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Strictly Private & Confidential

Information Memorandum

BANK ASIA 1st PERPETUAL BOND



Issuer: Bank Asia Limited

Head Office: Bank Asia Limited, Bank Asia Tower,
32 - 34, Kazi Nazrul Islam Avenue,
Karwan Bazar, Dhaka

Trustee: UCB Investment Limited

Type of Security: Unsecured, Contingent-Convertible, BASEL III compliant, Perpetual Debt

Total Face Value for Private Offer: BDT 4,500,000,000

Total Face Value for Public Offer: BDT 500,000,000

Face Value of Each Bond is: BDT 5,000

Issue Price of Each lot of Bond for Private Offer: BDT 10,000,000

Issue Price of Each lot of Bond for Public Offer: BDT 5,000

Number of lots for Private Offer: 450

Number of lots for Public Offer: 100,000

Total Issue Price of the Bond for Private Offer: BDT 4,500,000,000

Total Issue Price of the Bond for Public Offer: BDT 500,000,000

Coupon rate: The Coupon Rate (Floating) will be determined as the aggregate of Reference Rate + Coupon Margin

Reference Rate: 20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)

*(subject to Bangladesh Bank approval) plus;

Margin: 2.00% (subject to Bangladesh Bank approval)

Number of Securities: 1,000,000

Total Issue Amount through Private Offer: BDT 4,500,000,000

Total Issue Amount through Public Offer: BDT 500,000,000

Credit Rating status of the Issuer: AA2

Credit Rating status of the Issue: A+B

"If you have any query about this document, you may consult the Issuer, Issue Manager and the Trustee"

Lead Arranger & Advisor

IDLC Finance Limited




Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

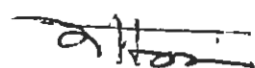
Lead Arranger & Issue Manager

City Bank Capital Resources Limited




Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

ARRANGER'S DISCLAIMER

Bank Asia Limited (the "Issuer" or "Bank Asia Limited") has authorized IDLC Finance Limited and City Bank Capital Resources Limited (the "Arrangers") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "Transaction") and the bond proposed to be issued in the Transaction (the "Bond").

"IDLC Finance Limited" means IDLC Finance Limited and any group, subsidiary, associate or affiliate of IDLC Finance Limited and their respective directors, representatives or employees and/or any persons connected with them.

"City Bank Capital Resources Limited" means City Bank Capital Resources Limited and any group, subsidiary, associate or affiliate of City Bank Capital Resources Limited and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum (the "IM") constitutes an offer of securities for sale of any jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and Regulations and has obtained all regulatory, Governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with clients' own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.



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City Bank Capital Resources Ltd.



Md. Arfan Ali
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 Chief Financial Officer
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 Corporate Office, Dhaka


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

LETTER OF AUTHORITY

The CEO and Managing Director
IDLC Finance Limited

The Managing Director and CEO
City Bank Capital Resources Limited

LETTER OF AUTHORITY

Dear Sir:

We refer to the Coupon-bearing Perpetual Bond (the "Facility") which, you (the Arranger, Advisor and Issue Manager) are arranging at our request to raise Additional Tier-1 Capital through issuance of Bank Asia 1st Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum").

Bank Asia Limited (the Issuer), the undersigned, confirms that:

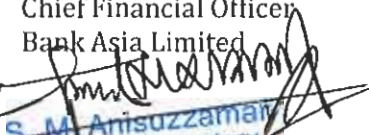
- a) Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- b) We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- c) To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which lender may require in order to evaluate the debt.
- d) The information contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- e) The information in the Information Memorandum fairly represents the basis on which the issuer and its shareholders are proceeding with the Bond.


The issuer does not however make any express or implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts, nor does it provide any guarantee or accept any liability should a third party act in reliance of the same. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documentation and no representations or warranties other than those specially set forth on the bond documentation shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors in the Facility. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective investors to whom the Information Memorandum shall be placed. We irrevocably confirm that we shall not hold the Arranger accountable for any consequences arising out of distribution and transmission of the "Information Memorandum" to prospective lenders distributed in this manner.

Yours sincerely,

Chief Financial Officer
Bank Asia Limited


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

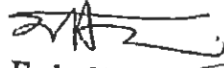

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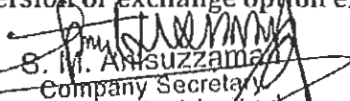

Mohammad Ibrahim Khalil, FCA
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Md. Arfan Ali
President & Managing Director
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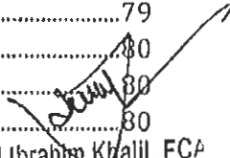
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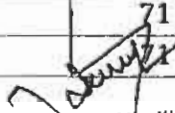

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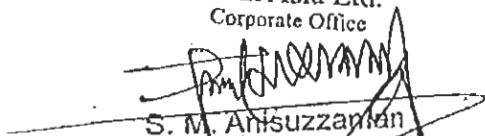
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3. REPORT TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh economy from various Government publications and other sources. In the consideration of belief that its sources are reliable, it should be kept in mind that it has not independently verified information it has obtained from industry and Government sources and information from its internal surveys has not been verified by any independent sources. In addition, the information provided about the Trustee i.e. UCB Investment Limited is received from the Trustee and The Arrangers do not accept any responsibility for the information contained in the section entitled "The Trustee". Further, the Arrangers do not accept any responsibility for the information contained in the section entitled "Credit Rating". The Arrangers also do not make any representation concerning the accuracy or completeness of the information contained in the section "The Trustee" or in the section "Credit Rating" section.

The distribution of this Information Memorandum and the offering is restricted only in Bangladesh. It is not intended or make to offer or sale of the Bonds in any other jurisdiction. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

The Arrangers may withdraw this offering at any time, and also reserves the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor.

The Issuer has obtained approval of the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh for issue of Bonds and the distribution of this Information Memorandum. Bangladesh Securities and Exchange Commission has given their consent to issue the Bonds through its letter No. dated _____ and the Bangladesh Bank has given its approval through letter No. dated _____.


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4. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Following are certain issues for the investors to consider before taking an investment decision in the offer. In some of the risk factors and management proposals thereof, reference has been described below in addition to the other information contained in this Information Memorandum:

a. Interest Rate Risk

The banking book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counter party. The earnings or changes in the economic value are the main focus in banking book. Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time.

Interest rate risk in the banking book arises from a bank's core banking activities

Risk management strategy of Bank Asia Limited:

The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis. Bank Asia has been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives).

b. Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in foreign exchange rates. Exchange rate fluctuation may reduce the profitability of the bank because its trade commitments from various sources of foreign exchange like export proceeds and remittances.

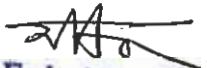
Risk management strategy of Bank Asia Limited:

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All NOSTRO accounts are reconciled on a monthly basis and the management for its settlement reviews outstanding entry beyond 30 days. The position maintained by the bank at the end of day within the stipulated limit prescribed by the Bangladesh Bank.

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

c. Non-Repayment Risk (i.e. Credit risk)

It arises mainly from lending, trade finance, settlement and other financial transactions. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may arise from unwillingness of the counterparty or decline in his/her financial condition.


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Risk management strategy of Bank Asia Limited:

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.

d. Prepayment, Call or Refunding Risk

Prepayment, call or refunding risks are the risks associated with the principal amount of a bond

Risk management strategy of Bank Asia Limited:

The bond is perpetual in nature and there will be no prepayment within 10 years. Call option can only be exercised by the bank after 10 years subject to the approval of Bangladesh Bank.

e. Security Risk

Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

Risk management strategy of Bank Asia Limited:

Bank Asia Perpetual bond is an unsecured bond. Specific revenue sources or assets are not being pledged against the issuance of the bonds. Investors will have the right on Bank Asia's cash flow to get repaid but rank of a bond holder is below than other loans (or securities) with regard to claims on assets or earnings. Moreover there will be no provision for redemption within the first 10 years of the bond tenor.

f. Liquidity Risk

Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Although liquidity risk dynamics vary according to a bank's funding market, balance sheet, and inter-corporate structure, the most common signs of possible liquidity problems include rising funding costs, a rating downgrade, decreases in credit lines, or reductions in the availability of long-term funding.

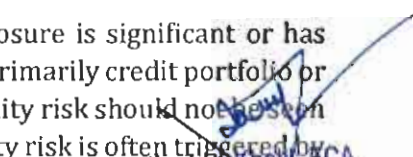
Risk management strategy of Bank Asia Limited:

Banking organization like Bank Asia Ltd., where off-balance sheet exposure is significant or has strong dependency on corporate deposit or experiencing step asset (i.e. primarily credit portfolio or investment book) growth is exposed to high level of Liquidity risk. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by


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...consequence of other financial risks such as credit risk, interest rate risk, foreign exchange risk etc.

Bank Asia Limited Asset-Liability Management Committee (ALCO) has responsibility for monitoring liquidity measures and limits. Liquidity is maintained in excess of the maximum cumulative outflows calculated within these stress tests. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan

g. Management Risk

Management risk refers to the chance that bank managers' inefficiency or under performance which will finally affect the shareholders. The bondholders may suffer financial losses in such an event.

Risk management strategy of Bank Asia Limited:

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee is formed. After identifying and assessing several risk factors like, management risks, the risk management committee scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Risk Management Committee monitors proper implementation of overall risk management policies. They monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

h. Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

Risk management strategy of Bank Asia Limited:

Operational Risk Management Unit of Bank Asia is primary responsible to manage any possible operational risk resulting from people, process, system and external forces. The bank uses Basic Indicator Approach (BIA) for operational risk.

In order to mitigate operational risk, internal control and internal audit systems are used as the primary means. The Bank Asia Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry. Bank Asia Limited has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with central bank requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment is conducted by


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regular review of identified risks to monitor significant changes.

On top of that, as part of recent development, the bank is in the process of adoption of globally recognized operational risk assessment tools, e.g. Risk Control Self Assessment for assessment of all possible operational risk and adoption of Key Risk Indicator (KRI) to help the bank to set operational risk trigger parameters.

i. Business Risk

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

Risk management strategy of Bank Asia Limited:

The performance and the quality and growth of Bank's assets are necessarily dependent on the health of the Bangladesh economy as well as on global economic conditions. An economic slowdown could adversely affect the business, including inability to grow asset portfolio, to maintain the quality of the assets and to implement business strategy. The domestic economy could be adversely affected by a variety of domestic as well as global factors. To mitigate business risk management continuously pursue to execute dynamic strategy on growth and business diversification

j. Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.


Risk management strategy of Bank Asia Limited:

The Bank has an established broad-based presence and has been taking steps to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges. The Bank is attempting to add quality assets on competitive terms and also taking steps to broad base its product bouquet with a special emphasis on enhancement in the non-fund-based income. On the resource-raising front, the Bank is actively endeavoring to broaden its reach and raise resources through its wide distribution network of branches.

k. Market and Technological Related Risks


Market Risk is defined as the possibility of loss to a Bank caused by changes or movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from investments (interest related instruments and equities) in trading book and the Foreign Exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

Technological Risk is the risk that customers may suffer service disruptions, or that customer data the group may incur losses and that the group may be affected such as failures, faults, or incompleteness.


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computer operations, or illegal or unauthorized use of computer system. As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

Risk management strategy of Bank Asia Limited:

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. Alco meets at least once in a month.

For managing 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).

I. Risk Related to Potential or Existing Government Regulations

The company operates under, the Bank Companies Act-1991, Companies Act-1994, Income Tax Ordinance, 1984, Income Tax rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related regulations. The company also obtained license from Bangladesh Bank as a Bank under Bank Companies Act-1991. Any major changes in regulatory regime may cause the Bank to be a noncompliant one having adverse impact in the reputation of the Bank.

Risk management strategy of Bank Asia Limited:

The laws and regulations or the regulatory or enforcement environment in Bangladesh may change at any time and may have an adverse impact on the products or services bank offers. Central Bank from time to time has instituted changes in regulations applicable loan provisioning, rescheduling, and amended Bank Company Act-1991(amended2013). Unless any policy change that may negatively and materially affect the industry as a whole, the business of the bank is expected not to be affected significantly.

m. Risk Related to Potential Changes in Global or National Policies

Changes in existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank will be hindered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil


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Company Secretary
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Corporate Office


Md. Arfan Ali
President & Managing Director
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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Risk management strategy of Bank Asia Limited:

A significant change in the global and national policies in the future, particularly in respect of the banking and financial sector could affect business and economic conditions in Bangladesh. This could also adversely affect the business, prospects, results of operations and financial condition. The management of the Bank transcribes the prevailing and upcoming future changes in the global or national policy and firms to response appropriately and timely management of the risk.

n. Asset Quality Risk

Asset Quality for the Bank mainly refers to loan quality. If loan default, it has adverse impact on Bank's profitability and balance sheet.

Risk management strategy of Bank Asia Limited:

The Bank faces big challenges in managing balance sheet through core banking business due to major changes in regulation of loan classification and provisioning policy. The policy changes as well as deteriorated economic condition may cause non-performing loan and trend of non-performing issues force to make a huge loan loss provision. To reduce non-performing loan, enormous actions have been taken through aggressive recovery drives combined with improved risk management practices.


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5. DETAILED DESCRIPTION AND INFORMATION

1.	Particulars of Issuer	
a)	Name of the Issuer	: Bank Asia Limited
b)	Legal Status of the Issuer	: Public Limited Bank Company Listed with DSE and CSE
c)	Details of contact information	: Bank Asia Limited, Corporate Offices Bank Asia Tower, 32 - 34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka Attention: Mr. Md. Ibrahim Khalil, CFO
d)	Date of Incorporation	: 28 September 1999
e)	Date of Commencement of Business	: 28 September 1999
f)	Authorized capital	: BDT 15,000 Million
g)	Paid-up capital	: BDT 11,659 Million
h)	Total equity	: BDT 27,208 Million
i)	Total Liabilities	: BDT 383,601 Million
j)	Total Financial Obligation	: BDT 383,601 Million
k)	Total Assets	: BDT 410,809 Million
l)	Total Tangible Assets	: BDT 6,814 Million
m)	Net Worth	: BDT 27,208 Million
2.	Particulars of Issue Manager	
a)	Name of the Issue Manager	: City Bank Capital Resources Limited
b)	Legal Status of the Issue Manager	: Public Limited Company
c)	Details of Contact Information	: Mr. Ershad Hossain Managing Director and CEO City Bank Capital Resources Limited Head Office City Centre, 13th Floor, Level-14, Unit ID: 13D, 90/1 Motijheel C/A, Dhaka-1000, Bangladesh +880-2-55110947
d)	Name of the Issue	: Bank Asia 1 st Perpetual Bond
3.	Particulars of the Issue	
a)	Name of the Issue	: Bank Asia 1 st Perpetual Bond


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b)	Type of Debt Instrument to be issued	:	Coupon Bearing Conditional Convertible Perpetual Debt
c)	Purpose of the Issue	:	To raise Additional Tier-1 Capital through issuance of Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The Bank shall utilize the proceeds of the Issue for its regular higher yielding business activities.
d)	Number of Securities and Total Size of the Issue to be Offered	:	Number of Securities/Bond Private offer: 900,000 Public offer: 100,000 Total Issue Size Private offer: BDT 450 Crore Public offer: BDT 50 Crore
e)	Face value and issue price of securities mentioning discount or premium thereof:	:	Face value of each bond: BDT 5,000
f)	Coupon rate or rate of profit or discount rate and yield to maturity(YTM):	:	The Coupon Rate (Floating) will be determined as the aggregate of: •Reference Rate: 20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) *(subject to Bangladesh Bank approval); plus •Margin: 2.00% (subject to Bangladesh Bank approval) •Coupon Ceiling: 10% •Coupon Floor: 6% subject to having available distributable profit. * (subject to Bangladesh Bank approval)
g)	Tenor or maturity	:	Nil, the bond will be perpetual
h)	Details of conversion/exchange option features	:	Conversion feature: Conditional Convertible
	Loss Absorption:	:	The instrument has principal loss absorption through conversion to common shares at an objective pre-specified trigger point.


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	Trigger Point for Loss Absorption:	:	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement of 4.50% and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
	When conversion option will be exercised:	:	The Issuer will only exercise conversion option when the Bank has reached the trigger point i.e. If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The end of the 3 rd quarter will be Trigger Point Date. The conversion will be exercised after taking approval from BSEC and other competent authorities as per requirement. The period between the Trigger Point Date and the date on which the Issuer converts the Bonds will be known as Conversion Period. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number
	Conversion Feature:	:	The bonds will be converted at a pre-determined Conversion Strike Price into the common shares of Bank Asia. Conversion at this point is mandatory.
	The Conversion Strike Price:	:	Average of daily market price of the immediate previous 6 (six) months average market price of Bank Asia shares in the Dhaka Stock Exchange from the trigger point date or Face Value of the Share whichever is higher.
	The Conversion Mechanism:	:	The issuer shall apply to BSEC for their consent before the conversion of the bonds into common shares. The conversion method to be finalized at the time of the conversion as per Bangladesh Bank's instruction.
i)	Mode of redemption or conversion/exchange	:	Redemption: Nil Conversion: Conditional Convertible
j)	Mode of option (call or put), if any, in case of redemption or	:	Put Option: Nil


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	conversion/exchange and discount or premium thereof		Call Option: The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. The Call Option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
k)	Rate of return		<p>The Coupon Rate (Floating) will be determined as the aggregate of:</p> <ul style="list-style-type: none"> •Reference Rate: 20-year Treasury-Bond rate. <p>(Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) *(subject to Bangladesh Bank approval); plus</p> <p>:</p> <ul style="list-style-type: none"> •Margin: 2.00% (subject to Bangladesh Bank approval) •Coupon Ceiling: 10% •Coupon Floor: 6% subject to having available distributable profit. <p>* (subject to Bangladesh Bank approval)</p>
l)	Applicable tax rate	:	As per law of the land
m)	Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.,)	:	Nil
n)	Type of collateral securities being offered, if any	:	Nil
o)	Status of securities holders in case of priority of payment	:	<p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> 1. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future.



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		2. Subordinated to the claims of depositors, general creditors and Perpetual debt of the Bank other than any Perpetual debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; 3. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors
p)	Period within which securities to be issued	2021
q)	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	To be traded in the Main Board
4.	Particulars of the Trustee	
a)	Name of the trustee	: UCB Investment Limited
b)	Paid-up capital of the trustee	: BDT 250,000,000
c)	Net worth of the trustee	: BDT 312,194,085
d)	Name of the issue(s) where performing as trustee	: Mercantile Bank Perpetual Bond
5.	Particulars of the credit rating company	
a)	Name of credit rating company	: Issuer: Credit Rating Agency of Bangladesh Ltd Bond: Emerging Credit Rating Limited
b)	Credit rating status of the issuer or originator	: Long Term: AA2 Short Term: ST-2
c)	Credit rating status of the issue	: A+B
d)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	: Issuer: Date of Rating: June 24, 2021 Validity of Rating: June 30, 2022 Bond: Date of Rating: June 13, 2021 Validity of Rating: June 12, 2022
e)	Latest default rate of the credit rating company	: N/A
f)	Average time to default of the rated category	: N/A
g)	Rating trigger, if any	


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6. DETAILS OF THE UTILIZATION OF PROCEEDS

Bank Asia Limited has decided to raise Additional Tier-1 Capital through issuance of Bank Asia 1st Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

The proposed bond will qualify as part of Bank Asia's Additional Tier-1 capital and will help maintain healthy capital adequacy ratios in the coming years. Besides, the BDT 5 billion fund will be used for undertaking general business activities of the bank including strengthening of the loan portfolio and other securities.



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7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

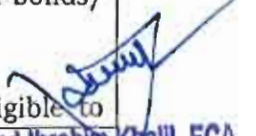
Table 1: Features of the Debt Securities

Issuer	Bank Asia Limited
The Issue	Bank Asia 1 st Perpetual Bond
Mandated Joint Lead Arrangers	IDLC Finance Limited and City Bank Capital Resources Limited are referred to as the "Mandated Joint Lead Arrangers" or the "MJLAs".
Issue Manager	City Bank Capital Resources Limited
Underwriter	To be finalized
Arrangement Basis	Private offer: Best effort basis Public Offer: 20% to be underwritten on firm commitment basis
Issue Size	BDT 500,000,000 Public Issue and BDT 4,500,000,000 Private Placement
a. Basic Feature of the Bond:	
Purpose	To raise Additional Tier-1 Capital through issuance of Bank Asia Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The Bank shall utilize the proceeds of the Issue for its regular higher yielding business activities.
Investors	Private Offer: The following class of investors are eligible to participate in the offer: <ul style="list-style-type: none"> •Public Financial Institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations •Mutual Funds, Insurance Companies, Scheduled Commercial Banks, •Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, •Societies authorized to invest in bonds/debentures, •Trusts authorized to invest in bonds/ debentures, •Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, •Any other not mentioned in the list but is eligible to



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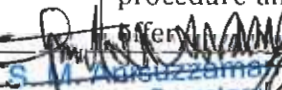

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Issuer	Bank Asia Limited
	<p>subscribe as per regulations by Bangladesh Bank.</p> <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.</p> <p>Public Offer: Eligible Institutional Investors and General Investors /Public who have valid BO account including Resident of Bangladesh and NRB</p>
Currency	Bangladeshi Taka (BDT)
Face Value	BDT 5,000
No. of Bonds in Each Lot	Private offer: 2000 Public offer: 1
Denomination:	Denomination of each Bond is indicated at BDT 5,000 Face Value
Total no. of Lots	Private offer: 450 Public offer: 100,000
Minimum Subscription Amount	Private offer: 10,000,000 Public offer: 5,000
Mode of Placement:	Private Placement: BDT 4,500,000,000 Public Placement: BDT 500,000,000
Maturity:	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Governing Law:	The laws of The People's Republic of Bangladesh
Security:	Unsecured
Form:	Registered
Listing:	BDT 4,500 Million to be listed under direct listing procedure and BDT 500 million to be listed under public offering


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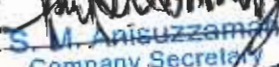

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Issuer	Bank Asia Limited
b. Coupon Rate:	<p>The Coupon Rate (Floating) will be determined as the aggregate of:</p> <ul style="list-style-type: none"> • <u>Reference Rate</u>: 20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) *(subject to Bangladesh Bank approval); plus • <u>Margin</u>: 2.00% (subject to Bangladesh Bank approval) <ul style="list-style-type: none"> • Coupon Ceiling: 10% • Coupon Floor: 6% subject to having available distributable profit. <p>* (subject to Bangladesh Bank approval)</p>
Coupon Payment:	Coupon will be payable half yearly on the Coupon Payment Dates at the end of each Coupon Period.
Put Option:	Not applicable
Call Option:	The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. The Call Option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
Call Option Eligibility:	<ol style="list-style-type: none"> 1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, 2. Capital position is above the minimum requirements after the call option is exercised
Trustee, Paying Agent, Registrar, Transfer Agent	UCB Investment Limited
c. Transferability /Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust
d. Prepayment, Call, Refunding, Conversion features	<p>Prepayment, Call, Refunding: can be exercised after 10 years subject to approval of Bangladesh Bank</p> <p>Conversion: conditional convertible</p>
e. Late Redemption	<p>Not Applicable.</p> <p>Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.</p>



