limited	10,196	11,799
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	10,196	11,799

18 Contingent liabilities

Conventional and Islamic banking	120,585,944,792	137,418,638,484
Off-shore banking unit	31,332,169	40,618,003
	120,617,276,961	137,459,256,487
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	39,190,434,015	48,556,114,935
Off-shore banking unit	2,055,858	13,276,658
	39,192,489,873	48,569,391,593
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	36,999,351,447	41,312,967,803
Off-shore banking unit	-	-
	36,999,351,447	41,312,967,803
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	26,439,543,168	30,300,346,429
Off-shore banking unit	29,276,311	27,341,345
	26,468,819,479	30,327,687,774
Bills for collection		
Conventional and Islamic banking (Note 18.4)	15,916,199,719	16,015,469,958
Off-shore banking unit	-	-
	15,916,199,719	16,015,469,958
Other commitments		
Conventional and Islamic banking (Note 18.5)	2,040,416,443	1,233,739,359
Off-shore banking unit	-	-
	2,040,416,443	1,233,739,359
	120,617,276,961	137,459,256,487

18.1 Acceptances and endorsements

Conventional and Islamic banking	39,190,434,015	48,556,114,935
Off-shore banking unit	2,055,858	13,276,658
	39,192,489,873	48,569,391,593

18.2 Letters of guarantee

Letters of guarantee (Local)	23,279,766,953	20,747,116,559
Letters of guarantee (Foreign)	13,719,584,494	20,565,851,244
	36,999,351,447	41,312,967,803
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	27,928,576,899	29,036,809,306
Banks and other financial institutions	925,708,758	1,489,804,673
Others	8,145,065,790	10,786,353,825
	36,999,351,447	41,312,967,803

18.3 Irrevocable letters of credit

Letters of credit Back to Back (Inland)	3,394,140,530	2,847,330,194
Letters of credit (General)	19,708,039,248	23,821,302,958
Back to back L/C	3,337,363,390	3,631,713,277
	26,439,543,168	30,300,346,429

18.4 Bills for collection

Local bills for collection	10,467,042,903	9,524,744,721
Foreign bills for collection	5,449,156,816	6,490,725,237
	15,916,199,719	16,015,469,958

18.5 Other commitments

Forward Assets Purchased and Forward Deposits Placed	2,040,416,443	1,233,739,359

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)	26,103,448,197	23,190,136,141
Dividend income (Note 22.1)	51,407,464	31,854,449
Fees, commission and brokerage (Note 19.2)	1,610,106,976	1,489,282,892
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	1,348,918	154,880
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	1,751,261,150	1,501,411,105
Income from non-banking assets	-	-
Other operating income (Note 24)	1,018,730,455	917,723,225
Profit/ less Losses on interest rate changes	-	-
	30,536,303,160	27,130,562,692
Expenses:		
Interest paid/profit shared on deposits and borrowings, etc (Note 21)	14,462,380,548	13,007,993,495
Administrative expenses (Note 19.3)	4,102,698,154	3,921,619,606
Other expenses (Note 34)	1,887,668,330	1,734,164,998
Depreciation on banks assets (Note 33.1)	761,091,855	406,406,674
	21,213,838,887	19,070,184,773
	9,322,464,273	8,060,377,919

19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	22,863,139,585	20,910,683,339
Interest on treasury bills/reverse repo/bills	3,074,953,797	2,051,028,806
Interest income on corporate bonds	141,812,731	153,014,471
Interest on debentures	-	-
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	23,542,084	75,409,525
	26,103,448,197	23,190,136,141

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

19.2 Fees, commission and brokerage

Commission	1,610,106,976	1,489,282,892
Brokerage	-	-
	1,610,106,976	1,489,282,892