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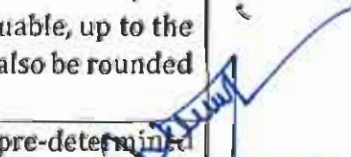

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Issuer	Bank Asia Limited
f. Tax Features	As per applicable law
Claim Settlement in the event of Liquidation or Wind-up:	<p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> 1. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future. 2. Subordinated to the claims of depositors, general creditors and Perpetual debt of the Bank other than any Perpetual debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; 3. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</p>
Loss Absorption:	The instrument has principal loss absorption through conversion to common shares at an objective pre-specified trigger point.
Trigger Point for Loss Absorption:	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement of 4.50% and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
When conversion option will be exercised:	The Issuer will only exercise conversion option when the Bank has reached the trigger point i.e. If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The end of the 3 rd quarter will be Trigger Point Date. The conversion will be exercised after taking approval from BSEC and other competent authorities as per requirement. The period between the Trigger Point Date and the date on which the Issuer converts the Bonds will be known as Conversion Period. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number
Conversion Feature:	The bonds will be converted at a pre-determined Conversion Strike Price into the common shares of Bank Asia Limited


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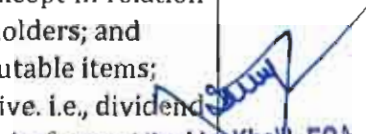

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Issuer	Bank Asia Limited
	Asia. Conversion at this point is mandatory.
The Conversion Strike Price:	Average of daily market price of the immediate previous 6 (six) months average market price of Bank Asia shares in the Dhaka Stock Exchange from the trigger point date or Face Value of the Share whichever is higher.
The Conversion Mechanism:	The issuer shall apply to BSEC for their consent before the conversion of the bonds into common shares. The conversion method to be finalized at the time of the conversion as per Bangladesh Bank's instruction.
Conversion Notice	<p>Within 2 (two) Business Days of the approval date of the Audited Financials for the Conditional Conversion, Issuer shall notify the Trustee once at the end of the 2nd Quarter when CET-1 Ratio remains below 4.50% and also at the time of exercise of Loss Absorption feature, the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period ("Conversion Notice"); and the Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice. All notices are validly given if:</p> <ul style="list-style-type: none"> • Mailed to bondholders at their respective address in the register, • Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, • Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid. <p>Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications</p>
Dividend Discretion:	<ol style="list-style-type: none"> i. The bank has full discretion at all times to cancel distributions/payments; ii. Cancellation of discretionary payments must not be an event of default; iii. Banks have full access to cancelled payments to meet obligations as they fall due; iv. Cancellation of distributions/payments must not impose restrictions on the bank except in relation to distributions to common stakeholders; and v. Dividends to be paid out of distributable items; vi. The dividend shall not be cumulative. i.e., dividend in a year will not be paid


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Issuer	Bank Asia Limited
	<p>even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p> <p>vii. In general, it may be in order for banks to have dividend stopper arrangement that stop dividend payments on common shares in the event the holders of Additional Tier 1 instruments are not paid dividend/coupon. However, dividend stoppers must not impede the full discretion that bank must have at all times to cancel distributions/payments on the Additional Tier 1 instrument, nor must they act in a way that could hinder the re-capitalization of the bank. For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to:</p> <ul style="list-style-type: none"> • attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary; • prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 instrument are resumed; • impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals). • A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted
<p>Payment Methodology</p> <p>Suspension</p>	<p>In case of conversion on Trigger Point, the portion that will be required to be converted, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payments are suspended.</p>
<p>Events of Default:</p>	<p>(a) Breach of Common Equity Holders' Dividend Stopper Clause;</p>


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	<p>(b) Subject to exercise of Issuer's Coupon Discretion, Trigger Point Consideration being met, and/or exercise of Loss Absorption feature, the Issuer defaults in the payment of any money owing in respect of the Perpetual Bonds when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days</p> <p>(c) Breach of any covenant, warranty or other provision of the Trust Deed otherwise as provided in the preceding paragraphs of this Clause and such default continues for at least thirty (30) Business Days</p> <p>It is further clarified that the Bondholders shall have no rights to accelerate the repayment of future scheduled payments except in bankruptcy and liquidation.</p>
Consent Right of Bondholders:	Issuer needs to take prior consent from AT-1 (Bank Asia 1 st Perpetual Bond) bondholders to issue new Tier-II capital over maximum limit as set by Bangladesh Bank.
Dividend Stopper Clause:	<p>Dividend Stopper Clause will be applicable to these Bonds and it will stop dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder:</p> <p>(i) The Re-Capitalization of the Issuer.</p> <p>(ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary</p> <p>(iii) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon /dividends on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).</p>
Documentation:	<p>Will include but not limited to the followings:</p> <ul style="list-style-type: none"> • Facility Arranger's Agreement / Term Sheet • Bond Subscription Agreement • Trust Deed • Any other agreements/instruments relating to such transaction
Conditions precedent:	<p>In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for the Financing and appropriate business description disclosure in the offering memorandum, (iii) receipt by the MLA of appropriate legal</p>



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 Corporate Office


Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

Issuer	Bank Asia Limited
	opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for the Bond.
g. Cost related to the issue	Total of Arrangement fee, Trustee, Paying Agent, Registrar, Transfer Agent fee, Bond Rating fee, Surveillance Rating Fee & Legal Counsel Fee: 26,209,500 (approx.) Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the total face value
h. Repayment Schedule	Not applicable
i. Call or put option, and premium or discount thereof, if any	Put Option: Nil Call Option: The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. The Call Option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
j. Credit enhancement or guarantee	Nil
k. Enforcement of Charges over securities	The Trustee shall enforce all payment obligations under the Subordinated Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the perpetual Bonds in the liquidation or administration of the Issuer.


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8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

Bank Asia 1st Perpetual Bond will be Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares and subordinated to the claims of depositors, general creditors and subordinated debt of the Bank. Hence, it is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.



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9. RIGHTS & OBLIGATIONS OF THE ISSUER

General Covenants by the Issuer: The Bonds shall be issued in registered and unlisted form and Issuer shall comply with the provisions of the Trust Deed and shall be bound by it.

Compliance with BB Rules & Guidelines: Issuer shall comply with Bangladesh Bank Rules and Guidelines, Trust Deed, conditions, Schedules and Agency Agreement. The Issuer is obliged to obtain due approval from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission for issuance of the Bonds.

As long as any of the Bonds remains outstanding or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the following conditions namely:

- To refrain from substantially changing its general nature of the business;
- To refrain from entering into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis;
- To promptly obtain any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents and comply with them fully as and when required by the Trustee;
- To comply with all applicable laws and regulations;
- To shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies;
- To be duly incorporated and validly existing under the laws of its jurisdiction;
- The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation.
- To maintain books and records (with respect to itself and its business) in the manner described in the Trust Deed;
- To promptly do all such acts or execute all such documents as the Trustee may reasonably specify for the exercise of any rights powers and remedies of the Trustee provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws;
- To refrain from being a creditor in respect of any Financial Indebtedness except in ordinary course of business;
- To refrain from incurring or allowing to remain outstanding any guarantee or otherwise voluntarily assume any liability except for any guarantee under any Bond Document or any guarantee in the ordinary course of business consistent with its current practice;
- To comply with Bangladesh Bank Authorisations, Rules and Guidelines;
- To provide such information and within such period of time as specified in the Trust Deed;

Corporate Covenant: The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Materials Adverse Effect.

Consents: The Issuer shall obtain and comply with the terms of all authorisations, approvals, licences and consents necessary under any Law in connection with its business.

Authorised Signatories: The Issuer shall deliver to the Trustee upon execution of this Deed and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory.


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Financial Statements: The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in the Trust Deed.

General Negative Covenants: The Issuer shall not until after the final settlement, save to the extent permitted by or contemplated by Applicable Law or with the prior written consent of the Trustee:

- sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same which shall reasonably be expected to have a Material Adverse Effect.
- grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets which shall reasonably be expected to have a Material Adverse Effect.
- consolidate or merge with any other person;
- permit the validity or effectiveness of the transaction documents to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

Dealing with Trustee: The Issuer shall upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the assigned rights or the benefit of the assigned rights as the Trustee or any such persons may reasonably require.

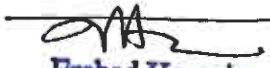
Information to Trustee: So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall give to the Trustee such information, opinions, certificates and other evidence as the trustee and any persons appointed by the Trustee shall reasonably require for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to the Trust Deed or any other Transaction Document.

Execution of Further Documents: The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acted and things as the Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Transaction Documents.

Notification of Event Default: The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of any Event of Default without waiting for the Trustee to take any further action.

No Variation and Termination of Transaction Documents: The Issuer shall not until the final settlement, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee (a) terminate any Transaction Documents, (b) vary any provision of any Transaction Document (c) permit any person who has obligations under the Transaction Document to be released from such obligations other than in accordance with the terms of the applicable Transaction Document and any applicable requirement of law or regulatory direction.

Filings: The Issuer shall effect all required filings in respect of the Issuer and file, record or enrol each Transaction Document required to be filed, recorded or enrolled with any court or other authority in Bangladesh and ensure that such required filings, recordings or enrolments are maintained in accordance with any applicable requirement of law or regulatory direction at all times.


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Payments: The Issuer shall pay moneys payable by it to the Trustee under this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law.

Notices to Bondholders: The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Trustee, for the Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with the Trust Deed and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice.

Notification of Non-Payments: The Issuer shall use reasonable endeavours to notify the Trustee forthwith in the event of non-payment of the full amount within due date.

Notification of Late Payment: The Issuer shall forthwith give notice to the Bondholders through the Trustee of payments of any sum due in respect of the Bonds, made after their due date to the Trustee.

Notification of Tax Deduction: The Issuer shall promptly give notice to the Trustee

(a) if it is required by law to effect a deduction or withholding of Tax in respect of any payment due in respect of any Bonds.

(b) and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof.

Consolidation, Amalgamation or Merger: The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger").


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10. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Duties and Powers of the Trustee: The Trustee has the following duties and powers in connection with the Trust:

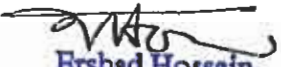
- to hold the benefit of the covenants made by the Issuer and the conditions on trust for the Bondholders;
- to open such accounts necessary for discharging the functions of Trustee;
- to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- to undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- upon instruction by the Bondholders upon occurrence of an Event of Default in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed;
- The Trustee shall have power to initiate negotiations with the respective parties for inclusion of any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders, and necessary amendments can then be made by way of mutual agreement;; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed.

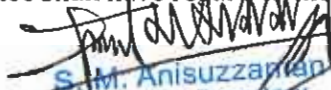
Reliance on information: The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer or other experts and shall not be responsible for any Liability occasioned by so acting;

Certificate of directors or Authorised Signatories: The Trustee may call for a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised as to any fact or matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof. The Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

Resolution or direction of Bondholders: If there was some defect in the constitution of the meeting or if the resolution or direction made by the meeting of the bondholders is not valid or binding for some defect, the Trustee will not be held responsible provided it has acted in good faith.

Bondholders as a class: In connection with the exercise by it of any of its trusts, powers, authorities and discretions, the Trustee shall have regard to the general interests of the Bondholders as a class.


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No obligation to monitor or investigate: The Trustee is under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein. In the absence of actual knowledge of a breach of obligation the Trustee may assume that each such person is properly performing and complying with its obligations. Similarly the Trustee is under no obligation to investigate Bonds or other agreement or documents to that effect.

Bonds held by the Issuer: In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;

Events of Default: The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary.

Right to deduct or withhold for taxes: Deduction or withholding of tax will be as per prevailing law of the land.

Error of judgment: Trustee has no liability for error of judgment made in good faith.

No responsibility for loss: The Trustee shall not be responsible for any loss incurred by bondholders subject to any applicable laws or regulations except for its Trustee's own gross negligence, wilful default or fraud.

Force Majeure: The Trustee shall not be liable for Force Majeure.


Immunities: The Trustee's immunities and protections from liability and its right to indemnification extend to its officers, directors and employees and its successors upon resignation and replacement. The Issuer will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

Trustee's determination: The Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions is capable of remedy and/or materially prejudicial to the interests of the Bondholders. If the Trustee certifies that any such default is not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders subject to conditions as specified in the Trust Deed.

Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;

Delegation: The Trustee may, with the prior consent in writing of the Issuer, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholder. The Trustee is required to exercise reasonable care in the selection of any such Appointee.

Agents: Subject to the provisions of the Trust Act 1882, the Trustee may, with the prior consent in writing of the Issuer, employ agents to conduct its duties in accordance with Trust Deed on its behalf.


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Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed.

Professional charges: Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

Expenditure by the Trustee: The Trustee is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties if it has grounds for believing the repayment (if approved by the issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.

Restriction on financial transactions with the Issuer: The Trustee and its directors and officers shall be precluded from making any contracts or entering into any transactions ("Other Business") with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business.


Trustee liable for gross negligence: Trustee shall be liable for gross negligence in the performance of its duties under the Trust Deed.

Exercise of Discretion: Unless provided to the contrary in the Trust Deed, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66²/₃ percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution and the Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result thereof.

Trustee's Obligation for Requesting Compliance Certificates: The Trustee shall have no responsibility for requesting Compliance Certificates unless the Issuer has failed to deliver such certificates in accordance with (*Terms of Appointment*) or the Trustee is requested to do so by any Bondholder.

Modification and Waiver: The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Amendment Provisions of Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, any terms of the Trust Deed which is not materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Trustee to the Bondholders as soon as practicable thereafter.

Interests of Bondholders: The Trustee shall have regard to the interests of the Bondholders as a class and not individuals in the exercise of its duties under this Deed.


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11. RIGHTS & OBLIGATIONS OF THE ISSUE MANAGER, UNDERWRITER, OR ANY OTHER CONTRACTUAL PARTIES

Issue manager:

- a) The Issue Manager is responsible to comply with all the requirements as per Debt Securities Rules and Consent Letter including preparation and disclosures made in the Information Memorandum.
- b) The Issue Manager shall be entitled to get fees and be responsible for the issue, including preparation of Information Memorandum and disclosures made in the Information Memorandum.
- c) The Issue Manager shall provide a compliance report to BSEC about the use of the proceeds raised through public issue by the Issuer on half-yearly basis up to full utilization of the proceeds.
- d) BSEC may require the Issue Manager to submit additional disclosure, information, documents, certification and clarification, as the case may be, to produce or to disclose, in the Information Memorandum for sale of securities, within such time as may be stipulated, and in such case the Issue Manager shall fulfil such requirements within such time.
- e) Receive the report on utilization of proceeds as well as implementation status.

Underwriter:

- a) Pay for the unsubscribed portion of Bonds up to the Firm Commitment Amount within the time stipulated in the Modus Operandi of the Issue of the Trust Deed.
- b) In the case of failure by the Underwriter to pay for the unsubscribed portion of Bonds up to the Firm Commitment Amount under the terms mentioned above, the Underwriter will not be eligible to underwrite any other issue, until such time as it fulfils it's underwriting commitment under the Underwriting Agreement and shall also be subjected to other penalties as may be determined by BSEC. Further, in the case of such failure the Issuer will be under no obligation to pay any underwriting commission.


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12. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

Binding Obligation: Investors/bondholders are required to enter into a Subscription Agreement with the Issuer and be bound by the terms and conditions of that agreement.

Severability of Bondholder's Obligations: The failure to perform obligations of the Bondholders under the Subscription Agreement and other agreements with identical terms shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements.

Individual Right: Each Bondholder will be entitled to protect and enforce its individual rights independently without the need for other Bondholder(s) to be joined as additional party in such proceedings for such purpose.

Powers: The Bondholders shall be able to hold meetings with such power and scope as provided for in the Trust Deed.

Issue Bond Certificates: Issuer shall duly execute and deliver bond certificates to the bondholders with conditions attached.

Subscription: The Investors will subscribe and pay the aggregate purchase price on the Closing Date for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates, subject to the provisions of the Subscription Agreement.

Compliance: The Bondholder(s) are obligated to comply with all applicable laws and regulations of Bangladesh.

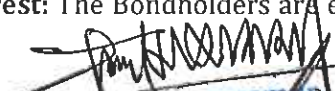
Indemnity: The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this trust deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

Payment: The Bondholders will execute and deliver a letter addressed to the Issuer in the form attached as *(Form of Investor Representation Letter)* of the Subscription Agreement on the date specified. They are further obligated to pay the purchase price of Bonds to the Issuer in Bangladesh Taka in the manner provided for on each closing date.

Termination: The Bondholders can give a termination notice to the Issuer at any time on or prior to the Closing Date if the Issuer fails to perform any of its obligations under the Subscription Agreement, if any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date, or in the case of force majeure. Upon service of such notice Issuer will be discharged from its obligations except for its liability in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination and Bondholder would also be discharged from performance of their respective obligations under the subscription agreement.

Protection of Interest: The Bondholders are entitled to have their interests protected/preserved by the Trustee


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13. DESCRIPTION OF THE ISSUER: Bank Asia Limited

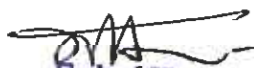
Authorized capital : BDT 15,000,000,000 (as on 31st December, 2020)
 Paid-up capital : BDT 11,659,068,600 (as of 31st December, 2020)

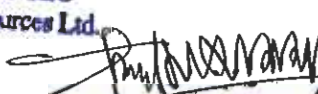
a. Capital Structure

TABLE 2: CAPITAL STRUCTURE

Particulars	No. of Shareholders	Total No. of Shares	% of Holdings
Directors & Sponsors	27	600,698,621	51.52
Institutions	217	279,059,559	23.94
Non Residence Bangladeshi	54	1,650,796	0.14
General Public	7940	161,113,132	13.82
Foreign Investments	3	2,578,570	0.22
Investment Companies	78	120,806,182	10.36
Total	8,319	1,165,906,860	100.00

Particulars	As of Dec 31, 2020
A) Total capital	43,580,585,724
B) Total risk weighted assets (RWA)	257,403,701,528
C) Minimum total capital requirement 10%	25,740,370,153
D) Capital surplus (A-C)	17,840,215,571
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,175,462,691
F) Capital surplus (A-E) with capital conservation buffer	11,405,123,033
Capital to risk weighted asset ratio	
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.09%
Tier- 1 to RWA (minimum 6% under Basel III)	9.09%
Capital to Risk Weighted Assets against minimum requirement 10%	16.93%


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b. Business of Bank Asia Limited

Business Profile

In the year 1999, Bank Asia Ltd was launched by a group of successful entrepreneurs with recognized standings in the society. The management of the Bank consists of a team led by senior bankers with decades of experience in national and international markets. The senior management team is ably supported by a group of professionals, many of whom have exposure in the international market.

It set a massive milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka, first of its kind in the banking history of Bangladesh. It again repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd (MCB), a renowned Pakistani bank.

In the year 2003, the Bank again came to the limelight with over-subscription of the Initial Public Offering of the shares of the Bank, which was a record (55 times) in the history of capital market of Bangladesh.

The asset and liability growth has been remarkable over the years. Bank Asia has been actively participating in the local money market as well as foreign currency market without exposing the Bank to vulnerable positions. The Bank's investment in Treasury Bills and other securities went up noticeably, opening up opportunities for enhancing income in the context of a regime of gradual interest rate decline.

Bank Asia Limited started its service with a vision to serve people with modern and innovative banking products and services at an affordable charge. The bank's commitment is to provide a modern and value added banking services to all segment of the society by maintaining the very best standard in a globalized world, with the help of technological advancements.

Bank Asia Limited has been a major facilitator of Financial Inclusion in Bangladesh by providing banking services to the most remote corners of the country through pioneering "Agent Banking" services in Bangladesh during 2014. Since then, it's been a remarkable story of financial inclusion with more than 3500+ outlets and 3 million+ customers across the rural areas of Bangladesh.

With a vision to build a poverty free Bangladesh, in future, Bank Asia wishes to open bank account for every able person of the country despite of their socio-economic class by expanding the Agent Banking Network to a financial kiosk in every village of the country. We are also aiming towards launching the first ever Digital Bank in Bangladesh for the future generation by transforming traditional banking with the help of modern technology.

A brief description of the Bank and its subsidiaries is given below:


Bank Asia Securities Limited (BASL)

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia limited a leading Commercial Banking Company in Bangladesh. BASL offers full-fledged standard brokerage services for the retail, institutional, NRB and foreign clients with dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anusuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Securities Limited (BASL) is fully dedicated to provide quality and disciplined services to its local and foreign clients. BASL offers stock broking, depository services, online trading facilities, margin loan facilities, panel brokerage services, trading through NITA for foreign investors & NRBs along with specialized value added services to meet all the requirements of its valued & respectable clients

B A Exchange Company (UK)

B A Exchange Company (UK) Ltd is a transfer service, fully owned by Bank Asia Limited, and located in the busy area of Whitechapel. Providing safe and secure transfer services to the surrounding Bangla Town community enables money to reach the right people first time. These services are accessible in branch and by phone, making this one of the most convenient solutions in the area. As part of the greater strategy of Bank Asia to provide support to Bangladeshi Nationals who are living and working in the UK, B A Exchange provides a conduit for fast and reliable transfer services from the UK to Bangladesh. Our network across Bangladesh allows B A Exchange to access all branches of Bank Asia, along with branches with other banks nationwide. Combining this with our level of customer service has created a focused service, delivering high quality care to all our customers. With this first branch in the UK Bank Asia is now with you both at home and abroad.

This year BA Express USA Inc.

Last year BA Express USA Inc. has expanded one location in Jackson Heights, the heart of Bengali Community in New York City. Now it has three branches in New York City (Jamaica, Brooklyn and Jackson Heights). Also working through an agent-based model, BA Express USA Inc. serves its customers using a good number of agent locations placed across New York City area. The motto is to serve the NRBs residing in New York by providing easy, low cost and convenient remittance opportunity to its customers. The operating loss stood at USD (145,214) in 2020 which was USD (277,574) in 2019.


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Corporate Office


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Chief Financial Officer
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Corporate Office, Dhaka

c. Management of Bank Asia Limited

Mr. Md. Arfan Ali

President & Managing Director

An MBA from The Institute of Business Administration (IBA), Dhaka University, Mr. Md. Arfan Ali is currently holding President & Managing Director. He joined Bank Asia as an AVP on September 13, 1999, three months before the commercial opening of the bank. During the initial years at the Bank, Md. Arfan Ali was in charge of the Treasury Department. Subsequent to that, he was the Head of two of the major Bank Asia branches namely: Principal Office Branch and MCB Banani Branch.

Arfan Ali started his career as a Probationary Officer in Arab Bangladesh Bank Limited on May 02, 1991. Prior to joining Bank Asia, he worked for Hanil Bank (now Woori Bank) of South Korea from 1996 to 1999.

Apart from working for the Bank, Md. Arfan Ali worked as a Part Time Lecturer for Jahangir Nagar University, MBA Department for six years. He is one of the key resource persons for Bangladesh Institute of Bank Management (BIBM), Dhaka.

Actively involved in enhancement of formal and informal education for the village people, Arfan enjoys reading books, recitation, fishing and farming.

Mr. Mohammad Borhanuddin

Deputy Managing Director

Mr. Borhanuddin was born on 22nd December, 1957 in Dhaka. He completed his MBA in Finance from World University. He started his career from The City Bank Limited in September, 1983. He worked there till December 1997 under 'Forex' Department. Then he joined Muslim Commercial Bank Ltd as the Assistant Vice President under foreign trade department and served there till December, 2001. Mr. Borhanuddin finally joined Bank Asia on 1st January, 2002 as the Senior Assistant Vice President and climbed his ladder to become the Deputy Managing Director in 2017.

Mr. S.M Iqbal Hossain

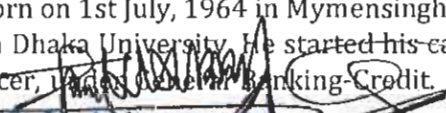
Deputy Managing Director

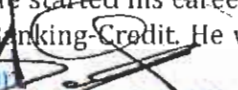
Mr. Iqbal Hossain was born on 1st January, 1961 in Chittagong. He completed his M.A in Economics from Chittagong University. He started his career from Sonali Bank in November, 1984. He worked In Sonali Bank till January, 2003. During his long tenure in Sonali Bank, Mr. Iqbal worked in different departments such as Finance and Admin, International Division, and Foreign Exchange, and got promoted from Senior Officer to Senior Principal Officer during this time. He finally joined Bank Asia in 2003 as the Senior Assistant Vice President and eventually got promoted to Deputy Managing Director on 2nd January, 2021. Prior to becoming the DMD, he served as head of division, head of branch, branch manager, manager, and sub manager under various departments and branches.


Md. Sazzad Hossain

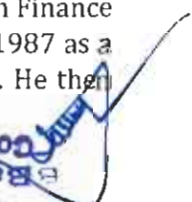
Deputy Managing Director

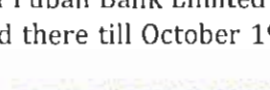
Mr. Sazzad was born on 1st July, 1964 in Mymensingh district. He completed his M.COM in Finance and Banking from Dhaka University. He started his career from Pubali Bank Limited in 1987 as a Probationary Officer, under General Banking-Credit. He worked there till October 1995. He then


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Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Limited
Corporate Office, Dhaka


S. M. Ansuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

joined Eastern Bank Ltd as the Assistant Vice President and served there till May, 2003. After a month, Mr. Sazzad joined NCC Bank Ltd as the Vice President. Mr Sazzad finally joined Bank Asia as the Vice President and became manager of Uttara branch after a few months. In 2007, he became the Senior Vice President and eventually got promoted to Deputy Managing Director in 2018 and has been working in this designation ever since.

Mr. Alamgir Hossain
Deputy Managing Director

Mr. Alamgir was born on 1st October, 1972. He did his MA in English from Dhaka University. He started his career from Eastern Bank Ltd in 1997 as a Probationary Officer under General Banking department. He served there till August 2005, in different departments such as- General Banking, Credit Division and Manager, and left as the Assistant Vice President. Mr. Alamgir joined Bank Asia as the Assistant Vice President on 14th August, 2005 under consumer banking. He eventually climbed up the ladder to become the Deputy Managing Director on 5th August, 2020. Prior to becoming the DMD, he served in the following departments- Corporate and Large Loan Division, Head of Branch, Branch manager, manager, Sub manager and Consumer Banking.

Mr. Mohammad Ziaul Hasan Molla
Deputy Managing Director

Mr. Ziaul was born on 1st January, 1974. He hails from Comilla district, and completed his M.B.A in International Trade and Commerce from Newport University. He started his career from Alpha Tobacco in 1997 as the Management Trainee. He then joined Standard Chartered Bank as the Officer under Business Financial Service and worked there till May, 2004. From then on to May, 2008 Mr Ziaul served in The City Bank Limited as the Assistant Vice President. After leaving City Bank, he took up the position of Senior Executive Vice President in Five Continent Credit Limited and served there till May, 2011. For six months he then joined Premier Bank Ltd and rejoined The City Bank Limited in January 2012 under Wholesale Banking Operations. Mr. Ziaul finally joined Bank Asia in April, 2013 as the Executive Vice President and gradually got promoted to Deputy Managing Director in July, 2018.

Md. Zahid Hossain
Senior Executive Vice President

Md. Zahid was born on 13th August, 1972 in Dhaka. He completed his M.B.A in Finance from I.B.A Dhaka University. He started his career from Eastern Bank Ltd in 1996 as a Probationary Officer under General Banking department and worked here till September, 2003. During Mr. Zahid's long career in Eastern Bank Ltd, he served in different positions as- Senior Principal Officer and Assistant Vice President under various departments such as- Foreign Trade Import, Corporate Banking Division, Credit Risk Management (CRM), It and Credit. He finally joined Bank Asia in September, 2003 as the Assistant Vice President. He then started serving as the head of branch, branch manager, manager and sub manager during different times as he gradually got promoted to senior designations in Bank Asia. Mr Zahid finally became the Senior Executive Vice President in 2018.

Mr. Md Zia Arfin
Senior Executive Vice President

Mr. Zia was born on 20th June, 1968 in Dhaka. He completed his M.COM in Finance and Banking from Dhaka University. He started his career from Janata Bank in August, 1993 as a Probationary Officer under Foreign Remittance department, and served there till July, 1997. He then joined Dhaka


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arifan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

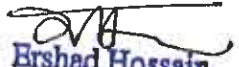

G. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Ltd for two years and moved to One Bank Ltd as the Senior Principal Officer under Credit division. Mr Zia worked in One Bank Ltd till October, 2003 and finally joined Bank Asia as the Assistant Vice President in under International division in the end of 2003. He eventually got promoted to Senior Executive Vice President on 1st July, 2018 and has been serving in this position ever since.

Mr. Tanfiz Hossain Chowdhury
Senior Executive Vice President

Mr. Tanfiz was born on 1st August, 1967 in Dhaka. He completed his M.COM in Marketing from Dhaka University. He started his career from AB Bank Limited in October, 1993 as a Trainee Assistant Officer under General Banking department and served there till 1995. He then moved to Prime Bank Ltd under Foreign Exchange department as the Senior Vice President and worked here till December, 2012. He joined Bank Asia on 1st January, 2013 as the Senior Vice President and became head of branch of Gulshan. Mr. Tanfiz eventually became Senior Executive Vice President on 1st July, 2018, head of branch of Scotia.


Ershad Hossain
Managing Director & CEO
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Corporate Office


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Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

d. Description of encumbered and unencumbered assets with value thereof

All assets as mentioned in the below table were unencumbered as on December 31, 2020.

Particulars	Amount in BDT
Conventional and Islamic banking	
Land	2,646,764,306
Building	3,232,313,394
Furniture and fixtures	1,431,187,762
Equipment	1,322,248,427
Computer and accessories	565,434,812
Motor vehicles	283,882,241
Intangible assets	24,000,000
Construction work in progress	444,741,638
Right-of-use assets	1,739,075,475
Total	11,689,648,055
Less: Accumulated depreciation	4,927,277,785
Less: Adjustment of assets revaluation	53,715,264
Written down value at the end of the year	6,708,655,006
Bank Asia Limited	6,708,655,006
Bank Asia Securities Limited	100,737,790
BA Exchange Company (UK) Limited	112
BA Express USA, Inc	4,710,492
Total	6,814,103,400


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 Managing Director & CEO
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 Corporate Office


Mohammad Ibrahim Khalik, FCA
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 Bank Asia Limited
 Corporate Office, Dhaka

e. Brief Profile of the Board of Directors

Mr. A. Rouf Chowdhury **Chairman**

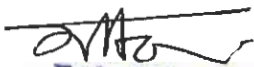
Mr. A. Rouf Chowdhury is one of the Sponsor Shareholders of Bank Asia Limited. He is a graduate in Business Management from the Massachusetts Institute of Technology, USA. He has a wide range of experience in several industries including Automobile, Telecom, Pharmaceuticals and Petroleum. He was the Resident Manager of two American pharmaceutical companies in Bangladesh. Being in the senior management position in Jamuna Oil Company, he contributed for 15 years in the market development of petroleum products in Bangladesh. Both Rangs and Sea Resources Groups which are comprised of 35 companies were formed under his dynamic leadership. The huge success of the companies of the two groups during a short span of time substantiates his charismatic leadership and progressive mindset. Mr. Chowdhury also has his dynamic foothold in the print media; he is the Director of Mediaworld Limited, parent company of renowned English daily, The Daily Star.

Mr. Mohd. Safwan Choudhury **Vice Chairman**

Mr. Mohd. Safwan Choudhury did his Masters from the University of Dhaka. He has an impressive professional experience and has business interest in tea manufacturing, textile and cold storage. His flagship company M/s. M. Ahmed Tea & Lands Co. Limited. is a 4th generation tea producing company which has been doing business since the British India. He is the former Chairman of Bangladesh Tea Association which represents 126 tea plantations belonging to both Bangladeshi and foreign companies. Mr. Choudhury is also involved in social development. He is the President of FIVDB, an NGO providing primary education to the underprivileged children. He is also the past President of Sylhet Chamber of Commerce & Industry. Mr. Choudhury is the Nominated Director of Phulbari Tea Estates Limited in the Board of Bank Asia Limited.

Mr. Romo Rouf Chowdhury **Vice Chairman**

Mr. Romo Rouf Chowdhury is one of the Sponsor Shareholders of Bank Asia Limited. He is a graduate in Engineering from United Kingdom. He has more than 28 years of experience as an industrialist. He is one of the successful young entrepreneurs of the country. He holds directorship of various sister concerns of Rangs Group and Sea Fishers Group. Currently, he holds the position of Chairperson of Rancon Car Hubs Limited, Rancon Accessories Limited, Rancon Infrastructures and Engineering Limited and Rancon Hospitality Limited. He also holds the position of Managing Director of Rancon Motors Limited, Rancon Auto Industries Limited, Rancon Trucks & Buses Limited, Rancon Automobiles Limited, Rancon Agro Machineries Limited, Rangs Properties Limited, Inspace Architects Limited, Rancon Electronics Limited, Rancon Industrial Solutions Limited, Ranks ITT Limited, Ranks Telecom Limited, Softex Communication Limited and Rancon Oceana Limited.


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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Mr. Rume A Hossain

Director & Chairman of the Executive Committee of the Board

Mr. Rume A Hossain is one of the Sponsor Shareholders of Bank Asia Limited. He is a graduate in Mechanical Engineering and an MBA in International Business Management. He has more than 27 years of business experience in several industries such as Electronics, Telecom, Pharmaceuticals, IT and Publishing. He is the Managing Director of Rangs Industries Limited. (Distributor of Toshiba and Samsung) and Romask Limited. Currently, he is the Chairman of Executive Committee of the Board of Bank Asia Limited.

Mr. Dilwar H Choudhury

Independent Director & Chairman of the Audit Committee of the Board

Mr. Dilwar H Choudhury was a veteran banker with 35 (thirty five) years of banking experience including working in eight different countries in Asia, Africa and Europe in a multicultural situation. He was the former Managing Director (in-charge) of City Bank Limited. His most significant career exposure happened while managing and operating three full-fledged banking operations as Chief Executive Officer in Turkey, Pakistan and Bangladesh. He was also a Banking consultant for KPMG Dhaka during 2004-2005. He is the partner of Latif Center, a renowned shopping Mall situated at Zindabazar in Sylhet. He is also the Nominated Director of Jubilant Golden Harvest Limited. He is currently the Managing Director of Golden Harvest Fintech Limited.

Ms. Romana Rouf Chowdhury

Director

Ms. Romana Rouf Chowdhury is one of the directors of Bank Asia Limited. Ms. Romana Rouf Chowdhury is a Bachelor of Arts in English. She has been working for more than 29 years as an industrialist. She is one of the successful young entrepreneurs of the country. She holds directorship of various sister concerns of Rangs Group and Sea Fishers Group. Currently, she holds the position of Chairperson of Agro food Services Limited and Sea Natural Food Limited. Ms. Chowdhury is the Nominated Director of Maya Limited in the Board of Bank Asia Limited.

Major General Mohammad Matiur Rahman (Retd.)


Director

Major General Mohammad Matiur Rahman (retd.) is one of the directors of Bank Asia Limited. He is the Nominated Director of Sinha Fashions Limited in the Board of Bank Asia Limited. He has more than 37 years of experience as a military personnel. After retirement from his service, he joined the Sinha-Medlar group as an adviser in 2013. He obtained his Masters in Defense Studies from National University. He also participated in various training and seminar both at home and abroad. Currently, he is the Managing Director of Julphar Bangladesh Limited.

Mr. Enam Chowdhury

Director

Mr. Enam Chowdhury, a graduate in Electrical and Electronic Engineering from Ohio, USA, has more than 30 years of experience in Information Technology, particularly in banking and finance industry. After working with global financial and technology firms for several years in Australia, Japan and the USA he returned to Bangladesh in 2018. His experience includes working with Deutsche Bank


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AG, PricewaterhouseCoopers, Compass Group and EDS Japan. He is the Managing Director of Deep Sea Fishers Limited and Fishers Shipyard Limited, and executive committee member of Bangladesh Marine Fishers Association. He is also the Chairman of IT startups, Nessbit Technologies Limited and Tiger Digital Ventures Limited. He is the Nominated Director of Zest Polymers Limited in the Board of Bank Asia Limited.

Ms. Hosneara Sinha
Director

Ms. Hosneara Sinha is one of the Sponsor Shareholders of Bank Asia Limited. She is involved with different business houses and organizations under Sinha group. She is the Director of Pritha Fashions Limited, Sinha Auto Spinning Mills Limited and Sattar Jute Mills Limited.

Ms. Naheed Akhter Sinha
Director

Ms. Naheed Akhter Sinha is one of the Sponsor Shareholders of Bank Asia Limited. She obtained MBA in Finance from North South University. She has been involved with different business houses and organizations from her early career. She is one of the promoters and Managing Director of Enterprise Cluster Pte. Limited, a Singapore-based company. Currently, she is one of the directors of Cluster World Pte. Limited and Lafargeholcim Bangladesh Limited.

Ms. Farhana Haq
Director

Ms. Farhana Haq is one of the Sponsor Shareholders of Bank Asia Limited. She obtained her Masters in International Relations from the University of Dhaka. She holds directorship of various renowned business concerns such as DHS Motors Limited, Platform Solutions Limited, Ali Estates Limited, DHS Automobiles Limited, Surja Soft Limited and FAR Limited.

Mr. Ashraful Haq Chowdhury
Independent Director

Mr. Ashraful Haq Chowdhury served country's largest Mobile Phone Operators like Grameen Telecom, Telekom Malaysia Bangladesh and Bharti Airtel for 21 years in the top management position. He was also the Trade Adviser for the Commonwealth Secretariat, London, & Ministry of Trade, Industry & Tourism of the Caribbean Countries in addition to serving in the Export Promotion Bureau and BIDS at the initial stage of his career. His most recent assignment was as Chief Corporate Affairs Officer (CXO) of Airtel Bangladesh-a subsidiary of Bharti Airtel the 3rd Largest Mobile Operator in the World with 303 million customers in 22 countries. Mr. Chowdhury obtained Honours & Masters degrees in Economics from Chittagong University. He then completed higher studies in International Development Economics & Business Administration from the Stockholm University, Sweden. He was also a Research Fellow at the University of Toronto, Canada. He is currently the Managing Director of Star Infrastructure Development Consortium Limited and Additional Managing Director of Star Allied Venture Limited.


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Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Mr. M. A. Baqui Khalily

Independent Director & Chairman of the Risk Management Committee of the Board

Mr. M. A. Baqui Khalily joined as a faculty member at the Department of Finance in the University of Dhaka in 1975 after completing his B.Com (Hons) and M.Com in Finance from University of Dhaka. He also obtained his M.Sc. and Ph.D. degrees with major in Finance and Development in 1987 and 1991 respectively from Ohio State University, USA. He became Professor in 1994. After a successful teaching career of 37 years, Professor Khalily retired from University of Dhaka in 2012. Dr. Khalily is a renowned academician of the country, an eminent economist and finance scholar of national and international repute. He has large number of publications especially on rural finance, financial inclusion, microfinance and SME development in prominent national and international journals. He also authored/co-authored of many books and research monographs. Other than having a prominent teaching career, Professor Khalily also held many important administrative positions like Executive Director of Institute of Microfinance, Acting Vice Chancellor & Pro Vice Chancellor of Presidency University, Chairman of Department of Finance, University of Dhaka, Director of Dhaka Stock Exchange Limited, only to name a few. Besides, Dr. Khalily worked as a consultant in different international organizations like The World Bank, Asian Development Bank, NORAD, USAID, IFDC, JICA, European Union, UKAID/DFID etc. During his long career, he visited many countries around the globe for professional purposes. Professor Khalily currently teaches at Department of Business Administration, University of Asia Pacific.

Mr. Md. Abul Quasem

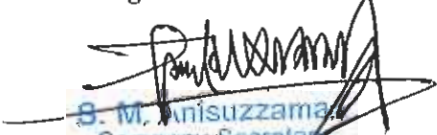
Independent Director

Mr. Md. Abul Quasem completed his B.S.S. (Hons) and M.S.S. in Economics in 1973 and 1974 respectively from University of Dhaka. He started his career with Bangladesh Bank, the Central Bank of Bangladesh, as Assistant Director in 1976 and concluded the same as Deputy Governor in 2016. During his about 40 years tenure with Bangladesh Bank, he performed responsibilities in many departments like Currency Management, Payment System, Accounts & Budgeting, Debt Management, Human Resources, SME & Special Programs, Agricultural Credit, Communications & Printing, Common Services, Investment Promotion & Financial Facility, Expenditure Management, Research, Statistics, Central Bank Strengthening Project (CBSP), Bangladesh Financial Intelligence Unit (BFIU), etc. Besides being a career central banker, Mr. Quasem held many important administrative positions like Observer in the Board of The City Bank Limited & Pubali Bank Limited, Chairman of the Executive Committee of Bangladesh Institute of Bank Management (BIBM), Director of Dhaka Stock Exchange Limited, Director of SME Foundation and Director of Security Printing Corporation (BD) Limited. While working in Bangladesh Bank, he attended many domestic/foreign training programs and seminars organized by different international organizations in various countries around the globe.

Mr. Helal Ahmed Chowdhury

Independent Director

Mr. Helal Ahmed Chowdhury is a seasoned banker with around four and half decades of banking experience. He started his career at Pubali Bank in 1977 as a Class-I Officer through Superior Service Examination and was promoted in course to MD & CEO (2006-2014) in the same bank. He is a


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Managing Director & CEO
City Bank Capital Resources Ltd


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President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khan
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

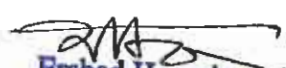
rare event and record. Under his dynamic leadership, Pubali bank got transformed into an institutional role model of government turned private commercial bank and won the prestigious award "Best Financial Institution" of the country given by DHL and the Daily Star in 2009. He is an M.A. and a Deplumed Associate of IBB. He participated in different training, seminar, short and long courses both at home and abroad including Oxford and Cambridge Universities of UK and UC Berkeley and Columbia University of USA. Mr. Chowdhury was an independent Director of Islami Bank Bangladesh Limited and presided over as the Chairman of Audit & Risk Management Committees of the Bank in different times. He was Supernumerary Professor of Bangladesh Institute of Bank Management (BIBM), a Board Member and Vice Chairman of Association of Bankers, Bangladesh (ABB) and a Board Member of BIBM. He is a General Body Member of PKSF, Independent Director of Baraka Power Limited, Baraka Patenga Power Limited and member of ICC Banking Commission. He is engaged with a number of Social Organizations and Trade Bodies at different capacities and working as a resource person in different training/seminars etc.

Tania Nusrat Zaman
Director

Ms. Tania Nusrat Zaman is the Nominated Director of Amiran Generations Limited in the Board of Bank Asia Limited. Ms. Zaman began her career in 1987 as a young professional with UNDP. After stints in policy and programming in New York, Nepal and Vietnam, she joined the International Health Policy Program, housed in The World Bank, in Washington DC. Between 2001-2020, she took on managerial and technical roles in public, private and non-profit organizations in Bangladesh and USA that included BRAC, Future Generations, HLSP Consulting Inc, the Netherlands Embassy in Dhaka, Nirapon Inc. and Plan International. Currently, she is a Director of General Advisory Services Limited and works as a management consultant on human resources, safety and youth issues. Ms. Zaman holds a Bachelor's from George Washington University and an M.Phil from Yale University. She also holds an American Management Association certificate in human resource.