19.3 Administrative expenses

Salaries and allowances (Note 25)	3,266,449,893	2,882,190,002
Rent, taxes, insurance, electricity, etc (Note 26)	440,093,246	684,528,849
Legal expenses (Note 27)	20,534,559	25,213,849
Postage, stamp, telecommunication, etc (Note 28)	124,471,658	108,489,491
Stationery, printing, advertisement, etc (Note 29)	156,689,993	133,450,519
Managing Director's salary and fees (Note 30)	16,572,420	13,900,000
Directors' fees (Note 31)	3,424,000	3,656,000
Auditors' fees (Note 32)	1,478,225	875,500
Repair of Bank's assets (Note 33.1)	72,984,160	69,315,396
	4,102,698,154	3,921,619,606

20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	21,725,303,785	19,911,597,243
Off-shore banking unit	1,166,103,247	1,081,620,297
	22,891,407,032	20,993,217,540
Less: inter transaction between OBU and Conventional banking	28,267,447	82,534,201
	22,863,139,585	20,910,683,339

20.1 Conventional and Islamic banking

Agricultural loan	332,659,093	282,113,500
Cash credit/Bai Murabaha (Muajjal)	477,480,468	457,037,796
Credit card	415,843,541	324,100,884
Credit for poverty alleviation scheme-micro credit	295,388	92,816
Consumer credit scheme	1,293,440,738	1,143,490,482
Demand loan	3,743,496,347	3,569,955,613
Export Development Fund (EDF)	275,917,006	244,863,066
House building loan	113,021,311	129,927,048
Loans (General)/Musharaka	1,960,409,510	1,557,474,933
Loans against trust receipts/ Bai Murabaha post import	1,342,255,595	1,409,455,469
Overdrafts/ Quard against scheme	4,104,797,684	3,773,890,004
Packing credit	41,612,011	45,821,049
Payment against documents	15,135,149	29,834,321
Staff loan	73,896,843	65,997,862
Transport loan	198,006,038	188,674,213
Term loan- industrial	2,448,635,975	1,930,763,463
Term loan- others/ Hire purchase under Shirkatul Melk	2,534,322,559	2,522,781,275
Foreign bills purchased	19,527,512	11,811,596
Local bills purchased	202,427,713	205,907,068
Total interest/profit on loans and advances/investments	19,593,180,481	17,893,992,458
Interest/profit on balance with other banks and financial institutions	2,071,621,354	2,004,980,786
Interest/profit received from foreign banks	60,501,950	12,623,999
	21,725,303,785	19,911,597,243

20(a) Consolidated Interest income/profit on investments

Bank Asia limited	22,863,139,585	20,910,683,339
Bank Asia Securities Ltd	321,231,320	313,770,644
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	23,184,370,905	21,224,453,983
Less: Inter-company transactions	210,303,633	214,305,783
	22,974,067,272	21,010,148,200

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

Conventional and Islamic banking (Note 21.1)	13,624,978,979	12,282,148,200
Off-shore banking unit	865,669,016	808,379,496
	14,490,647,995	13,090,527,696
Less: inter transaction with OBU	28,267,447	82,534,201
	14,462,380,548	13,007,993,495

21.1 Conventional and Islamic banking

Interest paid/profit shared on deposits

Fixed deposits/ Mudaraba Fixed deposit	5,729,597,318	4,481,297,453
Scheme deposits	5,106,327,157	5,150,743,459
Sanchaya plus	22,011,682	52,999,719
Savings deposits/ Mudaraba Savings bank	1,231,128,548	1,072,706,104
Special notice deposits	688,775,835	537,248,560
	12,777,840,540	11,294,995,295
Interest on borrowings and others		
Local banks including Bangladesh Bank	83,654,999	160,134,035
Interest on subordinated non-covertable bond	762,314,302	826,740,041
Foreign banks	1,169,138	278,829
	847,138,439	987,152,905
	13,624,978,979	12,282,148,200

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

Bank Asia limited	14,462,380,548	13,007,993,495
Bank Asia Securities Limited	212,509,391	217,530,252
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	14,674,889,939	13,225,523,747
Less: Inter-company transactions	210,303,633	214,305,783
	14,464,586,306	13,011,217,964