Mr. Md. Arfan Ali
President & Managing Director

Mr. Md. Arfan Ali is the President & Managing Director of Bank Asia. Prior to this, he was the Additional Managing Director of Bank Asia Limited. A career banker, Mr. Md. Arfan Ali, is an MBA from the IBA, Dhaka University, having more than 26 (twenty Six) years of diverse experience in banking profession to his credit. He started his career with Arab Bangladesh Bank Limited as a Probationary Officer in 1991. Later he joined Hanil Bank in 1996 and played key roles in setting up of its Dhaka Office. He joined Bank Asia in 1999 as Assistant Vice President before it started its operation and played vital role at the preoperational stage of launching formal operations of a newly established local bank. Mr. Md. Arfan Ali pioneered and championed Agent Banking operations in Bangladesh. He had worked as part time lecturer of Institute of Business Administration (IBA), Jahangirnagar University for 11 years. He is also member of "Academic Advisory Board, School of Business", Independent University (IUB), Bangladesh and current Advisor of Bangladesh Money Market Dealers Association (BAMDA)


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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

f. Description of Assets and Liabilities (As of December 31, 2020)

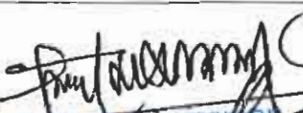
Assets


Loans and advances/Investments

Table 3: Loans and Advances/Investments

Particulars	Amount in BDT
Loans, cash credits, overdrafts, etc/investments	
Conventional and Islamic banking	
Inside Bangladesh	
Agricultural loan	2,652,039,116
Cash credit/Bai Murabaha (Muajjal)	6,475,321,470
Credit card	2,732,685,187
Credit for poverty alleviation scheme-micro credit	7,613,585
Consumer credit scheme	13,449,332,124
Demand loan	32,210,343,715
Export Development Fund (EDF)	15,130,653,340
House building loans	1,753,894,542
Loans (General)/ Musharaka	19,204,212,902
Loan against trust receipts/ Bai Murabaha post import	13,163,763,436
Overdrafts/ Quard against scheme	37,334,786,408
Packing credit	483,400,366
Payment against documents	99,931,390
Staff Loan	1,551,039,312
Transport loan	2,032,418,741
Term loan- industrial/ Hire purchase under Shirkatul Melk	26,477,173,539
Term loan- others	34,484,219,425
Loan under Covit-19 stimulus package	15,450,815,316
	224,693,643,914
Outside Bangladesh	224,693,643,914
Off-shore banking unit	3,773,686,591
	228,467,330,505
Bank Asia Limited	4,810,787,426
	233,278,117,931
Less: Inter- companies transactions	-2,120,969,217
	231,157,148,714
Bills purchased and discounted	
Conventional and Islamic banking	1,450,361,346
Off-shore banking unit	14,724,338,222
	16,174,699,568
Total	247,331,848,282


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Fixed Assets including Premises, Furniture and Fixtures

Table 4: Fixed Tangible Assets

Particulars	Amount in BDT
Conventional and Islamic banking	
Land	2,646,764,306
Building	3,232,313,394
Furniture and fixtures	1,431,187,762
Equipment	1,322,248,427
Computer and accessories	565,434,812
Motor vehicles	283,882,241
Intangible assets	24,000,000
Construction work in progress	444,741,638
Right-of-use assets	1,739,075,475
Total	11,689,648,055
Less: Accumulated depreciation	4,927,277,785
Less: Adjustment of assets revaluation	53,715,264
Written down value at the end of the year	6,708,655,006
Bank Asia Limited	6,708,655,006
Bank Asia Securities Limited	100,737,790
BA Exchange Company (UK) Limited	112
BA Express USA, Inc	4,710,492
Total	6,814,103,400

Liabilities

Borrowings from other banks, financial institutions and agents

Table 5: Borrowings from other banks, financial institutions and agents

Particulars	Amount in BDT
In Bangladesh	21,526,054,526
Outside Bangladesh	-
Total	21,526,054,526

Deposits and Other Accounts

Table 6: Deposits and Other Accounts

Deposits and Other Accounts	Amount in BDT
Current/Al-wadeeah current accounts and other accounts	59,876,911,784
Less: Inter-company transactions	(53,258,020)
	59,823,653,764
Bills payable	3,747,868,764
Savings bank/Mudaraba savings bank deposits	64,167,247,193
Fixed deposits/Mudaraba fixed deposits	175,755,144,727
Total	303,493,914,448


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 President & Managing Director
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 Corporate Office


Mohamad Ibrahim Khalil
 Chief Financial Officer
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 Corporate Office, Dhaka

S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

Other Liabilities

Table 7: Other Liabilities

Particulars	Amount in BDT
Conventional and Islamic banking	
Provision for loans and advances/investments	13,110,200,000
Special general provision COVID-19	850,600,000
Provision on off-balance sheet exposures	1,005,000,000
Interest suspense account	4,341,502,178
Provision for income tax including deferred tax	8,956,414,519
Provision for performance and festival bonus	252,632,349
Master card and Visa card payables	829,449
Expenditures and other payables	864,600,677
Provision for nostro accounts	-
Other payable	115,509,606
Provision for profit equalization	20,978,177
Provision for diminution in value of shares	363,383,553
Payable to Government	9,007,621
Provision for others	290,572,690
Rebate payable on good borrowers	67,700,000
Unearned income	829,928,758
Interest payable on subordinated non-convertible zero coupon bond	181,861,645
Fraction Bonus Share	2,768,571
ATM/POS settlement account	6,775
Lease liabilities	872,228,227
	32,135,724,795
Off-shore banking unit	569,192
Bank Asia Limited	32,136,293,987
Bank Asia Securities Limited	1,885,520,215
BA Exchange Company (UK) Limited	62,316,859
BA Express USA, Inc	270,842,164
Total	34,354,973,225
Less: Inter- companies transactions	
Receivable from BA Exchange (UK) Limited	94,676,053
Receivable from BA Exchange (UK) Limited	325,094,277
Total	33,935,202,895


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 Corporate Office


Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

g. Description of previously issued debt or securities

Table 8: Description of previously issued debt securities

Issue Size	:	BDT 3,000 Million
Issued Date	:	February 19, 2015
Nature of the Bond	:	Non-Convertible Floating Rate Subordinated Bond
Tenure of Bond	:	7 Year
Listing	:	N/A
Interest Rate	:	11.50% to 14.50%
Redemption	:	BDT 2,400 Million
Outstanding Amount	:	BDT 600 Million

Issue Size	:	BDT 5,000 Million
Issued Date	:	April 23, 2017
Nature of the Bond	:	Non-Convertible Floating Rate Subordinated Bond
Tenure of Bond	:	7 Year
Listing	:	N/A
Interest Rate	:	7.00% to 10.50%
Redemption	:	BDT 2,000 Million
Outstanding Amount	:	BDT 3,000 Million

Issue Size	:	BDT 5,000 Million
Issued Date	:	November 25, 2019
Nature of the Bond	:	Non-Convertible Floating Rate Subordinated Bond
Tenure of Bond	:	7 Year
Listing	:	N/A
Interest Rate	:	7.50% to 10.50%
Redemption	:	Nil
Outstanding Amount	:	BDT 5,000 Million

Description of Equity Securities

Table 9: Description equity securities

Financial Year ended on	Paid up Capital	Bonus Share		Issued in Cash	Remarks
		Rate			
2001	218,000,000	8	17,440,000		
2002	235,440,000	8	18,835,200		
2003	254,275,200			45,724,800	Cash subscription
2003	300,000,000			300,000,000	Initial Public
2003	600,000,000	24	144,000,000		
2004	744,000,000	25	186,000,000		
2005	930,000,000	20	186,000,000		


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Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

Financial Year ended on	Paid up Capital	Bonus Share		Issued in Cash	Remarks
		Rate			
2006	1,116,000,000	25	279,000,000		
2007	1,395,000,000	25	348,750,000		
2008	1,743,750,000	23	401,062,500		
2009	2,144,812,500	40	857,925,000		
2010	3,002,737,500	40	1,201,095,000		
2010	4,203,832,500			1,050,958,700	Right Issue @25%
2011	5,254,790,600	20	1,050,958,120		
2012	6,305,748,720	10	630,574,870		
2013	6,936,323,590	10	693,632,350		
2014	7,629,955,940	10	762,995,590		
2015	8,392,951,530	5	419,647,570		
2016	8,812,599,100	12	1,057,511,890		
2017	9,870,110,990	12.5	1,233,763,870		
2018	11,103,874,860	5	555,193,740		
2019	11,659,068,600				


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 Corporate Office


Mohammad Farahim Khalil, FCA
 Chartered Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

14. AUDITORS REPORT (December 31, 2020) ALONG WITH AUDITED FINANCIAL STATEMENTS OF THE ISSUER, BANK ASIA LIMITED

a) Consolidated Balance Sheet

Bank Asia Limited and its subsidiaries Consolidated Balance Sheet

as at 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
Amount in Taka			
PROPERTY AND ASSETS			
Cash		17,902,027,343	23,986,604,446
In hand (including foreign currencies)	4.1(a)	2,065,195,036	3,242,977,542
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	14,036,832,307	20,743,726,904
Balance with other banks and financial institutions	5(a)	32,103,619,897	23,634,997,570
In Bangladesh		29,965,987,826	19,875,113,514
Outside Bangladesh		2,137,631,071	3,759,884,056
Money at call and on short notice	6(a)	-	4,600,000,000
Investments	7(a)	94,906,810,728	55,628,071,926
Government		90,042,129,622	52,197,323,349
Others		4,864,681,106	3,329,648,577
Loans and advances/investments	8(a)	247,331,849,282	230,095,211,871
Loans, cash credits, overdrafts, etc./investments		231,157,149,714	210,835,675,907
Bills purchased and discounted		16,174,699,568	19,259,536,974
Fixed assets including premises, furniture and fixtures	9(a)	6,814,103,400	7,065,893,231
Other assets	10(c)	11,751,062,261	10,810,549,234
Non-banking assets		-	-
Total assets		410,809,370,911	365,720,227,276
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	35,971,954,941	34,382,128,496
Subordinated non-convertible bonds	11(aa)	10,200,000,000	11,800,000,000
Deposits and other accounts	12(a)	303,493,914,449	254,077,526,068
Current/H-wadeeah current accounts and other accounts		59,823,653,764	47,821,636,983
Bills payable		3,747,868,764	3,742,697,471
Savings bank/Mudaraba savings bank deposits		64,187,247,193	48,293,710,027
Fixed deposits/Mudaraba fixed deposits		175,755,144,727	154,219,493,187
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	23,935,202,695	30,873,993,657
Total liabilities		383,600,972,294	331,433,648,830
Capital/Shareholders' equity			
Total shareholders' equity		27,208,398,627	24,586,578,446
Paid-up capital	14.2	11,669,068,600	11,659,068,600
Statutory reserve	15	9,844,096,744	9,052,565,407
Revaluation reserve	16(a)	3,777,946,202	2,065,683,636
General reserve		8,166,144	8,166,144
Retained earnings	17(a)	1,918,254,038	1,800,257,979
Foreign currency translation reserve		856,701	836,483
Non-controlling interest	17(b)	10,199	10,106
Total liabilities and shareholders' equity		410,809,370,911	365,720,227,276


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

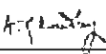





Md Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Consolidated Balance Sheet

	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	118,277,542,242	118,576,860,518
Acceptances and endorsements		36,015,860,212	39,192,489,873
Letters of guarantee		36,612,599,301	36,999,361,447
Irrevocable letters of credit		29,751,789,131	26,468,819,479
Bills for collection		15,897,303,599	15,016,199,719
Other contingent liabilities		-	-
Other commitments		3,912,885,538	2,040,416,443
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,912,885,538	2,040,416,443
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		122,190,427,780	120,617,276,961


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

				
Chairman	Director	Director	Director	President and Managing Director

Report of the auditor's to the shareholders:

This is the statement of Consolidated Balance Sheet referred to our report of even date.

Dhaka, Dated
18 March 2021
DVC No: 2103250770AS957181


Sabir Ahmad, FCA Partner
Enrollment no: 770
Huda Vasi Chowdhury & Co
Chartered Accountants


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chairman and Officer
Bank Asia Limited
Corporate Office, Dhaka

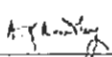




b) Consolidated Profit & Loss Account

Bank Asia Limited and its subsidiaries
Consolidated Profit and Loss Account

for the year ended 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
<i>Amount in Taka</i>			
OPERATING INCOME			
Interest income	20(a)	18,117,563,698	22,974,067,272
Interest paid on deposits and borrowings, etc	21(a)	14,926,706,536	14,464,566,306
Net interest income		3,190,857,150	8,509,480,966
Investment income	22(a)	6,484,338,100	3,289,064,994
Commission, exchange and brokerage	23(a)	2,653,972,061	3,495,510,223
Other operating income	24(a)	1,069,174,861	1,062,116,649
Total operating income (A)		10,207,544,522	7,840,691,866
OPERATING EXPENSES			
Salaries and allowances	25(a)	3,639,699,248	3,380,499,062
Rent, taxes, insurance, electricity, etc	26(a)	463,833,944	471,721,301
Legal expenses	27(a)	13,751,716	22,218,779
Postage, stamp, telecommunication, etc	28(a)	128,312,790	126,842,671
Stationery, printing, advertisements, etc	29(a)	150,030,731	159,503,843
Managing Director's salary and fees	30	19,262,868	18,572,420
Directors' fees	31(a)	3,483,000	3,726,400
Auditors' fees	32(a)	2,978,246	3,440,269
Depreciation and repairs of Bank's assets	33(a)	875,119,333	842,466,683
Other expenses	34(a)	1,995,821,074	1,914,318,567
Total operating expenses (B)		7,291,592,040	6,921,303,975
Profit before provision (C=A-B)		6,106,800,632	9,428,868,857
Provision for loans and advances/investments			
General provision		2,166,139,871	2,847,887,484
Specific provision		(405,369,677)	2,841,142,562
	13.2(a)	1,760,769,294	5,689,030,046
Provision for off-balance sheet items	13.3	43,349,415	(196,376,913)
Provision for diminution in value of investments		190,000,000	(66,065,312)
Other provisions		137,000,000	26,000,000
Total provision (D)	34(c)	2,121,129,700	5,451,587,821
Total profit before tax (E-I)		3,985,679,923	3,977,281,036
Provision for taxation			
Current tax	13.5.1(a)	1,961,192,514	2,019,460,389
Deferred tax	13.5.2	-	-
		1,961,192,514	2,019,460,389
Net profit after tax		2,024,487,409	1,957,811,647
Appropriations:			
Statutory reserve	15	791,541,337	794,182,228
General reserve		-	-
		791,541,337	794,182,228
Retained surplus		1,232,946,072	1,173,649,419
Attributable to:			
Equity holders of Bank Asia Limited		1,232,946,070	1,173,649,329
Non-controlling interest		2	90
		1,232,946,072	1,173,649,419
Earnings Per Share (EPS)	37(a)	1.74	1.68

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

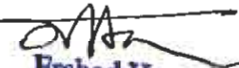
 Chairman	 Director	 Director	 Director	 President and Managing Director
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Report of the auditor's to the shareholders:

This is the statement of Consolidated Balance Sheet referred to our report of even date.

Dhaka, Dated
18 March 2021
DVC No: 2103250770AS857181

Sabbir Ahmed,
Sabbir Ahmed, FCA Partner
Enrollment no: 770
Huda Vast Chowdhury & Co
Chartered Accountants


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
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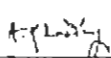




c) Consolidated Cash Flow Statement

Bank Asia Limited and its subsidiaries
Consolidated Cash Flow Statement

for the year ended 31 December 2020

	Notes	31 Dec 2020	Amount in Taka 31 Dec 2019
Cash flows from operating activities (A)			
Interest receipts		23,359,993,236	25,393,562,346
Interest payments		(14,933,189,503)	(14,444,046,102)
Dividends receipts		15,280,460	51,407,464
Fees and commission receipts		2,653,972,061	3,495,510,223
Recoveries on loans previously written off		183,636,137	145,993,239
Cash payment to employees		(3,674,692,886)	(3,367,079,233)
Cash payment to suppliers		(225,693,469)	(232,489,003)
Income tax paid		(2,474,031,947)	(2,121,219,144)
Receipts from other operating activities	35 (a)	2,007,097,543	1,077,007,651
Payments for other operating activities	36 (a)	(2,627,543,728)	(2,558,840,387)
Operating profit before changes in operating assets & liabilities		4,284,827,904	7,439,799,044
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,516,163,259)	(13,378,765,853)
Other assets		541,735,042	(680,513,355)
Deposits from customers and banks		49,416,387,790	31,342,634,891
Trading liabilities		1,599,726,446	3,002,211,896
Other liabilities		424,381,282	(983,438,889)
Net increase/(decrease) in operating assets and liabilities		36,458,067,291	19,301,729,690
Net cash flows from operating activities		40,740,895,195	26,741,527,734
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(37,844,806,273)	(19,064,031,511)
Sale/Purchase of trading securities		(1,535,092,529)	81,262,027
Purchase/Disposal of fixed assets including right-of-use assets		(457,571,585)	(993,551,320)
Net cash flows from/(used in) investing activities		(39,837,410,387)	(19,966,320,804)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		-	5,000,000,000
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(600,000,000)
Payments for lease liability		(353,888,024)	(286,649,547)
Dividend paid (cash dividend)		(1,165,906,880)	(555,193,743)
Net cash flows from/(used in) financing activities		(3,119,774,884)	3,548,156,710
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(2,216,290,076)	10,323,363,640
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		52,223,764,816	41,900,401,176
Cash and cash equivalents at the end of the year		50,007,474,740	52,223,764,816
Cash and cash equivalents:			
Cash		2,865,195,036	3,242,877,542
Balance with Bangladesh Bank and its agent bank(s)		14,935,832,307	20,743,726,904
Balance with other banks and financial institutions		32,103,518,997	23,634,997,570
Money at call and on short notice		-	4,600,000,000
Prize bonds		1,029,500	2,162,800
		50,007,474,740	52,223,764,816

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

 Chairmah
 Director
 Director
 Director
 President and Managing Director


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office



Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

d) Balance sheet (Solo)

Bank Asia Limited
Balance Sheet

as at 31 December 2020

	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
PROPERTY AND ASSETS			
Cash		17,899,782,364	23,855,632,079
In hand (including foreign currencies)	4.1	2,862,960,067	3,241,865,175
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	14,836,832,307	20,743,728,004
Balance with other banks and financial institutions		31,480,907,687	23,113,553,804
In Bangladesh	6.1	29,455,353,540	19,491,968,105
Outside Bangladesh	5.2	2,025,549,157	3,621,585,699
Money at call and on short notice	6	-	4,800,000,000
Investments	7	84,261,183,584	54,832,579,936
Government		80,042,129,622	52,197,323,349
Others		4,209,053,962	2,735,256,587
Loans and advances/investments	8	244,642,030,073	227,298,956,048
Loans, cash credits, overdrafts, etc/investments		228,467,330,505	208,039,420,174
Bills purchased and discounted		16,174,699,568	19,259,535,874
Fixed assets including premises, furniture and fixtures	9	8,708,655,006	7,025,602,707
Other assets	10	13,734,592,135	12,843,939,123
Non-banking assets		-	-
Total assets		408,717,150,859	353,800,373,697
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	35,971,854,941	34,392,128,495
Subordinated non-convertible bonds	11 (a)	10,200,000,000	11,800,000,000
Deposits and other accounts	12	303,028,106,360	253,709,574,615
Current/AI-wadeeah current accounts and other accounts		59,357,845,676	47,453,683,930
Bills payable		3,747,868,764	3,742,697,471
Savings bank/Mudaraba savings bank deposits		64,167,247,193	48,293,710,027
Fixed deposits/Mudaraba fixed deposits		175,755,144,727	154,219,483,187
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	22,136,293,987	29,163,552,659
Total liabilities		381,336,255,288	329,066,255,779
Capital/shareholders' equity			
Total shareholders' equity		27,380,895,571	24,745,117,918
Paid-up capital	14.2	11,650,069,600	11,650,069,600
Statutory reserve	15	9,844,006,744	9,052,555,407
Revaluation reserve	16	3,777,946,202	2,065,653,636
General reserve		8,166,144	8,166,144
Retained earnings	17	2,081,817,881	1,959,644,131
Total liabilities and shareholders' equity		408,717,150,859	353,800,373,697


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.







S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

	Notes	31 Dec 2020	31 Dec 2019
Amount in Taka			
OFF-BALANCE-SHEET ITEMS			
Contingent liabilities	18	118,277,542,242	119,576,860,518
Acceptances and endorsements		36,015,850,212	39,192,489,873
Letters of guarantee		36,612,599,301	36,999,351,447
Irrevocable letters of credit		29,751,789,131	26,468,819,479
Bills for collection		15,897,302,598	15,916,199,719
Other contingent liabilities		-	-
Other commitments		3,912,885,539	2,040,416,443
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,912,885,539	2,040,416,443
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		122,180,427,780	120,617,276,961

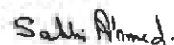
These financial statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	President and Managing Director

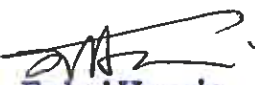
Report of the auditor's to the shareholders:

This is the statement of Consolidated Balance Sheet referred to our report of even date.

Dhaka, Dated
18 March 2021
DVC No: 2103260770AS857181



Sabir Ahmed, FCA, Partner
Enrollment no: 770
Hoda Wasi Chowdhury & Co
Chartered Accountants


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Mr. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

e) Profit and Loss account (Solo)

Bank Asia Limited
Profit and Loss Account

for the year ended 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
OPERATING INCOME			
Interest income	20	18,112,089,828	22,853,190,585
Interest paid on deposits and borrowings, etc	21	14,926,677,328	14,462,380,548
Net interest income		3,185,421,500	8,400,750,037
Investment income	22	6,484,398,100	3,293,064,994
Commission, exchange and brokerage	23	2,474,977,494	3,361,368,126
Other operating income	24	1,034,090,923	1,018,730,455
		9,993,466,517	7,873,163,575
Total operating income (A)		13,178,888,017	16,079,922,612
OPERATING EXPENSES			
Salaries and allowances	25	3,536,708,226	3,266,449,803
Rent, taxes, insurance, electricity, etc	26	440,514,478	440,093,246
Legal expenses	27	13,111,596	20,534,659
Postage, stamp, telecommunication, etc	28	125,950,752	124,471,858
Stationery, printing, advertisements, etc	29	148,118,134	156,689,903
Managing Director's salary and fees	30	19,262,969	16,572,420
Directors' fees	31	3,208,000	3,424,000
Auditors' fees	32	853,000	1,478,225
Depreciation and repairs of Bank's assets	33	849,791,740	834,076,015
Other expenses	34	1,970,532,731	1,887,689,330
Total operating expenses (B)		7,108,051,625	6,751,459,339
Profit before provision (C=A-B)		6,070,836,392	9,322,464,273
Provision for loans and advances/investments			
General provision		2,166,139,871	2,847,887,484
Specific provision		(413,359,577)	2,805,142,662
	13.2	1,762,780,294	5,653,030,146
Provision for off-balance sheet items	13.3	43,249,415	(106,376,913)
Provision for diminution in value of investments	13.7	180,000,000	(80,000,000)
Other provisions	13.8	137,000,000	25,000,000
Total provision (D)	34(b)	2,113,129,700	5,401,653,133
Total profit before tax (C-D)		3,957,706,683	3,920,811,140
Provision for taxation			
Current tax	13.5.1	1,922,000,000	1,960,000,000
Deferred tax	13.5.2	-	-
		1,922,000,000	1,960,000,000
Net profit after tax		2,035,706,683	1,960,811,140
Appropriations			
Statutory reserve	15	791,541,337	784,162,228
General reserve		-	-
		791,541,337	784,162,228
Retained surplus		1,244,165,346	1,176,648,912
Earnings Per Share (EPS)	37	1.75	1.68

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

 Chairman
 Director
 Director
 Director
 President and Managing Director


Report of the auditor's to the shareholders:

This is the statement of Consolidated Balance Sheet referred to our report of even date.

Dhaka, Dated
18 March 2021
DNC No: 21/0325077/0AS/957/181

Sabbir Ahmed.

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


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arifan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office


Mohammed Ibrahim Khaili, FCA
 Chief Financial Officer
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 Corporate Office, Dhaka

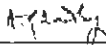

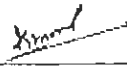


f) Cash flow statement (Solo)


Bank Asia Limited
Cash Flow Statement

for the year ended 31 December 2020

	Notes	31 Dec 2020	31 Dec 2019
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		23,166,183,766	25,072,331,026
Interest payments		(14,744,815,683)	(14,231,536,711)
Dividends receipts		15,280,460	51,407,464
Fees and commission receipts		2,474,977,494	3,361,369,126
Recoveries on loans previously written off		183,636,137	145,983,239
Cash payment to employees		(3,572,502,864)	(3,273,035,074)
Cash payment to suppliers		(2,23,780,872)	(229,874,153)
Income tax paid		(2,423,453,826)	(2,051,736,653)
Receipts from other operating activities	35	1,972,014,105	1,043,621,457
Payments for other operating activities	36	(2,573,439,525)	(2,494,242,439)
Operating profit before changes in operating assets & liabilities		4,268,105,192	7,904,486,283
increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,213,029,151)	(13,519,492,893)
Other assets:		281,322,817	(708,379,076)
Deposits from customers and banks		49,318,531,745	31,237,858,371
Trading liabilities		1,589,726,446	3,063,454,382
Other liabilities		332,501,946	(950,432,513)
Net increase/(decrease) in operating assets and liabilities		26,309,054,803	19,123,008,171
Net cash flows from operating activities		40,577,159,995	26,517,494,454
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(37,844,806,273)	(19,064,001,511)
Sale/(Purchase) of trading securities		(1,473,797,375)	130,649,919
(Purchase)/disposal of fixed assets including right-of-use assets		(457,571,585)	(950,140,783)
Net cash flows from/(used in) investing activities		(39,776,175,233)	(19,983,522,375)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		-	5,000,000,000
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(600,000,000)
Payments for lease liability		(353,868,024)	(296,649,547)
Dividend paid (cash dividend)		(1,185,906,860)	(555,193,743)
Net cash flows from/(used in) financing activities		(3,119,774,884)	3,548,156,710
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(2,318,790,122)	10,182,128,789
Effects of exchange rate changes on cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		51,701,408,683	41,519,279,894
Cash and cash equivalents at the end of the period		49,382,618,561	51,701,408,683
Cash and cash equivalents:			
Cash		2,062,060,057	3,241,035,175
Balance with Bangladesh Bank and its agent bank(s)		14,936,832,307	20,743,726,004
Balance with other banks and financial institutions		31,480,907,697	23,113,553,804
Money at call and on short notice		-	4,800,000,000
Prize bonds		1,928,500	2,162,800
		49,382,618,561	51,701,408,683

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

 Chairman
 Director
 Director
 Director
 President and Managing Director


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office



Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

15. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

Table 9: Brief Overview and Comparative Financial Statements
Balance Sheet (Consolidated)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
PROPERTY AND ASSETS				
Cash	17,902	23,987	15,556	17,933
In hand (including foreign currencies)	2,965	3,243	2,683	1,995
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	14,937	20,744	12,873	15,938
Balance with other banks and financial institutions	32,104	23,635	26,243	30,078
In Bangladesh	29,966	19,875	23,753	29,088
Outside Bangladesh	2,138	3,760	2,490	990
Money at call and on short notice	-	4,600	100	-
Investments	94,907	55,527	36,544	28,145
Government	90,042	52,197	33,133	24,431
Others	4,865	3,330	3,411	3,714
Loans and advances/investments	247,332	230,095	217,553	200,328
Loans, cash credits, overdrafts, etc/investments	231,157	210,836	196,656	184,322
Bills purchased and discounted	16,175	19,260	20,897	16,006
Fixed assets including premises, furniture and fixtures	6,814	7,066	5,446	5,344
Other Assets	11,751	10,811	7,786	9,117
Non - banking assets	-	-	-	-
Total Assets	410,809	355,720	309,228	290,946
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	35,972	34,382	31,380	30,466
Subordinated non-convertible bonds	10,200	11,800	7,400	8,093
Deposits and other accounts	303,494	254,078	222,735	207,284
Current/Al-wadeeah current accounts and other accounts	59,824	47,822	47,488	42,242
Bills payable	3,748	3,743	4,125	3,969
Savings bank/Mudaraba savings bank deposits	64,167	48,294	4,125	34,497
Fixed deposits/Mudaraba fixed deposits	175,755	154,219	131,564	126,576


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

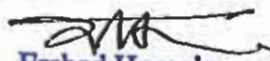

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Particulars	2020	2019	2018	2017
Other liabilities	33,935	30,874	24,523	24,171
Total liabilities	383,601	331,134	286,038	270,013
Capital/shareholders' equity				
Total shareholders' equity	27,208	24,587	23,190	20,934
Paid-up capital	11,659	11,659	11,104	9,870
Statutory reserve	9,844	9,053	8,268	7,345
Revaluation reserve	3,778	2,066	2,120	2,154
General Reserve	8	8	8	8
Retained earnings	1,918	1,800	1,687	1,554
Foreign currency translation reserve	1	1	2	2
Non-controlling interest	0	0	0	0
Total liabilities and shareholders' equity	410,809	355,720	309,228	290,946

Profit and Loss Statement (Consolidated)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
OPERATING INCOME				
Interest income	18,118	22,974	21,010	16,537
Interest paid on deposits and borrowings, etc	14,927	14,465	13,011	10,854
Net Interest income	3,191	8,509	7,999	5,684
Investment income	6,484	3,293	2,311	2,535
Commission, exchange and brokerage	2,654	3,496	3,110	3,347
Other operating income	1,069	1,052	985	805
	10,208	7,841	6,407	6,687
Total operating income (A)	13,398	16,350	14,406	12,371
OPERATING EXPENSES				
Salaries and allowances	3,639	3,360	2,964	2,595
Rent, taxes, insurance, electricity, etc	464	472	715	641
Legal expenses	14	22	27	26
Postage, stamp, telecommunication, etc	128	127	111	92
Stationery, printing, advertisements, etc	150	160	137	100
Managing Director's salary and fees	19	17	14	14
Directors' fees	3	4	4	3
Auditors' fees	3	3	3	3
Depreciation and repairs of Bank's assets	875	842	481	464
Other expenses	1,996	1,914	1,767	1,499
Total operating expenses (B)	7,292	6,921	6,223	5,438
Profit before provision (C=A-B)	6,107	9,429	8,183	6,933


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office


Mohammad Ibrahim Khalil
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

Particulars	2020	2019	2018	2017
Provision for loans and advances/investments	-	-	-	-
General provision	2,166	2,848	990	1,172
Specific provision	(405)	2,841	2,715	1,340
	1,761	5,689	3,705	2,512
Provision for off-balance sheet items	43	(196)	(173)	223
Provision for diminution in value of investments	180	(66)	10	1
Other provisions	137	25	13	-
Total provision (D)	2,121	5,452	3,554	2,736
Total profit before tax (C-D)	3,986	3,977	4,629	4,197
Provision for taxation	-	-	-	-
Current tax	1,961	2,019	2,396	2,043
Deferred tax	-	-	-	42
	1,961	2,019	2,396	2,085
Net Profit After Tax	2,024	1,958	2,233	2,112
Appropriations				
Statutory reserve	792	784	923	812
General reserve	0	0	0	0
	792	784	923	812
Retained surplus	1,233	1,174	1,310	1,301
Attributable to:				
Equity holders of Bank Asia Limited	1,233	1,174	1,310	1,301
Non-controlling interest	0	0	0	0
	1,233	1,174	1,310	1,301

Cash Flow Statement (Consolidated)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
Cash flows from operating activities (A)				
Interest receipts	23,360	25,394	(13,007)	18,211
Interest payments	(14,933)	(14,444)	32	(10,766)
Dividends receipts	15	51	3,110	53
Fees and commission receipts	2,654	3,496	103	3,347
Recoveries on loans previously written off	184	146	(2,906)	34
Cash payment to employees	(3,675)	(3,367)	(206)	(2,544)
Cash payment to suppliers	(226)	(232)	(1,499)	(167)
Income tax paid	(2,474)	(2,121)	1,061	(1,760)
Receipts from other operating activities	2,007	1,077	(2,641)	1,010
Payments for other operating activities	(2,628)	(2,559)	6,807	(2,279)
Operating profit before changes in operating assets & liabilities	4,285	7,440	6,807	5,138
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers and banks	(15,516)	(13,379)	(19,325)	(33,823)
Other assets	542	(681)	(369)	

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil
Chief Financial Officer
Bank Asia Limited
Corporate Office, Bhaktapur

Particulars	2020	2019	2018	2017
Deposits from customers and banks	49,416	31,343	15,451	15,711
Trading liabilities	1,590	3,002	914	11,487
Other liabilities	424	(983)	20	(306)
Net Increase/(decrease) in operating assets and liabilities	36,456	19,302	(3,309)	(7,581)
Net cash flows from operating activities	40,741	26,742	3,498	(2,442)
Cash flows from investing activities (B)				
Investments in treasury bills, bonds and others	(37,845)	(19,064)	(8,702)	11,681
Sale/(Purchase) of trading securities	(1,535)	81	303	(115)
(Purchase)/disposal of fixed assets including right-of-use assets	(458)	(1,280)	(519)	(478)
Net cash flows from/(used in) investing activities	(39,837)	(20,263)	(8,918)	11,088
Cash flows from financing activities (C)				
Issuance of subordinated non-convertible bond	-	5,000	-	5,000
Adjustment of subordinated non-convertible bond	(1,600)	(600)	(693)	(105)
Payments for lease liability	(354)	-	-	(0.1079)
Dividend paid (cash dividend)	(1,166)	(555)	-	-
Net cash flows from/(used in) financing activities	(3,120)	3,845	(693)	4,895
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,216)	10,323	(6,112)	13,541
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the beginning of the year	52,224	41,900	48,013	34,472
Cash and cash equivalents at the end of the year	50,007	52,224	41,900	48,013
Cash	2,965	3,243	2,683	1,995
Balance with Bangladesh Bank and its agent bank(s)	14,937	20,744	12,873	15,938
Balance with other banks and financial institutions	32,104	23,635	26,243	30,078
Money at call and on short notice	-	-	100	-
Prize Bonds	2	2	2	2
	50,007	52,224	41,900	48,013

S.M. A. Hossain
 Company Secretary
 Bank Asia Limited
 Corporate Office

Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.

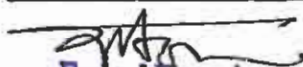
Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office

Mohammad Ibratim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

Balance Sheet (Solo)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
PROPERTY AND ASSETS				
Cash	17,900	23,986	15,552	17,930
In hand (including foreign currencies)	2,963	3,242	2,680	1,992
Balance with Bangladesh Bank and its agent bank	14,937	20,744	12,873	15,938
(including foreign currencies)				
Balance with other banks and financial institutions	31,481	23,114	25,866	29,603
In Bangladesh	29,455	19,492	23,488	28,767
Outside Bangladesh	2,026	3,622	2,377	836
Money at call and on short notice	-	4,600	100	-
Investments	94,251	54,933	35,999	27,546
Government	90,042	52,197	33,133	24,431
Others	4,209	2,735	2,866	3,115
Loans and advances/investments	244,642	227,299	214,618	197,504
Loans, cash credits, overdrafts, etc/investments	228,467	208,039	193,721	181,498
Bills purchased and discounted	16,175	19,260	20,897	16,006
Fixed assets including premises, furniture and fixtures	6,709	7,026	5,432	5,330
Other Assets	13,735	12,844	9,725	11,084
Non - banking assets	-	-	-	-
Total Assets	408,717	353,800	307,291	288,997
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	35,972	34,382	31,319	30,268
Subordinated non-convertible bonds	10,200	11,800	7,400	8,093
Deposits and other accounts	303,028	253,710	222,472	207,041
Current/Al-wadeeah current accounts and other accounts	59,358	47,454	47,225	42,000
Bills payable	3,748	3,743	4,125	3,969
Savings bank/Mudaraba savings bank deposits	64,167	48,294	39,559	34,497
Fixed deposits/Mudaraba fixed deposits	175,755	154,219	131,564	126,576
Other liabilities	32,136	29,164	22,761	22,540
Total liabilities	381,336	329,055	283,951	267,942


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Particulars	2020	2019	2018	2017
Capital/shareholders' equity				
Total shareholders' equity	27,381	24,745	23,340	21,054
Paid-up capital	11,659	11,659	11,104	9,870
Statutory reserve	9,844	9,053	8,268	7,345
Revaluation reserve	3,778	2,066	2,120	2,154
General Reserve	8	8	8	8
Retained earnings	2,092	1,960	1,840	1,677
Total liabilities and shareholders' equity	408,717	353,800	307,291	288,997

Profit and Loss Statement (Solo)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
OPERATING INCOME				
Interest income	18,112	22,863	20,911	16,412
Interest paid on deposits and borrowings, etc	14,927	14,462	13,008	10,842
Net Interest Income	3,185	8,401	7,903	5,570
Investment income	6,484	3,293	2,311	2,535
Commission, exchange and brokerage	2,475	3,361	2,991	3,120
Other operating income	1,034	1,019	918	742
	9,993	7,673	6,220	6,397
Total operating income (A)	13,179	16,074	14,123	11,967
OPERATING EXPENSES				
Salaries and allowances	3,537	3,266	2,882	2,520
Rent, taxes, insurance, electricity, etc	441	440	685	613
Legal expenses	13	21	25	25
Postage, stamp, telecommunication, etc	126	124	108	90
Stationery, printing, advertisements, etc	148	157	108	97
Managing Director's salary and fees	19	17	14	14
Directors' fees	3	3	4	3
Auditors' fees	1	1	1	1
Depreciation and repairs of Bank's assets	850	834	476	460
Other expenses	1,971	1,888	1,734	1,457
Total operating expenses (B)	7,108	6,751	6,062	5,280
Profit before provision (C=A-B)	6,071	9,322	8,060	6,688
Provision for loans and advances/investments	-	-	-	-
General provision	2,166	2,848	990	1,172
Specific provision	(413)	2,805	2,605	1,235
	1,753	5,653	3,595	2,407
Provision for off-balance sheet items	43	(196)	(173)	223
Provision for diminution in value of investments	180	(80)	10	-


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Particulars	2020	2019	2018	2017
Other provisions	137	25	13	-
Total provision (D)	2,113	5,402	3,444	2,630
Total profit before tax (C-D)	3,958	3,921	4,616	4,058
Provision for taxation	-	-	-	-
Current tax	1,922	1,960	2,350	1,969
Deferred tax	-	-	-	42
	1,922	1,960	2,350	2,010
Net Profit After Tax	2,036	1,961	2,266	2,048
Appropriations				
Statutory reserve	792	784	923	812
Retained surplus	1,244	1,177	1,343	1,236

Cash Flow Statement (Solo)

(Amount in BDT million)

Particulars	2020	2019	2018	2017
Cash flows from operating activities (A)				
Interest receipts	23,166	25,072	22,448	17,913
Interest payments	(14,745)	(14,232)	(12,789)	(10,581)
Dividends receipts	15	51	32	53
Fees and commission receipts	2,475	3,361	2,991	3,120
Recoveries on loans previously written off	184	146	103	34
Cash payment to employees	(3,573)	(3,273)	(2,825)	(2,469)
Cash payment to suppliers	(224)	(230)	(203)	(164)
Income tax paid	(2,429)	(2,052)	(1,415)	(1,675)
Receipts from other operating activities	1,972	1,044	993	947
Payments for other operating activities	(2,573)	(2,494)	(2,571)	(2,203)
Operating profit before changes in operating assets & liabilities	4,268	7,394	6,763	4,975
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers and banks	(15,213)	(13,519)	(19,215)	(33,894)
Other assets	281	(708)	(368)	(616)
Deposits from customers and banks	49,319	31,238	15,430	15,769
Trading liabilities	1,590	3,063	1,050	11,446
Other liabilities	333	(950)	(18)	(512)
Net Increase/(decrease) in operating assets and liabilities	36,309	19,123	(3,119)	(7,807)
Net cash flows from operating activities	40,577	26,517	3,644	(2,832)
Cash flows from investing activities (B)				
Investments in treasury bills, bonds and others	(37,845)	(19,064)	(8,702)	11,681
Sale/(Purchase) of trading securities	(1,474)	131	249	138
(Purchase)/disposal of fixed assets including right-of-use assets	(458)	(1,247)	(514)	(475)



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Particulars	2020	2019	2018	2017
Net cash flows from/(used in) investing activities	(39,776)	(20,180)	(8,967)	11,345
Cash flows from financing activities (C)				
Issuance of subordinated non-convertible bond	-	-	-	5,000
Adjustment of subordinated non-convertible bond	(1,600)	5,000	(693)	(105)
Payments for lease liability	(354)	(600)	-	(0.1079)
Dividend paid (cash dividend)	(1,166)	(555)	-	-
Net cash flows from/(used in) financing activities	(3,120)	3,845	(693)	4,895
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,319)	10,182	(6,016)	13,408
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the beginning of the year	51,701	41,519	47,535	34,127
Cash and cash equivalents at the end of the year	49,383	51,701	41,519	47,535
Cash	2,963	3,242	,680	1,992
Balance with Bangladesh Bank and its agent bank(s)	14,937	20,744	12,873	15,938
Balance with other banks and financial institutions	31,481	23,114	25,866	29,603
Money at call and on short notice	-	4,600	100	-
Prize Bonds	2	2	2	2
	49,383	51,701	41,519	47,535


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16. RATIOS FOR THE LAST FOUR ACCOUNTING YEARS

Table 10: Ratios for the last four accounting years

Particulars	2020	2019	2018	2017
Current Ratio	1.07	1.05	1.07	1.05
Quick ratio	1.07	1.05	1.07	1.05
Times interest earned ratio	N/A	N/A	N/A	N/A
Break-even point	N/A	N/A	N/A	N/A
Debt to equity ratio	14.10	13.47	12.33	12.90
Debt to total asset ratio	0.93	0.93	0.93	0.93
Accounts receivable ratio	N/A	N/A	N/A	N/A
Inventory Turnover Ratio	N/A	N/A	N/A	N/A
Asset Turnover Ratio	0.011	0.019	0.019	0.031
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
Gross Profit (Net Interest Income) Margin Ratio	19%	34%	36%	31%
Operating Income Ratio	37%	38%	37%	38%
Net income Ratio	12%	8%	10%	12%
Return on Assets (%)	0.53%	0.59%	0.53%	0.59%
Return on Equity (%)	7.81%	8.16%	10.21%	10.21%
Earnings-Per-Share (EPS)	1.75	1.84	1.94	1.84
Net Asset Value (NAV) per share	23.48	21.22	20.02	18.96
Non-performing Loan Ratio	3.24%	4.61%	4.10%	4.38%
Capital Adequacy Ratio	16.93%	17.54%	14.76%	14.75%
CET1 as a % of Risk Weighted Asset	9.09%	9.28%	8.88%	8.42%
Net Operating Cash Flow to Net Income	N/A	N/A	N/A	N/A
Total Debt to Tangible Assets Ratio	N/A	N/A	N/A	N/A


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17. CREDIT RATING REPORT OF THE ISSUE

Bank Rating

Table 11: Bank Credit Rating

Date of Declaration	Validity	Long Term	Short Term Rating	Rated by	Outlook
June 24, 2021	June 30, 2022	AA2	ST-2	CRAB	Stable

Bond Rating

Table 12: Bond Credit Rating

Date of Declaration	Validity	Rating	Long Term Rating	Outlook	Rated by
June 13, 2021	June 12, 2022	Initial	A+B	Stable	ECRL

Rating Rationale:

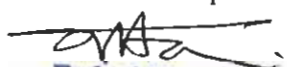
Emerging Credit Rating Limited (ECRL) has assigned A+B (Pronounced as „Single A Plus Bond“) long term credit rating to Bank Asia 1st Perpetual Bond (hereinafter referred to as “Perpetual Bond” or “The Bond” or “The Issue”) issuance BDT 5,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL’s methodology for this type of bond rating. ECRL considered financial performance, capital base, asset quality, management experience, liquidity and prospect of the industry and the likelihood of default of the bond while assigning the bond rating.

The rating reflects the strengths of the bank which is backed by good growth in total asset, deposit and loans, increasing investment income, compliance with SLR, CRR, well-structured Board of Directors and CRAR requirement. However, ECRL is concerned about the potential NPL after the relaxation period, falling interest income caused by interest cap, high exposure to large loan and condition of the banking industry due to Covid-19.

The proposed bond will be issued to raise Tier-I capital to strengthen the capital base of Bank Asia Limited. The Perpetual Bond facilitates the bank to enhance its capital strength and growing its balance sheet in the upcoming years while maintaining healthy capital adequacy ratios and strengthening loan portfolio.

The key feature of the bond includes unsecured, contingent-convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital. The Bond shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem. However, there is a call option which could be exercised by the issuer only after 10 (ten) years of issuance, with prior approval from the Bangladesh Bank and subject to meeting some conditions. The bank will issue BDT 5,000.00 million worth of bonds. IDLC Finance Limited and City Bank Capital Resources Limited have been playing the role of Mandated Joint Lead Arrangers whereas UCB Investment Limited is acting as a trustee.

The Coupon Rate will be calculated based on reference rate plus coupon margin. The reference rate will be calculated based on 20-year Treasury-Bond rate (Latest available rate of 20-year Treasury Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) and 2.00% margin will be added, therefore, the proposed perpetual bond will attract long term investor with relatively high yield. The perpetual bond will have a ceiling rate of 10.00% and floor rate of 6.00%. Nevertheless, dividend discretion feature of the bond may be seen less attractive to the investors” point of view since the bank will have full discretion at all times to cancel


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distributions/payments of the bondholder. The coupon will be paid half yearly. The Bonds will be subject to a Dividend Stopper Clause, which will prevent dividend payments on common shares if the Bond holders are not paid coupon.

The instrument has loss absorption by way of conversion of the outstanding principal to common shares at an objective pre-specified trigger point. The Issuer will only exercise conversion option when the Bank has reached the trigger point i.e. If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The end of the 3rd quarter will be Trigger Point Date. Financial sector has been facing many challenges like slow growth of credit, deposit, excess liquidity, recovery of loans and advances. Banks are more cautious about disbursing new loans since maximum interest rate has a cap of 9% and there is no premium of additional risk and at the same time the ongoing covid-19 pandemic causes many uncertainties. Bangladesh Bank has relaxed the loan classification and provisioning rules for the year 2020 (Jan-Dec) and further from April 2021 to June 2021 as well as increasing the cap of ADR/ IDR by 2%, reduced the CRR from 5% to 3.5% in daily basis and 5.5% to 4% in bi-weekly basis and Repo rate lowered from 6% to 4.75% and declared that the Central Bank will purchase T-Bill from Banks. All of these initiatives improved the liquidity position of the banks to some extent.


During this dire situation of the pandemic in 2020, the total asset base of BAL has seen sizeable growth of 15.52% which has been growing over the previous three year period as well. The major contributors of total asset, gross loan portfolio and investment portfolio, grew by 7.63% and a staggering 71.58% in FY2020 respectively. The bank had sanctioned a total of BDT 14,850.60 million loans under the stimulus package as on December 31, 2020. Banks started to focus more on diversifying their earning sources and asset base by increased attention on the investment portfolio due to the recent interest rate cap and uncertainty for covid-19. Bank Asia Limited increased its investment by way of Bangladesh Government Securities specifically in Bangladesh Bank Govt Investment Sukuk and treasury bonds during the year 2020.

NPL of the bank remained below 5% over the last four years which was also below the industry average of private commercial banks and overall banking industry as a whole. In FY2020, gross NPL decreased to 3.24% from 4.61% in 2019 primarily due to the Bangladesh Bank's directive on new classification of loan even if borrowers fail to pay off on time. However, ECRL is concerned about the performance of loan once the flexibility on loan classification is over as many businesses were unable to make payments of their loan on time due to interrupted business activities caused by covid-19 pandemic.

The bank had rescheduled a total of BDT 2,873.23 million loans in 2020 and BDT 10,659.64 million loans in FY2019. The rescheduled amount registered a significant degrowth (-73.05%) from the previous year with the bank's lower NPL in the respective year due to the relaxation of classification. BAL has also written off some of its bad loans in the FY2020 which was BDT 301.24 million. If no reschedule and written off was performed, the NPLs would represent 4.54% of the loan book of the bank, down from 10.50% in the previous year.

The bank has high exposure to its large loan. BAL's exposure to large loan has decreased compared to previous year with top 30 loans and advances (funded and non-funded together) comprising 46.20% of the total loan portfolio in 2020 from 49.95% in FY2019. Furthermore, the large loan exceeding 10% of bank's capital in FY2020 has seen a reduction to 13.78% from 19.22% in FY2019. Bank Asia Limited's capital adequacy has been found to be good and in line with requirement under risk based capital adequacy framework of Basel-III in FY2020.