22 Investment income

Conventional and Islamic banking (Note 22.1)	3,293,064,994	2,311,462,131
Off-shore banking unit	-	-
	3,293,064,994	2,311,462,131

22.1 Conventional and Islamic Banking

Interest on treasury bills	670,410,633	212,456,854
Interest on treasury bonds	2,366,047,464	1,817,182,647
Interest income on corporate bonds	141,812,731	153,014,471
Interest on Islamic bonds	31,211,410	20,850,530
Capital gain from investment in shares	1,348,918	154,880
Dividend on shares	51,407,464	31,854,449
Capital gain on Government securities	23,542,084	75,409,525
Interest on reverse repo	7,284,290	538,775
	3,293,064,994	2,311,462,131

22(a) Consolidated investment income

Bank Asia Limited	3,293,064,994	2,311,462,131
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	3,293,064,994	2,311,462,131

23 Commission, exchange and brokerage

Conventional and Islamic banking (Note 23.1)	3,347,666,556	2,979,980,600
Off-shore banking unit	13,701,570	10,713,397
	3,361,368,126	2,990,693,997

23.1 Conventional and Islamic Banking

Commission on L/C	41,348,963	79,860,743
Commission on back to back L/C	835,085,521	806,732,966
Fees and commission including Export	335,748,324	187,487,482
Commission on L/G	341,559,858	360,507,918
Commission on export	6,772,710	8,806,450
Commission on PO, DD, TT, TC, etc	24,714,096	21,979,775
Other commission	11,175,934	13,194,161
	1,596,405,406	1,478,569,495
Foreign exchange gain	1,751,261,150	1,501,411,105
	3,347,666,556	2,979,980,600

23(a) Consolidated Commission, exchange and brokerage

Bank Asia limited	3,361,368,126	2,990,693,997
Bank Asia Securities Ltd	92,693,307	97,015,477
BA Exchange Company (UK) Limited	29,652,687	10,765,960
BA Express USA, Inc	11,796,103	11,958,782
	3,495,510,223	3,110,434,216

24 Other operating income

Conventional and Islamic banking (Note 24.1)	990,421,481	891,643,815
Off-shore banking unit	28,308,974	26,079,410
	1,018,730,455	917,723,225

24.1 Conventional and Islamic banking

Locker charge	11,975,125	11,407,510
Service and other charges	536,740,372	479,149,066
Master/Visa card fees and charges	241,919,424	206,373,235
Postage/telex/SWIFT/fax recoveries	127,286,381	118,436,866
Profit on sale of fixed assets	8,753,381	4,405,572
Non-operating income	8,137,975	8,466,596
Rebate on nostro account	39,467,833	42,670,132
Other income from brokerage	16,140,990	20,734,838
	990,421,481	891,643,815

24 (a) Consolidated other operating income

Bank Asia Limited	1,018,730,455	917,723,225
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
	1,052,116,649	985,191,390

25 Salaries and allowances

Conventional and Islamic banking (Note 25.1)	3,266,449,893	2,882,190,002
Off-shore banking unit	-	-
	3,266,449,893	2,882,190,002

25.1 Conventional and Islamic banking

Basic salary	1,236,906,707	1,049,325,671
Allowances	1,249,136,318	1,074,786,083
Festival bonus	196,721,513	171,674,192
Gratuity	202,400,000	222,400,000
Provident fund contribution	111,297,360	96,885,151
Performance bonus	269,987,995	267,118,905
	3,266,449,893	2,882,190,002

25(a) Consolidated Salaries and allowances

Bank Asia Limited	3,266,449,893	2,882,190,002
Bank Asia Securities Ltd	66,559,270	54,887,031
BA Exchange Company (UK) Limited	12,325,604	7,900,286
BA Express USA, Inc	15,158,285	18,661,453
	3,360,493,052	2,963,638,772

26 Rent, taxes, insurance, electricity etc.

Conventional and Islamic banking (Note 26.1)	439,835,697	684,268,635
Off-shore banking unit	257,549	260,214
	440,093,246	684,528,849