The CRAR reached to 17.16% in FY2020 slightly down from 17.93% in FY2019, still higher than the regulatory requirement of 12.50%. The bank has a surplus capital of BDT 18,263.42 million by the end of FY2020. The recently imposed lending and deposit rate cap in FY2020 has restricted the


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growth of deposit in banks. Despite the struggling growth of deposits in the banking industry in 2020, BAL's deposit base has improved significantly during FY2020 (19.44%) which had been increasing over the previous three years as well. The bank kept its ADR ratio at 69.42% well within the regulatory requirement of Bangladesh Bank at 87% during FY2020 and it has headroom for disbursing more loans if the need arises however cautious lending policy is being followed in the recent time as

the pandemic has made the economy shaken.

BAL has been maintaining CRR and SLR in line with Bangladesh Bank requirement. The CRR and SLR of BAL for conventional banking was kept at required amount with total surplus amount from both CRR and SLR stood at BDT 673.40 million and BDT 52,729.60 million in FY2020 respectively. Against Islamic banking, BAL kept surplus amount from both CRR and SLR at BDT 35.60 million and BDT 3,731.61 million in FY2020 respectively meeting the requirement. The net interest income of the bank has significantly fallen in FY2020 due to implementation of interest rate cap imposed by BB. In FY2020, net interest income fell by 62.08% to BDT 3,185.42 million from BDT 8,400.76 million in FY2019. During FY2020, interest income fell by 20.78% whereas interest expense increased by 3.21% causing a massive fall in net interest income.


In 2020, cost of deposit decreased to 4.95% from 5.67% and lending rate decreased to 7.68% from 10.19% in FY2019 causing the bank's interest spread to shrink from 4.52% in FY2019 to 2.73% in the latest year. The bank has partially counteracted the reduction in interest income with a sizeable growth in non-interest income.

Investment income grew almost double (96.91%) in the latest year helped by increased income from treasury bills and bonds, Islamic bonds, capital gain on investment in shares and government securities. In FY2020, the bank's provision expense decreased due to a fall in NPL. The lower provision expenses and decreased tax expenses of BAL in FY2020 have carved a way to better post-tax profit of BDT 2,035.71 million with a growth of 3.82% from FY2019.

ECRL views the rating outlook as **Stable** due the bank's current business position and the possibility of maintaining similar business growth with regards to the pandemic in the coming year.

Exhibit 1: Financial Highlights: Bank Asia Limited

FY 31 December	2020	2019	2018	2017
Total Assets (BDT million)	408,717.15	353,800.37	307,291.40	288,996.64
Total Asset Growth (%)	15.52	15.14	6.33	14.14
Gross Loans (BDT Million)	244,642.03	227,298.96	214,618.15	197,504.14
Gross Loans Growth (%)	7.63	5.91	8.67	20.72
Deposits (BDT Million)	303,028.11	253,709.57	222,471.72	207,041.47
Deposit Growth (%)	19.44	14.04	7.45	8.24
Gross NPL Ratio (%)	3.24	4.61	4.10	4.38
Loan/Deposit Ratio (%)	69.42	76.47	81.74	81.88
Net Interest Income (BDT million)	3,185.42	8,400.76	7,902.69	5,570.02
Net Interest Income Growth (%)	(62.08)	6.30	41.88	40.36
Non-Interest Income (BDT million)	9,993.47	7,673.16	6,219.88	6,397.37
Non-Interest Income Growth (%)	30.24	23.37	(2.77)	(4.11)
Pre-Tax Profit (BDT million)	3,957.71	3,920.81	4,616.28	4,057.53
Post-Tax Profit	2,035.71	1,960.81	2,266.28	2,047.53
Post-Tax Profit Growth (%)	3.82	(13.48)	10.68	32.45
Post-Tax ROAE (%)	7.81	8.16	10.21	10.21
CRAR (%)	17.16	17.93	15.05	14.09


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18. Latest Default Matrix and Transition Statistics of CRC

Default Summary of Rating:

Year	Issuers as of 1st January	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1012	0	1	0.0%	0.1%	0.1%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.6%	0.7%	0.7%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	3.2%	3.2%	3.2%	3.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
High Grade	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
High Yield	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%


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Average Time (Month) to Default from Original Rating

Original Band	Defaulted Issuers	Average Months from Original Rating
AAA	0	n.a.
AA	0	n.a.
A	1	57
BBB	3	60
BB	2	30
B	0	n.a.
C	0	n.a.
*High Grade	1	57
**High Yield	5	48
All Corporate	6	49

* High Grade represents AAA, AA & A ratings

**High Yield represents BBB, BB, B & C ratings

Rating Transition Matrix (2011-2020)

1-year cumulative rating transition matrix								
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.4%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.6%	98.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.8%	96.1%	2.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.5%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	13.3%	85.4%	0.8%	0.0%	0.6%
B	0.0%	0.0%	0.0%	0.0%	15.0%	85.0%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2-year cumulative rating transition matrix								
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.2%	96.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.5%	92.4%	3.8%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.7%	93.5%	2.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.3%	24.1%	73.2%	1.3%	0.0%	1.1%
B	0.0%	0.0%	0.0%	2.0%	25.6%	72.4%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
3-year cumulative rating transition matrix								
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	95.4%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	4.7%	94.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	5.0%	88.9%	5.5%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	5.3%	90.7%	3.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.7%	33.0%	63.1%	1.7%	0.0%	1.5%
B	0.0%	0.0%	0.0%	5.3%	32.7%	61.7%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.

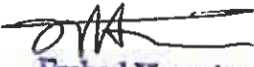

Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office


Mohammad Ibrahim Khan
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka


Md. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

4-year cumulative rating transition matrix								
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.2%	6.5%	85.6%	7.1%	0.3%	0.0%	0.0%	0.3%
BBB	0.0%	0.3%	6.8%	88.2%	4.5%	0.1%	0.0%	0.1%
BB	0.0%	0.0%	1.3%	40.2%	54.6%	2.0%	0.0%	1.9%
B	0.0%	0.0%	0.1%	9.5%	37.3%	52.7%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix								
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	92.6%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	7.6%	90.9%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.3%	7.9%	82.4%	8.6%	0.5%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.2%	85.9%	5.1%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	2.0%	46.1%	47.5%	2.1%	0.0%	2.2%
B	0.0%	0.0%	0.3%	14.1%	39.9%	45.1%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office


Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

19. DESCRIPTION OF THE TRUSTEE

UCB Investment Limited at a glance:

UCB Investment limited (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial bank in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Security and Exchange Commission on 5th October, 2020.

The company has been inaugurated on 29th November, 2020 and under the firm guidance of the founding CEO, Mr. Tanzim Alamgir, the company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS- (A)-1, Gulshan avenue, Dhaka-1212.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment landscape, both locally and globally. Utilizing this knowledge and expertise, UCBIL intends to provide and promote unique financial solutions for some of the nation's most successful institutions and corporations. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future.

- Authorized capital as of 31 Dec 2020: 100,00,00,000/- (One Hundred Crore Taka Only)
- Paid-up capital as of 31 Dec 2020: 25,00,00,000/- (Twenty-Five Crore Taka Only).
- Net worth as of 31 Dec 2020: 313,616,001/- (Thirty-One Crore Thirty-Six Lacs Sixteen-Thousand and One Taka only.)
- Shareholding Details:

Share Holding Position		
Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.96%	24,990,000
UCB Capital Management Limited	0.04%	10,000
Total	100%	25,000,000

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Business Activities of UCBIL:

With its group of versatile financial consultants, UCBIL aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

The services UCBIL aims to provide are:

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Investment Banking Services:

- ✓ Bond Issuance
- ✓ Corporate Advisory
- ✓ Mergers and Acquisitions

Primary Market Services:


- ✓ Issue Management Services
- ✓ Underwriting
- ✓ Capital Raising and Private Placement

Secondary Market Services:

- ✓ Portfolio Management

The status of the bonds where UCB Investment Limited is working as a trustee is provided in the below table:

SL	Name of the Issuer of Bond	Name/Type of the Issue	Issue Date	Value of debt Securities	Repayment	Default (if any)
1	Mercantile Bank Limited	Unsecured, Conditional-convertible, Perpetual Bond	N/A	BDT 700 Cr.	N/A	N/A


Ershad Hossain
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City Bank Capital Resources Ltd.


S. M. Anisuzzaman
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Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


20. MODUS OPERANDI OF THE ISSUE

Application, Allotment, Refund, Transfer, Trading:

- a) Upon receiving the Consent Letter, the information Memorandum shall be published by the Issuer and Issue Manager in their respective own official websites, within the time specified in the consent letter issued by the BSEC; provided that the Information Memorandum shall, however, be posted on the websites of the exchange(s) within 03 (three) working days of date of Consent Letter, if the Issuer intends to list its securities at main board or alternative trading board or any other platform of the exchange(s); provided further that a notice regarding the publication of Information Memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English. Furthermore, approved Information Memorandum shall be made available in the websites of the Issuer or the Issue Manager or the exchange(s), as applicable, till the Closure of Subscription.
- b) After publication of Information Memorandum as per requirements of BSEC and subject to fulfilment of the Condition Precedents referred to in the Trust Deed (*Condition Precedents to Issue*), from or after the Issue Opening Date until Closure of Subscription, each intending Eligible Investor shall deposit the relevant Purchase Price for same day value through Banker to the Issue.
- c) The Issuer, shall send notice to the Underwriter within 3 (three) working days of Closure of Subscription calling upon them to subscribe the Bonds upto at least Firm Commitment Amount and pay for this in cash in full within 7 (seven) working days of the date of said notice and the said amount shall be credited Banker to the Issue within the said period. In the case of failure by the Issuer to call upon the Underwriter for the aforementioned purpose within the stipulated time, the Issuer and its directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by BSEC.
- d) At least 30(thirty) percent of the public offer of subscribing the Bonds as per Consent Letter shall be subscribed by the general public. In case of under-subscription above 50 (fifty) percent of the public offering after subscription of Firm Commitment Amount by the Underwriter or its failure thereto, the Issue shall be cancelled.
- e) Statement of subscription received against issuance of securities under these rules along with bank statement(s) shall be submitted to the Commission within 10 (ten) days of the closing of subscription list.
- f) Statement of subscription received from the Underwriter against undersubscribed Bonds along with bank statement shall be submitted to the Commission within 07 (seven) days of the expiry of subscription period allowed to the underwriter(s) under sub-clause 14 (iii) above.
- g) If the Issue is cancelled or none of the stock exchange(s), if for any reason, grants listing of the Bonds within 75 (Seventy Five) days from the Closure of Subscription or where applicable from the date of payment by the Underwriter, any Issuance in terms of this Trust Deed shall be void and the company shall refund to each Eligible Investor who had paid their respective subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be. In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Issuer and its directors shall be jointly and severally liable to pay interest at Default Rate, to the Eligible Investors concerned along with the subscription money until payment in full. The Issue Manager, in addition to the Issuer, shall ensure due compliance of this conditions and shall submit compliance report thereon to BSEC within 07 (Seven) days of expiry of the aforesaid 15 (Fifteen) days' time period allowed for refund of the subscription money.


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


M. A. Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

- h) The proceeds raised through the Issue shall be placed in a designated bank account maintained with the Banker to the Issue, and utilization of such proceeds shall also be made from the said bank account.
- i) The report on utilization of proceeds as well as implementation status shall be submitted to the Commission, the Trustee, the Issue Manager and to the stock exchange(s) in which its securities are listed, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds.

Repayment and coupon payment

There will be no repayment as the bond is perpetual in nature. Only call option can be exercised by the issuer fulfilling certain conditions upon receiving approval from Bangladesh Bank.

Coupon payment to be made as per the provision of the trust deed.

Redemption or conversion or exchange

Redemption

Redemption is not applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.

Conversion

The Issuer will only exercise conversion option when the Bank has reached the trigger point i.e. if the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The end of the 3rd quarter will be Trigger Point Date. The conversion will be exercised after taking approval from BSEC and other competent authorities as per requirement. The period between the Trigger Point Date and the date on which the Issuer converts the Bonds will be known as Conversion Period. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.

Details of conversion or exchange option exercise procedures, if applicable

Conversion Feature

The bonds will be converted at a pre-determined Conversion Strike Price into the common shares of Bank Asia. Conversion at this point is mandatory.

Conversion Strike Price

Average of daily market price of the immediate previous 6 (six) months average market price of Bank Asia shares in the Dhaka Stock Exchange from the trigger point date or Face Value of the Share whichever is higher.

Conversion Mechanism

The issuer shall apply to BSEC for their consent before the conversion of the bonds into common shares. The conversion method to be finalized at the time of the conversion as per Bangladesh Bank's instruction.

S. M. Misuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Farahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Conversion Notice


Within 2 (two) Business Days of the approval date of the Audited Financials for the Conditional Conversion, Issuer shall notify the Trustee once at the end of the 2nd Quarter when CET-1 Ratio remains below 4.50% and also at the time of exercise of Loss Absorption feature, the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period ("Conversion Notice"); and the Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice. All notices are validly given if:

- Mailed to bondholders at their respective address in the register,
- Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh,
- Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Anwar Ali
Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

21. Details of fee structure and expenses

Breakdown of all expenses related to the public issue

Particulars	Basis	Amount (BDT)
Arranger Fee		
Arrangement fee for the total Issue Size	0.30%	13,500,000
Issue Management Fees		
Manager to the issue fee	Maximum 0.50% of the public issue size	2,500,000
VAT on Issue Management Fee	15% of Issue Management Fee	375,000
BSEC Fees		
Application Fee	BSEC (Debt Securities) Rules, 2021	10,000
BSEC Consent fee	0.10% on the total face value of the securities issued	5,000,000
Trustee Related Expense		
Application Fee for Registration	BSEC (Debt Securities) Rules, 2021	50,000
Registration Fee	BSEC (Debt Securities) Rules, 2021	100,000
Annual Trustee Fee	Maximum 0.30% of the outstanding amount of the securities	190,000
VAT on Trustee Fee	15% of Annual Trustee Fee	28,500
Listing Related Expenses*		
Draft prospectus scrutiny fee for Stock Exchanges	BDT 50,000 for each exchange	100,000
Listing fee for stock exchanges	i. Up to BDT 100 million of size of the issue @0.25% ii. Above BDT 100 million of the size of the issue @0.15%; minimum Tk. 50,000 and maximum Tk. 10 million for each exchanges	1,700,000
Annual fee for stock exchanges	i. Up to BDT 1,000 million of size of the issue @0.05% ii. Above BDT 1,000 million of the size of the issue @0.02%; minimum Tk. 50,000 and Maximum Tk. 6 lacs for each exchanges	500,000
Data Transmission fee for Stock Exchanges	Maximum BDT 200,000 for each Exchanges	400,000
IPO Commission		
Underwriting Commission	0.10% on the underwritten amount	100,000
VAT on Underwriting Commission	15% of Issue Management Fee	15,000
Credit Rating Fees	At actual	
CDBL Fees and Expenses		
Security Deposit	Fixed	500,000
Dematerialization Fee	0.0075% of the face value of the shares	37,500
Documentation Fee	Fixed	2,500
Annual Fee	BDT 20,000 above face value of BDT 200 million	20,000
Connection Fee	BDT 500 per month	6,000

Ershad Hossain

Managing Director & CEO

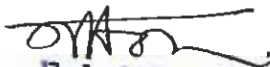
City Bank Capital Resources Ltd

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office Dhaka

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Particulars	Basis	Amount (BDT)
IPO Fees	0.015% of Issue Size	75,000
Post-Consent Expenses**		
Publication of availability of information memorandum in websites in 2 National Dailies.	To be paid at actual	
Trustee Deed Registration		
Registration Fee	0.1%, maximum BDT 10 lakh	1,000,000
Legal Fees		
Fee of Legal Advisor	At actual	
Total		26,209,500


Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Arisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office


Mohammad Ibrahim Khalil, FCA
 Joint Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

22. Additional Disclosures for IM under Public Issue

As per conditions in the consent letter



Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office



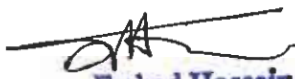
Md Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

23. Conditions Imposed by the Commission in the consent letter

As per conditions in the consent letter



Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office



Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

24. Declaration and Due Diligence Certificates as per Annexure- I, II, III & IV

Annexure I:




June 27, 2021

TO WHOM IT MAY CONCERN

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

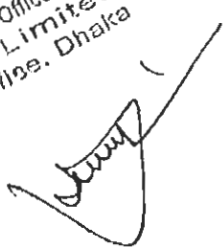


Md. Afan Ali
President and Managing Director


Ershad Hossain
Managing Director & CEO
City Bank Corporation
Corporate Office : Bank Asia Tower, 32 & 34 Kazal Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215, Bangladesh
Tel: +88 02 8872002, Fax: +88 55013978; e-mail: bankasia@bankasia-bd.com, Web: www.bankasia-bd.com


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Afan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Md. Ibrahim Khalil, FCA
Special Officer
Bank Asia Limited
Corporate Office, Dhaka

Annexure II:



DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman
Bangladesh Securities and Exchange Commission

SUBJECT: ISSUANCE OF COUPON BEARING, CONTINGENT CONVERTIBLE, BASEL III COMPLIANT PERPETUAL BOND OF BANK ASIA LIMITED OF BDT 5,000 MILLION


We, the under-noted trustee to the above-mentioned forthcoming Issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the eligible investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. on the basis of such examination and the discussions with the Issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer;

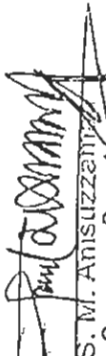
WE CONFIRM THAT:

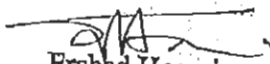
- a) All information and documents as are relevant to the Issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- b) We have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- d) We shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the Issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the Issue; and
- f) The above declarations as unequivocal and irrevocable.

For Trustee-

✓ 
Tanzim Alamgir
Chief Executive Officer
UCB Investments Limited

Date: June 06, 2021
Place: Dhaka


S.M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

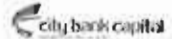
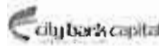

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Bus Center (7th Floor), Plot-CWS-(A)-1, Road No-34, Gushan Avenue, Dhaka-1212.
E-mail: support@ucb-investment.com


Md. Arshad Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office
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Mohammad Ibrahim Khalil, FCA
Chief Compliance Officer
Bank Asia Limited
Corporate Office, Dhaka

Annexure III:



Due diligence certificate of the Issuer Manager

To
The Bangladesh Securities and Exchange Commission
Sub: Issuance of BDT 1000 Million Unsecured, Convertible Corporate BAAFF, 10
compliant, Prepaid Bond of Bank Asia Limited of which Total Face Value for Private
Offer: BDT 1,00,00,00,00.00 & for Public Offer: BDT 99,00,00,00.00

Dear Sir,
We, the issuer manager in the above mentioned following issue, state and declare as follows:

- We have examined all the documents submitted with the application for the above mentioned issue, visited the premises of the issuer and interviewed the chairman/directors and key management personnel of the issuer in connection with the finalization of the information memorandum pertaining to the said issue;
- On the basis of such examination and the discussions with the directors, officers and members of the issuer, other agencies, independent verifications of the statements concerning objects of the bond and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- The information contained in BAAFF with the 'C' rating is in conformity with the documents, materials and papers related to the issue;
- All the legal requirements relating to the issue as also in the rules, notification guidelines, instructions, etc. framed/issued by the Commission, other competent authorities exists in full and the government laws have been duly complied with;
- The disclosures made in information memorandum are true, fair and adequate to enable the investor to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994 & Part A of SEC, the Bangladesh Securities and Exchange Commission, (BSE Securities Rules, 2011) and other applicable laws;
- Besides compliance, all the information stated in the information memorandum are registered with the Commission and all due such regulations are valid;
- We have satisfied ourselves about the capability of the underwriter to fulfil their accounting commitment;
- The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' stated in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the objectives of its Memorandum of Association.

Registration: 13/07/2018 Issue No: 001/18/95/1 Management No: 004/18/95/1
 Exchange Registration No: 001/18/95/1 Issue No: 001/18/95/1 Issue No: 001/18/95/1

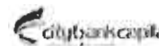
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- Necessary arrangements have been made to ensure that the proceeds of the issue raised pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;
- All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (BSE) Securities Rules, 2011 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- We employ a policy emphasizing how the process of due diligence has been carried out by us in view of the nature of issuer's business/for the nature of issue, situation in which the proposed funding stands, the risk factors, issuer's experience etc. We also confirm that the due diligence related process, documents and all general records shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the Commission;
- We enclose a checklist certifying compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (BSE) Securities Rules, 2011 covering details such as the rule number, as per, the status of compliance, page number of the information memorandum where the matter has been complied with and our comments, if any;
- We also declare that we have managed the issue of securities of the following issuers including underwriter in the last 95 (ninety five) years:

No. No.	Name of the Issuer Month Year	Face Value (BDT) in Millions	Category of Issue
1	Commod Real Estate	100	Commercial Paper
2	Energy Textiles Limited	100	Commercial Paper
3	City Infrastructure Limited	1000	Commercial Paper
4	Deshgazi Limited	1000	Commercial Paper
5	Hamiraj Textiles Limited	1000	Commercial Paper
6	Shakti Holdings Limited	1000	Commercial Paper
7	Shakti	1000	Commercial Paper
8	Central Real Estate	100	Commercial Paper
9	Max Infrastructure Limited	1000	Commercial Paper
10	Bangladesh Metal Industries Limited	1000	Commercial Paper
11	Bangladesh Metal Industries Limited	1000	Commercial Paper
12	4 Ty Bank Limited	1000	Subordinated Bond
13	4 Ty Bank Limited	1000	Subordinated Bond
14	4 Ty Bank Ltd Subordinated Bond	1000	Subordinated Bond
15	4 Ty Bank Ltd	1000	Subordinated Bond
16	Standard Bank Ltd Subordinated Bond	1000	Subordinated Bond

City Bank Ltd, Dhaka, Issue No: 001/18/95/1 Management No: 004/18/95/1
 Exchange Registration No: 001/18/95/1 Issue No: 001/18/95/1 Issue No: 001/18/95/1

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17	Dharmar Limited	100	Subordinated Bond
18	Kanchal Food	100	Subordinated Bond
19	Prity Securities Limited	100	Subordinated Bond
20	Kanchal Food	100	Subordinated Bond
21	Dharmar Power House & Technologies Limited	400	Subordinated Bond
22	MAX Infrastructure Limited	1000	Subordinated Bond
23	Dharmar Power House & Technologies Limited	400	Preference Share
24	Central Power Supply Ltd 2 Limited	100	Preference Share
25	Central Power Supply Ltd 2 Limited	100	Preference Share
26	Central Power Supply Ltd 2 Limited	100	Preference Share
27	Central Power Supply Ltd 2 Limited	100	Preference Share
28	Central Power Supply Ltd 2 Limited	100	Preference Share
29	The City Bank Limited	1000	Preference Share
30	Central Power Supply Ltd 2 Limited	100	Preference Share
31	Central Power Supply Ltd 2 Limited	100	Preference Share
32	Central Power Supply Ltd 2 Limited	100	Preference Share


[Handwritten signature]
 Ershad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.

Mohammad Ibrahim Khalil, FCA
 Joint Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka.

[Handwritten signature]
 S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

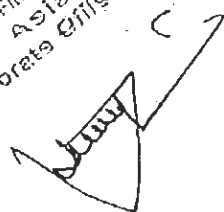
[Handwritten signature]
 Md Arfan Aii
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office

25. CREDIT RATING REPORT OF THE ISSUE AND ISSUER OR ORIGINATOR


Eshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khollil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


CREDIT RATING AGENCY OF BANGLADESH LIMITED



Ref: AGL (01)/RCM/210623/2021- 22562

24 June 2021

Mr. Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office
Rangs Tower
68 Topkhana Road
Dhaka 1000.

Subject: Credit Rating – Bank Asia Ltd.

Dear Sir,

We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following ratings to Bank Asia Limited:

Particulars	Ratings
Long Term	AA ₂
Short Term	ST-2
Outlook	Stable

The entity rating is valid up to 30 June 2022. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the Rating Awards will serve the Intended purpose of your organization.

Yours Sincerely,

Hamidul Huq
Managing Director



Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



EMERGING
Credit Rating Ltd
an independent house of risk assessment

June 23, 2021

Mr. Md. Arfan Ali
President and Managing Director
Bank Asia Limited
32-34, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1215, Bangladesh

Subject: Credit Rating of 'Bank Asia 1st Perpetual Bond'.

Dear Sir,

We are pleased to inform you that Emerging Credit Rating Limited (ECRL) has assigned the following rating to **Bank Asia 1st Perpetual Bond**.

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
June 13, 2021	June 12, 2022	Initial	A+ _{B+}	Stable

The long term rating is valid up to June 12, 2022. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the rating will serve the intended purpose of your organization.

Yours Sincerely,

N K A Mobin, FCA, FCS, CFC
Managing Director & CEO

Enclosed:

Three copies of credit rating report of **Bank Asia 1st Perpetual Bond**.

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Joint Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

SHAMS Rangs, House-104, Park Road, Level A1, A2 & A5, Baridhara, Dhaka -1212
Phone : 880 2 986 0911, +880 2 986 0897, Fax: 880 2 986 0828, Web: www.emergingrating.com

Credit Rating Report Of Bank Asia 1st Perpetual Bond



Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office



Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



EMERGING Credit Rating Ltd

Bank Asia 1st Perpetual Bond Credit Rating Report

Corporate Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
June 13, 2021	June 12, 2022	Initial	A+ _{B+}	Stable

* B denotes bond

Date of Incorporation	: September 28, 1999
President and Managing Director	: Mr. Md. Arfan Ali
Issue	: Bank Asia 1 st Perpetual Bond BDT 5,000 million
Program Tenure	: Not Applicable (The Bond shall be perpetual)
Issuer	: Bank Asia Limited
Arrangers	: IDLC Finance Limited City Bank Capital Resources Limited
Trustee	: UCB Investment Limited
Tentative Issue date	: September 2021
Contact Analysts	: Md. Fahad Bhuiyan fahad.bhuiyan@emergingrating.com Md. Rajiur Rahman rajiur@emergingrating.com

NKA Mobin (FCA, FCS, CFC)
Managing Director & CEO
Emerging Credit Rating Ltd.

Credit Analysis

Corporate Bond
Rating

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

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President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammed Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Emerging Credit Rating Ltd

CREDIT ANALYSIS

Corporate Bond Rating

2021 Initial Review

Bank Asia 1st Perpetual Bond

Major Rating Factors

- Strengths**
- 1. CRAR is well above the regulatory requirement
 - 2. Good growth in total asset, deposit and loans
 - 3. Well-structured Board of Directors
 - 4. Diversified income including a good amount of investment income
 - 5. Compliant with Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
- Challenge/ Risks**
- 1. Precarious condition of the banking industry due to COVID-19
 - 2. Falling Interest Income caused by interest cap
 - 3. High exposure to large loan
 - 4. Potential post pandemic non-performing loans

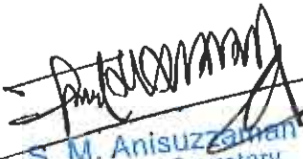
Rationale Emerging Credit Rating Limited (ECRL) has assigned **A+B** (Pronounced as 'Single A Plus Bond') long term credit rating to Bank Asia 1st Perpetual Bond (hereinafter referred to as "Perpetual Bond" or "The Bond" or "The Issue") issuance BDT 5,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bond rating. ECRL considered financial performance, capital base, asset quality, management experience, liquidity and prospect of the industry and the likelihood of default of the bond while assigning the bond rating.

The rating reflects the strengths of the bank which is backed by good growth in total asset, deposit and loans, increasing investment income, compliance with SLR, CRR, well-structured Board of Directors and CRAR requirement. However, ECRL is concerned about the potential NPL after the relaxation period, falling interest income caused by interest cap, high exposure to large loan and condition of the banking industry due to Covid-19. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**

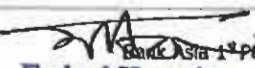
The proposed bond will be issued to raise Tier-I capital to strengthen the capital base of Bank Asia Limited. The Perpetual Bond facilitates the bank to enhance its capital strength and growing its balance sheet in the upcoming years while maintaining healthy capital adequacy ratios and strengthening loan portfolio.

The key feature of the bond includes unsecured, contingent-convertible, BASEL III compliant, Perpetual Debt Instrument for inclusion in Additional Tier I Capital. The Bond shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem. However, there is a call option which could be exercised by the issuer only after 10 (ten) years of issuance, with prior approval from the Bangladesh Bank and subject to meeting some conditions. The bank will issue BDT 5,000.00 million worth of bonds. IDLC Finance Limited and City Bank Capital Resources Limited have been playing the role of Mandated Joint Lead Arrangers whereas UCB Investment Limited is acting as a trustee.

The Coupon Rate will be calculated based on reference rate plus coupon margin. The reference rate will be calculated based on 20-year Treasury-Bond rate at the latest


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City Bank Capital Resources Ltd.


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NKA Mobin (FCA, PCS, CPC)
Managing Director & CEO
Emerging Credit Rating Ltd.


Ibrahim Khalil
Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) and 2.00% margin will be added, therefore, the proposed perpetual bond will attract long term investor with relatively high yield. The perpetual bond will have a ceiling rate of 10.00% and floor rate of 6.00%. Nevertheless, dividend discretion feature of the bond may be seen less attractive to the investors' point of view since the bank will have full discretion at all times to cancel distributions/payments of the bondholder. The coupon will be paid half yearly. The Bonds will be subject to a Dividend Stopper Clause, which will prevent dividend payments on common shares if the Bond holders are not paid coupon.

The Instrument has loss absorption by way of conversion of the outstanding principal to common shares at an objective pre-specified trigger point. The Issuer will only exercise conversion option when the Bank has reached the trigger point i.e. If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters. The end of the 3rd quarter will be Trigger Point Date.

Financial sector has been facing many challenges like slow growth of credit, deposit, excess liquidity, recovery of loans and advances. Banks are more cautious about disbursing new loans since maximum interest rate has a cap of 9% and there is no premium of additional risk and at the same time the ongoing covid-19 pandemic causes many uncertainties. Bangladesh Bank has relaxed the loan classification and provisioning rules for the year 2020 (Jan-Dec) and further from April 2021 to June 2021 as well as increasing the cap of ADR/ IDR by 2%, reduced the CRR from 5% to 3.5% in daily basis and 5.5% to 4% in bi-weekly basis and Repo rate lowered from 6% to 4.75% and declared that the Central Bank will purchase T-Bill from Banks. All of these initiatives improved the liquidity position of the banks to some extent.

During this dire situation of the pandemic in 2020, the total asset base of BAL has seen sizeable growth of 15.52% which has been growing over the previous three year period as well. The major contributors of total asset, gross loan portfolio and investment portfolio, grew by 7.63% and a staggering 71.58% in FY2020 respectively. The bank had sanctioned a total of BDT 14,850.60 million loans under the stimulus package as on December 31, 2020. Banks started to focus more on diversifying their earning sources and asset base by increased attention on the investment portfolio due to the recent interest rate cap and uncertainty for covid-19. Bank Asia Limited increased its Investment by way of Bangladesh Government Securities specifically in Bangladesh Bank Govt Investment Sukuk and treasury bonds during the year 2020.


NPL of the bank remained below 5% over the last four years which was also below the industry average of private commercial banks and overall banking industry as a whole. In FY2020, gross NPL decreased to 3.24% from 4.61% in 2019 primarily due to the Bangladesh Bank's directive on new classification of loan even if borrowers fail to pay off on time. However, ECRL is concerned about the performance of loan once the flexibility on loan classification is over as many businesses were unable to make payments of their loan on time due to interrupted business activities caused by covid-19 pandemic.

The bank had rescheduled a total of BDT 2,873.23 million loans in 2020 and BDT 10,659.64 million loans in FY2019. The rescheduled amount registered a significant degrowth (-73.05%) from the previous year with the bank's lower NPL in the respective year due to the relaxation of classification. BAL has also written off some of its bad loans in the FY2020 which was BDT 301.24 million. If no reschedule and written off was performed, the NPLs would represent 4.54% of the loan book of the bank, down from 10.50% in the previous year.

The bank has high exposure to its large loan. BAL's exposure to large loan has decreased compared to previous year with top 30 loans and advances (funded and non-funded together) comprising 46.20% of the total loan portfolio in 2020 from


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NKA Mobin (FCA, FCS, FFC)
Managing Director & CEO
Emerging Credit Rating Ltd
Md. Kamal Ibrahim Khalil
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



49.95% in FY2019. Furthermore, the large loans exceeding 10% of bank's capital in FY2020 has seen a reduction to 13.78% from 19.22% in FY2019.

Band Asia Limited's capital adequacy has been found to be good and in line with requirement under risk based capital adequacy framework of Basel-III in FY2020. The CRAR reached to 17.16% in FY2020 slightly down from 17.93% in FY2019, still higher than the regulatory requirement of 12.50%. The bank has a surplus capital of BDT 18,263.42 million by the end of FY2020.

The recently imposed lending and deposit rate cap in FY2020 has constricted the growth of deposit in banks. Despite the struggling growth of deposits in the banking industry in 2020, BAL's deposit base has improved significantly during FY2020 (19.44%) which had been increasing over the previous three years as well. The bank kept its ADR ratio at 69.42% well within the regulatory requirement of Bangladesh Bank at 87% during FY2020 and it has headroom for disbursing more loans if the need arises however cautious lending policy is being followed in the recent time as the pandemic has made the economy shaken.

BAL has been maintaining CRR and SLR in line with Bangladesh Bank requirement. The CRR and SLR of BAL for conventional banking was kept at required amount with total surplus amount from both CRR and SLR stood at BDT 673.40 million and BDT 52,729.60 million in FY2020 respectively. Against Islamic banking, BAL kept surplus amount from both CRR and SLR at BDT 35.60 million and BDT 3,731.61 million in FY2020 respectively meeting the requirement.

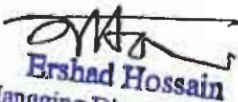
The net interest income of the bank has significantly fallen in FY2020 due to implementation of interest rate cap imposed by BB. In FY2020, net interest income fell by 62.08% to BDT 3,185.42 million from BDT 8,400.76 million in FY2019. During FY2020, interest income fell by 20.78% whereas interest expense increased by 3.21% causing a massive fall in net interest income.

In 2020, cost of deposit decreased to 4.95% from 5.67% and lending rate decreased to 7.68% from 10.19% in FY2019 causing the bank's interest spread to shrink from 4.52% in FY2019 to 2.73% in the latest year. The bank has partially counteracted the reduction in interest income with a sizeable growth in non-interest income. Investment income grew almost double (96.91%) in the latest year helped by increased income from treasury bills and bonds, Islamic bonds, capital gain on investment in shares and government securities. In FY2020, the bank's provision expense decreased due to a fall in NPL. The lower provision expenses and decreased tax expenses of BAL in FY2020 have carved a way to better post-tax profit of BDT 2,035.71 million with a growth of 3.82% from FY2019.

ECRL views the rating outlook as **Stable** due the bank's current business position and the possibility of maintaining similar business growth with regards to the pandemic in the coming year.


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Managing Director & CEO
Emerging Credit Rating Ltd.


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

**Exhibit 1: Financial Highlights: Bank Asia Limited**

FY 31 December	2020	2019	2018	2017
Total Assets (BDT million)	408,717.15	353,800.37	307,291.40	288,996.64
Total Asset Growth (%)	15.52	15.14	6.33	14.14
Gross Loans (BDT Million)	244,642.03	227,298.96	214,618.15	197,504.14
Gross Loans Growth (%)	7.63	5.91	8.67	20.72
Deposits (BDT Million)	303,028.11	253,709.57	222,471.72	207,041.47
Deposit Growth (%)	19.44	14.04	7.45	8.24
Gross NPL Ratio (%)	3.24	4.61	4.10	4.38
Loan/Deposit Ratio (%)	69.42	76.47	81.74	81.88
Net Interest Income (BDT million)	3,185.42	8,400.76	7,902.69	5,570.02
Net Interest Income Growth (%)	(62.08)	6.30	41.88	40.36
Non-Interest Income (BDT million)	9,993.47	7,673.16	6,219.88	6,397.37
Non-Interest Income Growth (%)	30.24	23.37	(2.77)	(4.11)
Pre-Tax Profit (BDT million)	3,957.71	3,920.81	4,616.28	4,057.53
Post-Tax Profit	2,035.71	1,960.81	2,266.28	2,047.53
Post-Tax Profit Growth (%)	3.82	(13.48)	10.68	32.45
Post-Tax ROAE (%)	7.81	8.16	10.21	10.21
CRAR (%)	17.16	17.93	15.05	14.89

FY2017-2020 Data Extracted from Audited Financials

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Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



A. BUSINESS DESCRIPTION

A.1. Company Background

Bank Asia Limited (BAL) is a commercial bank that was established as a public limited company under the Companies Act of 1994 and is controlled by the Banking Companies Act of 1991. On September 28, 1999, the bank received its Certificate of Incorporation, and on October 6, 1999, it received its banking license. On September 23, 2003, BAL went for its first public offering. Bank Asia Ltd was founded by a group of successful entrepreneurs with a solid reputation in the community. The bank began operations with the goal of providing customers with modern and innovative banking products and services at a reasonable cost. The bank's commitment is to deliver modern, value-added banking services to all segments of society while maintaining the highest standards possible in a globalized world, using technological advancements. It made history when it acquired the business activities of the Bank of Nova Scotia in Dhaka, the first of its kind in Bangladeshi banking history and repeated the success by acquiring Muslim Commercial Bank Ltd (MCB), a well-known Pakistani bank's Bangladesh operations. Over the years, the bank's asset and liability growth has been impressive. The total asset base of the bank reached a strong position of BDT 408,717.15 million by the end of FY2020.

The bank also has significant involvement in its subsidiaries. Bank Asia Limited established the first subsidiary company 'Bank Asia Securities Limited' on March 16, 2011 followed by 'BA Exchange Company (UK) Limited' in London, United Kingdom on May, 2011 and lastly 'BA Express USA Inc.' in Jamaica, New York, USA on June 01, 2014. Bank Asia holds 99.99%, 100% and 100% shares of Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. respectively. Bank Asia Securities Limited (BASL) operates as a stock broker and stock dealer in the capital market while BA Exchange Company (UK) Limited and BA Express USA Inc. provides expatriates with a quick and secure way to send their hard-earned money home from the United Kingdom and the United States to Bangladesh. By modernizing traditional banking with the use of modern technology, BAL hopes to build Bangladesh's first ever Digital Bank for the next generation.

A.2. Shareholding Structure

In order to cope with expanding operation and to strengthen its capital base over the course of business, the authorized capital and paid-up capital of the bank stood at BDT 15,000.00 million and BDT 11,659.07 million respectively as of December 31, 2020. The diagram illustrates the shareholding structure of BAL as on December 31, 2020. As on the mentioned date, the six categories: Sponsors & Directors, Institutions, Foreign Investors, Non-resident Bangladeshi, General Public, Investment Companies represented 51.52%, 23.93%, 0.22%, 0.14%, 13.82% and 10.36% of the total paid-up capital of the bank respectively as shown in the diagram.



Figure 1: Shareholding structure of BAL

A.3. Operational Network

The corporate offices of the bank are situated in Karwan Bazar and Purana Paltan, Dhaka. Bank Asia Limited has a spread network of 129 branches and 190 ATM Booths across Bangladesh including 4 SME/Agri Branches and 4 SME Service Centers. The bank also has 5 branches for its Islamic Banking purpose. The largest concentration of branches is in the Dhaka region (66 branches) followed by Chattogram region (39 branches). The rest are distributed in Barishal (3), Khulna (6), Rajshahi (4), Sylhet (7), Rangpur (3) and Mymensingh (1). The bank's ATM booths are distributed as - Dhaka (112), Chattogram (49), Khulna (8), Rajshahi (6), Barishal (3), Sylhet (8), Rangpur (3) and Mymensingh (1). In addition, BAL has an extensive Agent Banking network with 4,805 outlets and 70 partners across 64 districts.

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Company Secretary
Bank Asia Limited
Corporate Office

Ershad Hossain
Managing Director & CEO
Bank Asia Limited
City Bank Capital Resources Ltd.

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office
Credit Rating Ltd.

Abulhasan Kabir
Chairman
Bank Asia Limited
Corporate Office, Dhaka



A.4. Products & Services

BAL offers a wide range of commercial banking products and services such as corporate, retail, SME, and Islamic Banking products. The major heads of services are retail banking, corporate banking, SME banking, Islamic banking, agent banking, and digital banking. BAL provides all personal banking products like deposit, loan, and card services for its clients. Under retail products, BAL offers various savings account, current account, various deposit products etc. while also providing a number of loan facilities such as auto loan, home loan, Unsecured Personal Loan, Loan for Professionals and Senior Citizen Support. For SME clients, the bank offers various secured and unsecured loan facilities as well as special products such as festival loan, loan for woman entrepreneurs etc. Bank Asia Limited provides financial and strategic advice and products to help corporate clients grow their operations. Corporate Banking provides a diverse range of services as General Corporate Finance, Work Order Financing, Export Finance, Project Finance, Off Shore Banking Unit, Cash Management, Syndication Finance etc. BAL also conducts Islamic banking which was started in 2008 and now the bank has five Islamic Banking Windows. The bank offers Islamic investment and financing facilities for SME, retail and corporate in addition to various Islamic deposit services.

The bank offers cash deposit, cash withdraw, cash transfer, inward foreign remittance, utility bill payment, insurance premium collection as well as SME loan processing, agricultural loan processing and debit/credit card processing through its Agent Banking network.

Besides those, the bank offers various credit card, debit card, ATM & CDM, internet banking, smart app, e-commerce, e-payment facilities under its digital banking division. Other than the above mentioned services, the bank offers locker services, foreign remittance services, treasury services etc.

A.5. Market Share

BAL's loans & advances and deposit position were BDT 233,234.46 million and BDT 271,105.86 million respectively at the end June 30, 2020. Considering the banking industry as a whole, all scheduled banks' total loans & advances and deposit were BDT 10,940,070.00 million and 12,690,990.00 million respectively at the end of June 2020. BAL contributed 2.13% of market share in terms of loans and advances and 2.14% of market share in terms of deposit at the end of 1st half of 2020.

Figure 2: BAL's Market share by Loans & Advances

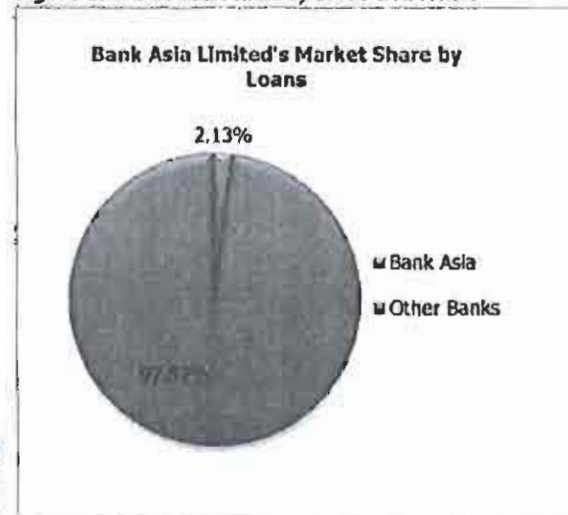
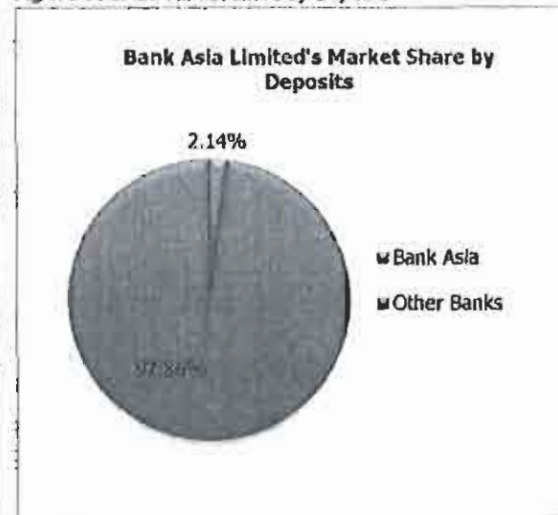


Figure 3: BAL's Market share by Deposits



A.6. Perpetual Bond Issuance Objective

The proposed Bond will be issued to raise Tier-I capital to strengthen the capital base of Bank Asia Limited in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The Perpetual Bond facilitates the bank to enhance its capital strength and growing its balance sheet in the upcoming years while maintaining healthy capital adequacy ratios and strengthening loan portfolio. Although the deposit portfolio for BAL has been growing over the past few years, Perpetual Bond will improve the portfolio as a

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Credit Rating Ltd
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Mohammad Ibrahim Khalil
Financial Officer
Bank Asia Limited
Corporate Office, Dhaka
Page 7 of 29



treated as an alternate source of fund and the market is becoming more and more competitive in terms of price (interest) while generating fresh deposits.

A.7. Structure of Perpetual Bond and Terms

Exhibit 2: Structure of Perpetual Bond and terms

Name of the Instrument	Bank Asia 1 st Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Issuer	Bank Asia Limited
Issue Size	BDT 500,000,000.00 Public Issue and BDT 4,500,000,000.00 Private Placement
Nature of Instrument	Unsecured
Purpose and Objectives	To raise Additional Tier-1 Capital through issuance of Bank Asia Limited Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The Bank shall utilize the proceeds of the Issue for its regular higher yielding business activities.
Mandated Joint Lead Arrangers	IDLC Finance Limited and City Bank Capital Resources Limited are referred to as the "Mandated Joint Lead Arrangers" or the "MJLAs".
Trustee, Paying Agent, Register, Transfer Agent	UCB Investment Limited
Legal Advisor	Imtiaz Farooq and Associates
Mode of Issue	Private Placement: 90% of issue size Public Placement: 10% of issue size
Tenure	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Investors	<p>Private Offer: The following class of investors are eligible to participate in the offer:</p> <ul style="list-style-type: none"> • Public Financial Institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations • Mutual Funds, Insurance Companies, Scheduled Commercial Banks, • Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, • Societies authorized to invest in bonds/debentures, • Trusts authorized to invest in bonds/ debentures, • Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, • Any other not mentioned in the list but is eligible to subscribe as per regulations by Bangladesh Bank. <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.</p> <p>Public Offer: Eligible Institutional Investors and General Investors /Public who have valid BO account including Resident of Bangladesh</p>

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	and NRB
Currency	Bangladeshi Taka (BDT)
Face Value	BDT 5,000.00
No. of Bonds in Each Lot	Private offer: 2,000 Public offer: 1
Denomination	Denomination of each lot of Bond is indicated at BDT 5,000.00 Face Value
Total no. of Lots	Private offer: 450 Public offer: 100,000
Minimum Subscription Amount	Private offer: 10,000,000 Public offer: 5,000
Mode of Placement	Private Placement: BDT 4,500,000,000.00 Public Placement: BDT 500,000,000.00
Maturity	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Security	Unsecured
Form	Registered
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) *(subject to Bangladesh Bank approval)
Coupon Margin	2.00% (subject to Bangladesh Bank approval)
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined
Coupon Range	<ul style="list-style-type: none"> Coupon Ceiling: 10% Coupon Floor: 6% subject to having available distributable profit. * (subject to Bangladesh Bank approval)
Coupon Payment	Coupon will be payable half yearly on the Coupon Payment Dates at the end of each Coupon Period.
Business Convention/Effect of Holidays	<ul style="list-style-type: none"> If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day. If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.
Call Option	The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. The Call Option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
Call Option Eligibility	<ol style="list-style-type: none"> Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, Capital position is above the minimum requirements after the call option is exercised
Claim Settlement in the event of Liquidation or Wind-up	<p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank when currently outstanding or issued at any time in the future.