26.1 Conventional and Islamic banking

Rent, rate and taxes (Note 26.1.1)	26,712,121	405,338,783
Insurance	169,710,299	165,523,467
Power and electricity	116,925,573	113,406,385
Interest portion on lease liabilities (Note 26.1.1)	126,487,704	-
	439,835,697	684,268,635

26.1.1 Total rent expenses for the year 2019 was Tk 423,137,251 as per IAS 17. To implement "IFRS 16: Lease" this rent expense has been adjusted with depreciation Tk 326,661,553 arises against right-of-use assets (ref: Annex C) and interest expenses Tk 126,487,704 arises against lease liabilities.

26(a) Consolidated Rent, taxes, insurance, electricity etc.

Bank Asia Limited	440,093,246	684,528,849
Bank Asia Securities Ltd	17,321,041	15,014,394
BA Exchange Company (UK) Limited	6,804,596	8,154,039
BA Express USA, Inc	7,502,418	7,281,715
	471,721,301	714,978,997

27 Legal expenses

Conventional and Islamic banking (Note 27.1)	20,114,446	25,213,849
Off-shore banking unit	420,113	-
	20,534,559	25,213,849

27.1 Conventional and Islamic Banking

Legal expenses	20,114,446	25,213,849
Other professional charges	-	-
	20,114,446	25,213,849

27(a) Consolidated Legal expenses

Bank Asia Limited	20,534,559	25,213,849
Bank Asia Securities Ltd	818,600	609,628
BA Exchange Company (UK) Limited	444,004	1,329,275
BA Express USA, Inc	421,616	235,319
	22,218,779	27,388,071

28 Postage, stamps, telecommunication etc.

Conventional and Islamic banking (Note 28.1)	123,751,262	107,709,668
Off-shore banking unit	720,396	779,823
	124,471,658	108,489,491

28.1 Conventional and Islamic banking

Telephone, courier and postage	77,977,767	65,967,767
Master/VISA card process fee	25,589,255	22,502,359
ATM charge	1,822,152	1,584,183
SWIFT and Reuter charge	16,709,367	15,902,887
Internet	1,652,721	1,752,472
	123,751,262	107,709,668

28(a) Consolidated Postage, stamps, telecommunication etc.

Bank Asia Limited	124,471,658	108,489,491
Bank Asia Securities Ltd	1,579,425	1,681,261
BA Exchange Company (UK) Limited	570,892	598,814
BA Express USA, Inc	220,696	385,420
	126,842,671	111,154,986

29 Stationery, printing, advertisements etc.

Conventional and Islamic banking (Note 29.1)	156,639,432	133,391,807
Off-shore banking unit	50,561	58,712
	156,689,993	133,450,519

29.1 Conventional and Islamic banking

Office and security stationery	74,489,241	61,169,752
Calendar, diary, souvenir, etc	23,803,440	25,497,895
ATM card /Supplies And Stationeries	30,226,705	15,751,549
Books and periodicals	1,609,580	2,054,194
Publicity and advertisement	26,510,466	28,918,417
	156,639,432	133,391,807

29(a) Consolidated Stationery, printing, advertisements etc.

Bank Asia Limited	156,689,993	133,450,519
Bank Asia Securities Ltd	1,234,650	1,481,826
BA Exchange Company (UK) Limited	1,357,957	472,154
BA Express USA, Inc	221,243	1,343,455
	159,503,843	136,747,954

30 Managing Director's salary and fees

Basic salary	7,801,613	6,000,000
House rent allowance	1,860,484	1,500,000
Entertainment allowances	420,162	300,000
Incentive bonus	1,000,000	1,000,000
Festival bonus	1,210,000	1,100,000
Utility allowance and others	1,200,000	1,200,000
House maintenance allowance	600,000	600,000
Provident fund	780,161	600,000
Leave fare assistance	1,700,000	1,600,000
	16,572,420	13,900,000

\\storage\Advertisement\2020\06.07.2020\Bank Asia Statements 2019\B19\Advertisement Page_B19.indd