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	<p>2. Perpetual to the claims of depositors, general creditors and Perpetual debt of the Bank other than any Perpetual debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank;</p> <p>3. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</p>
Loss Absorption	After the Trigger Point Condition Date, conversion of the outstanding principal of the Bonds to common shares at the Conversion Strike Price by such amount not exceeding the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of RWA.
Trigger Point for Loss Absorption:	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement of 4.50% and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
Dividend Discretion	<p>i. The bank has full discretion at all times to cancel distributions/payments;</p> <p>ii. Cancellation of discretionary payments must not be an event of default;</p> <p>iii. Banks have full access to cancelled payments to meet obligations as they fall due;</p> <p>iv. Cancellation of distributions/payments must not impose restrictions on the bank except in relation to distributions to common stakeholders; and</p> <p>v. Dividends to be paid out of distributable items;</p> <p>vi. The dividend shall not be cumulative. i.e., dividend missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p> <p>vii. In general, it may be in order for banks to have dividend stopper arrangement that stop dividend payments on common shares in the event the holders of Additional Tier 1 instruments are not paid dividend/coupon. However, dividend stoppers must not impede the full discretion that bank must have at all times to cancel distributions/payments on the Additional Tier 1 Instrument, nor must they act in a way that could hinder the re-capitalization of the bank. For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to:</p> <ul style="list-style-type: none"> • attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary; • prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 Instrument are resumed; • impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals). • A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary

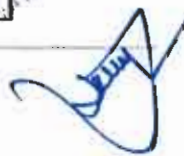

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Mohammad Ibrahim Khalil, FCA
 Chartered Accountant
 Chartered Accountant
 Chartered Accountant





	share buybacks, if otherwise permitted
Events of Default	(a) Breach of Common Equity Holders' Dividend Stopper Clause; (b) Subject to exercise of Issuer's Coupon Discretion, Trigger Point Consideration being met, and/or exercise of Loss Absorption feature, the Issuer defaults in the payment of any money owing in respect of the Perpetual Bonds when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days (c) Breach of any covenant, warranty or other provision of the Trust Deed otherwise as provided in the preceding paragraphs of this Clause and such default continues for at least thirty (30) Business Days It is further clarified that the Bondholders shall have no rights to accelerate the repayment of future scheduled payments except in bankruptcy and liquidation.
Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these Bonds and it will stop dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder: (i) The Re-Capitalization of the Issuer. (ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary (iii) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon /dividends on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/disposals).
Listing	BDT 4,500.00 million to be listed under direct listing procedure and BDT 500.00 million to be listed under public offer as per BSEC consent
Transferability/Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust.
Governing Law	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.

B. FINANCIAL RISK ANALYSIS

The financial analysis process has been based on both quantitative and qualitative aspects of the institution. This has mostly been based on the company's policies in relation with the operating strategies, asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms. For the purpose of the overall financial risk assessment of the business has been analyzed thoroughly and followed strict evaluation process in the aforementioned sections. Detailed analysis is presented below.

B.1. Asset Composition & Trends

Exhibit 3: Selected Indicators for BAL

FY 31 December	2020	2019	2018	2017
Total Asset (BDT Million)	403,717.15	353,800.37	307,291.40	288,996.64
Total Asset Growth (%)	15.52	15.14	6.33	14.14
Gross Loans (BDT Million)	244,642.03	227,298.96	214,618.15	197,504.14
Gross Loans Growth (%)	7.63	5.91	8.67	20.72
Investments (BDT Million)	94,251.18	54,932.58	35,999.20	27,545.82
Investments Growth (%)	71.58	52.59	30.69	(30.02)
NPLs (BDT Million)	7,930.93	10,479.99	8,809.83	8,642.30
NPLs Growth (%)	(24.32)	18.96	1.94	(2.32)

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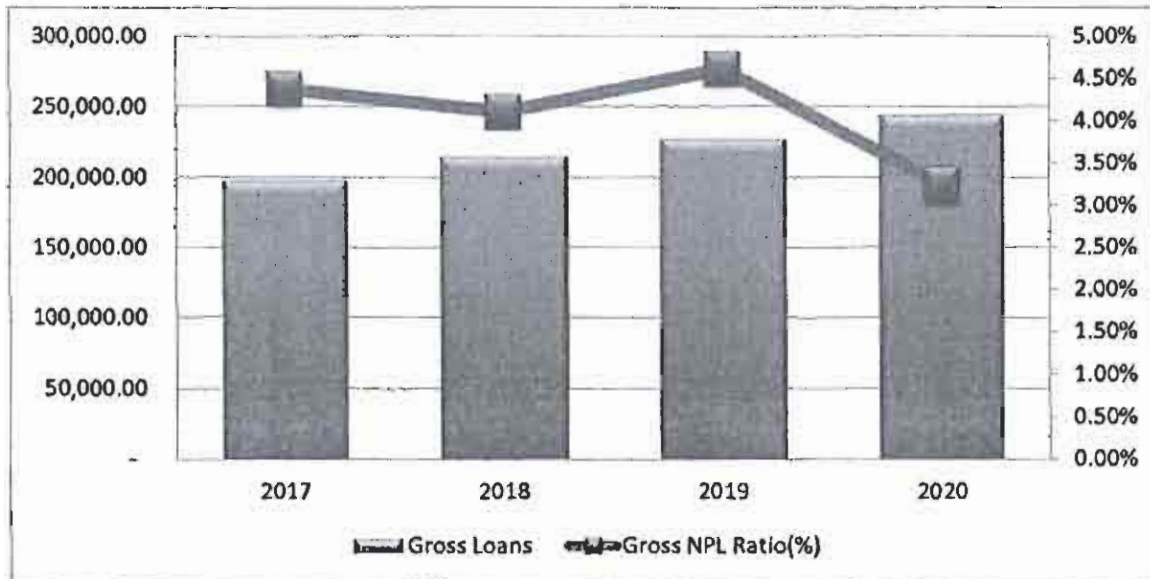


Gross Loans to Total Assets (%)	59.86	64.24	69.84	68.34
NPL Ratio (%)	3.24	4.61	4.10	4.38
Net NPLs to Net Loans (%)	(4.58)	(1.79)	(0.91)	(0.48)
Loan Loss Reserve to NPLs (%)	176.03	117.17	101.98	90.73
NPLs to Equity & Loan Loss Reserve (%)	19.18	28.31	27.25	29.91

FY2017-2020 Data Extracted from Audited Financials

Government of Bangladesh had announced various stimulus facilities as part of its initiative to support the economy from the negative fallout which along with potential non-performance of loans due to the coronavirus pandemic have put severe pressure on the banking sector of the country in 2020. In an effort to preserving banks' asset quality while helping the economy in dire needs, the central bank has lowered repo rate, lowered CRR, increased ADR as well as provided relaxation over non-performing loans and penalties on late payments. However, in spite of these difficulties in FY2020, the total asset base of BAL has seen sizeable growth of 15.52% to BDT 408,717.15 million from BDT 353,800.37 in FY2019. The total assets growth was possible owing to the improvement in its major contributors which are gross loan portfolio that grew by 7.63% and investment portfolio by a staggering 71.58% in FY2020. Besides the loan portfolio comprising 59.86% and investments comprising 23.06%, the bank's total asset in FY2020 also consists of 4.38% of cash, 1.64% of fixed assets, 7.70% of balance with other banks & FIs, and 3.36% of other uncategorized assets.

Figure 4: Selected Indicators of BAL



B.1.1. Asset Quality

The gross loans and advances portfolio of BAL earned continuous growth over the FY2017-20 period in review. The pandemic along with interest rate cap has lowered the growth on loans and advances in 2020 of the banking industries which already had downward trend in the previous years. Total loan portfolio of the bank reached to BDT 244,642.03 million in FY2020 from BDT 227,298.96 million in FY2019 due mainly to improvement in loans and advances by COVID-19 stimulus package, RMG industry, pharmaceutical, electrical machinery and apparatus industry, and various uncategorized manufacturing industries. Investment portfolio of BAL has had continuous healthy growth in the recent three financial years with a massive 71.58% growth in FY2020. Since the interest rate cap imposed in 2020 and continual liquidity crisis in the banking industry prevailing in the previous years, banks of the country had started to focus more on diversifying their earning sources and asset base by increased attention on the investment portfolio. Bank Asia Limited in a similar movement has increased its investment which was aided by significant improvement to investment made in Bangladesh Government Securities specifically in Bangladesh Bank Govt Investment Sukuk and treasury bonds during the year.

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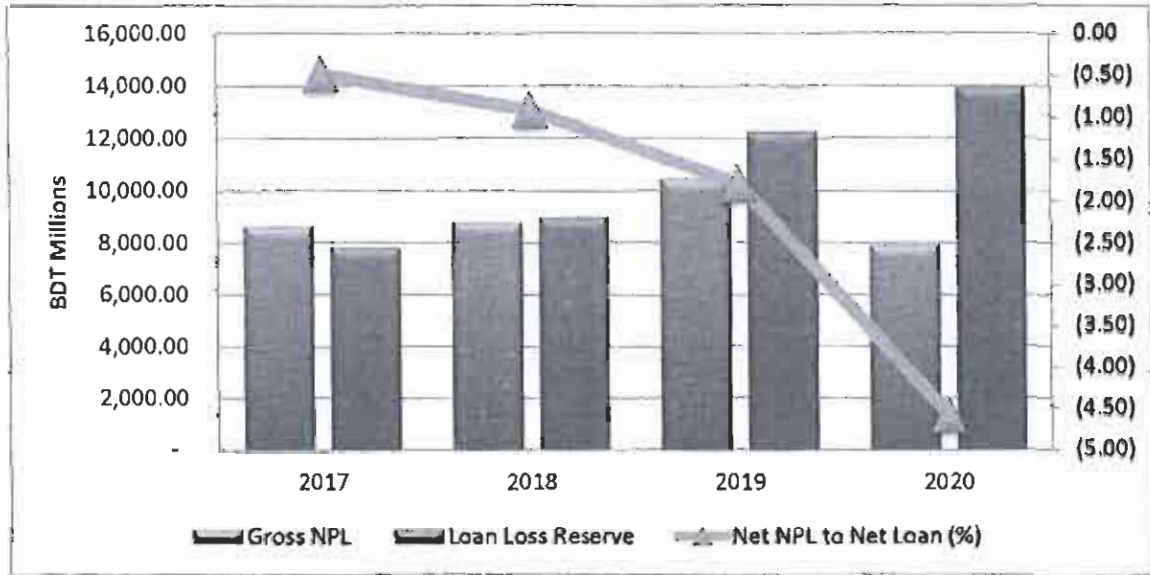
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Figure 5: Selected Indicators of BAL



Notably, NPL of the bank remained below 5% over the last four year period in review here which was also below the industry average of private commercial banks and overall banking industry as a whole. Gross NPL has decreased by 24.32% in 2020 and lowered to BDT 7,930.93 million from BDT 10,479.99 million in FY2019. The gross NPL consisted of 20.87% sub-standard, 2.06% doubtful and 77.07% bad loss loans in FY2020. As a result of the aforementioned things, the NPL ratio have went down to 3.24% in 2020 from 4.61% in 2019. Notably, the Improvement in NPL of the bank may have been heavily influenced by the BB directive of not changing loan classification in 2020 as well as relaxation on loan payments. ECRL is concerned about the performance of loan once the directive is over as many businesses were unable to make payments of their loan on time in 2020 which may increase the amount of NPL in future.

Provision coverage ratio has exhibited vastly improved scenario in last year compared to the previous three years. Loan loss reserve coverage of the bank reached an Improved 176.03% in FY2020 against a much lower 117.17 % in FY2019 which indicates better safety against potential losses arising from the NPLs. Notably, this was a direct result of lower NPL in the latest year. The bank's maintained provision against classified and unclassified loans and advances was BDT 13,960.80 million in FY2020 which was BDT 12,279.12 million in the previous year. There was no shortfall of provision in the latest year.

B.1.2. Loan Diversification & Concentration

BAL has a diversified loan portfolio with concentration in different industries of the economy such as Trade Services, Professional and Misc. services, RMG industry, various manufacturing industries, Textile industry, Housing Services, Food Manufacturing, Agriculture and many more.

Industry wise concentration shows that loans and advances portfolio was dominated by Trade Services (19.65%) followed by Professional and Misc. services (14.15%), RMG sector (11.27%), Textile industry (8.72%), Housing Services (6.83%) and the rest by various other industries by the end of 2020. In FY2020, maturity-wise, most of the bank's loans are long term in nature, i.e. they become repayable after one year and the rest mature within one year period.

Geographically, the bank has the highest concentration of loans in urban areas with 95.97% of total loans and 4.03% in rural areas by the end of 2020. Division wise, the Bank has 80.79% of its loans in Dhaka division followed by 12.18% in Chattogram division. The remaining 7.03% are concentrated in the other divisions of the country and similar results are also observed in the previous three years.

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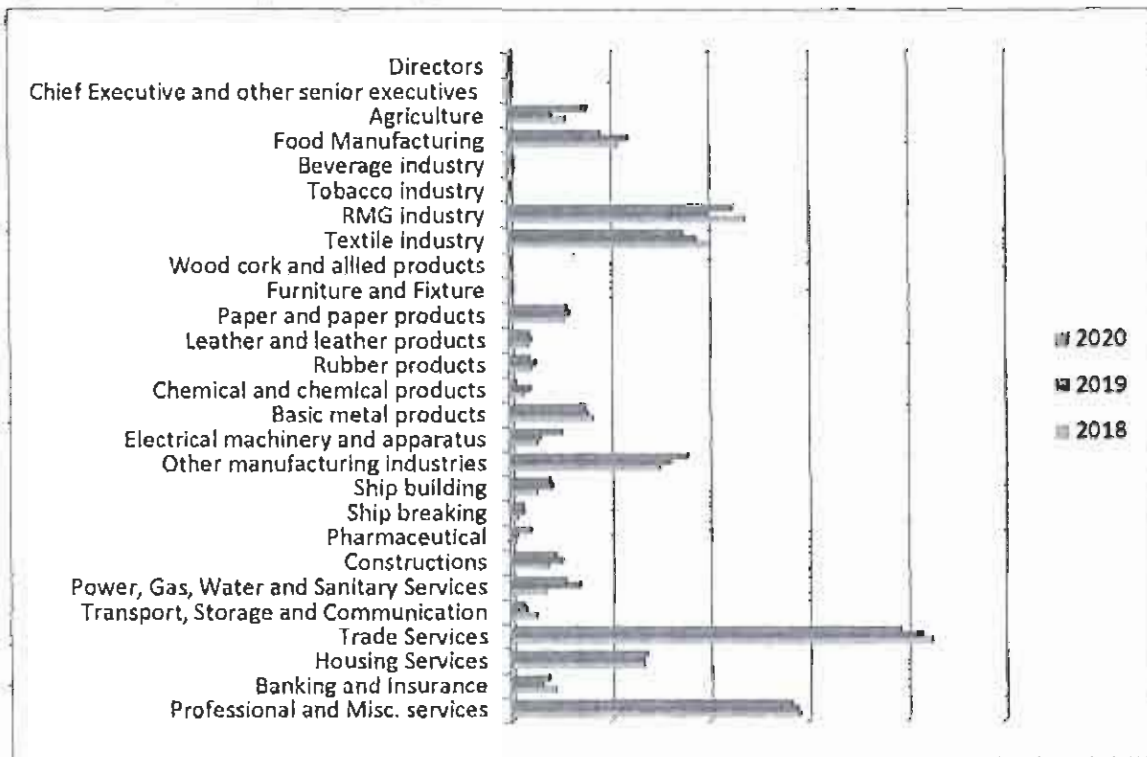
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Figure 6: Industry-wise composition of BAL's gross loans



B.1.3. Rescheduled and Written-Off Loans

In the year 2020, the bank had rescheduled a total of BDT 2,873.23 million loans as against BDT 10,659.64 million loans in FY2019. The rescheduled amount registered a significant degrowth (-73.05%) from the previous year which have been due to the bank's lower NPL in the respective year. This is an indirect effect of the restriction imposed during 2020 by the central bank that classification status of loans will not be changed from January-December 2020. In 2020, the rescheduled loans represented 1.17% of the total loan portfolio while it was 4.69% in the previous year.

BAL has also written off some of its bad loans in the FY2020 which was BDT 301.24 million, 88.91% lower than written off amount of BDT 2,716.37 million in FY2019. Eventually, the written off loans represented 0.12% of the bank's loan book at the end of FY2020. The NPLs, rescheduled loans and written-off loans together represented only 4.54% of the loan book of the bank, down from 10.50% in the previous year.

B.1.4. Large Loan Exposure

Bank Asia Limited has high exposure to its large loan portfolio. The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has decreased by the end of FY2020 from a year ago. The number of such large loan accounts were 6 Individual accounts with total outstanding amounting to BDT 33,712.00 million in FY2020 in contrast to the 8 accounts with total outstanding amount of BDT 43,683.00 million in FY2019. It should also be noted that these large loans accounted for only 13.78% of the bank's gross loans and advances in FY2020 which was 19.22% in the preceding year.

By the end of FY2020, the bank's top 30 credit exposure (funded and non-funded together) represented 46.20% of the total loan portfolio while the number was 49.95% in FY2019. The loans and advances of the bank is less dependent on large loans which is a positive addition to the asset quality of the bank.

B.1.5. Off-Balance Sheet Exposure

The off-balance sheet exposure of BAL has decreased by 0.25% to BDT 118,277.54 million in FY2020 from BDT 118,576.86 million in FY2019. As a percentage of total assets, the off-balance sheet items were 28.94% in FY2020. The off balance sheet items consist of acceptances and endorsements.

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Senior Financial Officer
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letters of guarantee, letters of credit, bills for collection and other contingent liabilities which consisted 30.45%, 30.95%, 25.15%, 13.44% and 0.00% of total off-balance sheet exposure respectively in FY2020.

B.2. Capital Adequacy

Exhibit 4: Selected indicators of BAL

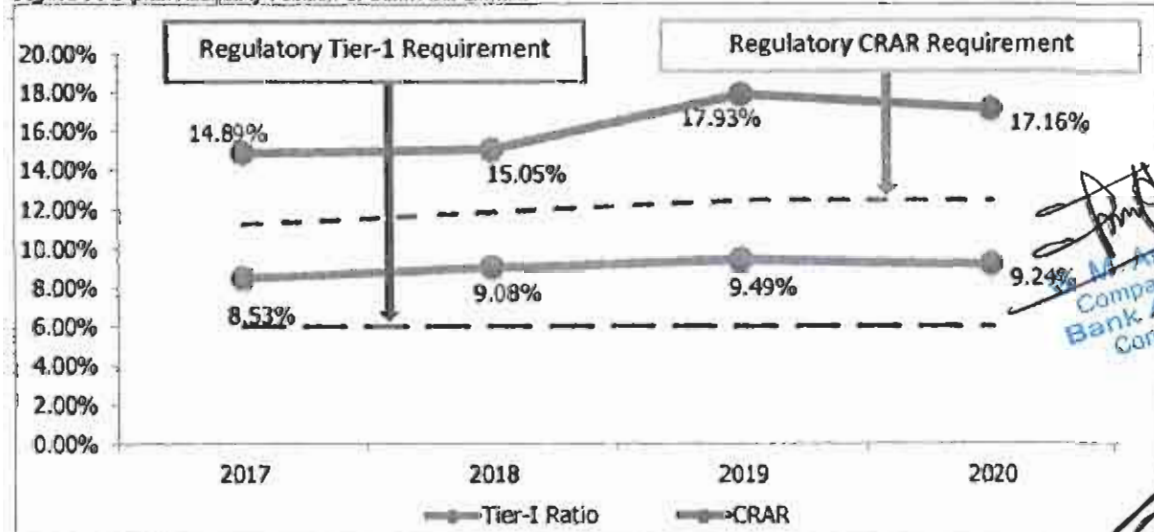
FY 31 December	2020	2019	2018	2017
Tier-I Capital (BDT Million)	23,558.94	22,636.00	21,165.37	18,852.66
Total Capital (BDT Million)	43,753.94	42,757.14	35,082.90	32,913.96
Total Risk Weighted Assets (BDT Million)	254,905.15	238,427.23	233,085.63	221,114.65
Tier-I Ratio (%)	9.24	9.49	9.08	8.53
CRAR (%)	17.16	17.93	15.05	14.89

FY2017-2020 Data Extracted from Audited Financials

As per the regulatory requirement directed by the Bangladesh Bank under the Basel - III, every bank has to maintain a minimum capital requirement with capital conservation buffer of 12.50% in total from which minimum required Tier-1 capital ratio of 6.00%. In the years under review, both the Tier-I or core capital and Tier-II or supplementary capital of the bank have increased consecutively from the preceding years. Total capital (Tier-I and Tier-II) of the bank stood at BDT 43,753.94 million in FY2020 which was BDT 42,757.14 million in FY2019 experiencing a 2.33% growth during the FY2020. On the other hand, risk weighted asset of the Bank has seen a growth of 6.91% in FY2020 standing at BDT 254,905.15 million in FY2020.

Tier-I capital has seen a growth of 4.08% aiding to the Tier-I ratio of 9.24% in spite the growth in risk weighted assets. During the latest year in review, the CRAR reached to 17.16% slightly down from 17.93% in FY2019 still depicting the banks' satisfactory ability to maintain minimum capital against the risk weighted assets and was higher than the regulatory requirement of 12.50%. The bank has a surplus capital of BDT 18,263.42 million by the end of FY2020.

Figure 7: Capital Adequacy Position of Bank Asia Limited



B.3. Funding and Liquidity

Exhibit 5: Selected indicators of BAL

FY 31 December	2020	2019	2018	2017
Deposits (BDT in Millions)	303,028.11	253,709.57	222,471.72	207,041.47
Deposit Growth (%)	19.44	14.04	7.45	8.24
Loans to Customers Deposits (%)	69.42	76.47	81.74	81.88
Net Loans to Stable Funding Base (%)	110.67	117.28	131.78	124.76
Net Loans to Customer Deposits (%)	74.69	83.96	91.67	90.78
Deposit to Total Liability & Equity (%)	74.14	71.71	72.40	71.64
Interbank Liabilities to Total Funding (%)	8.80	9.72	10.19	10.47

FY2017-2020 Data Extracted from Audited Financials

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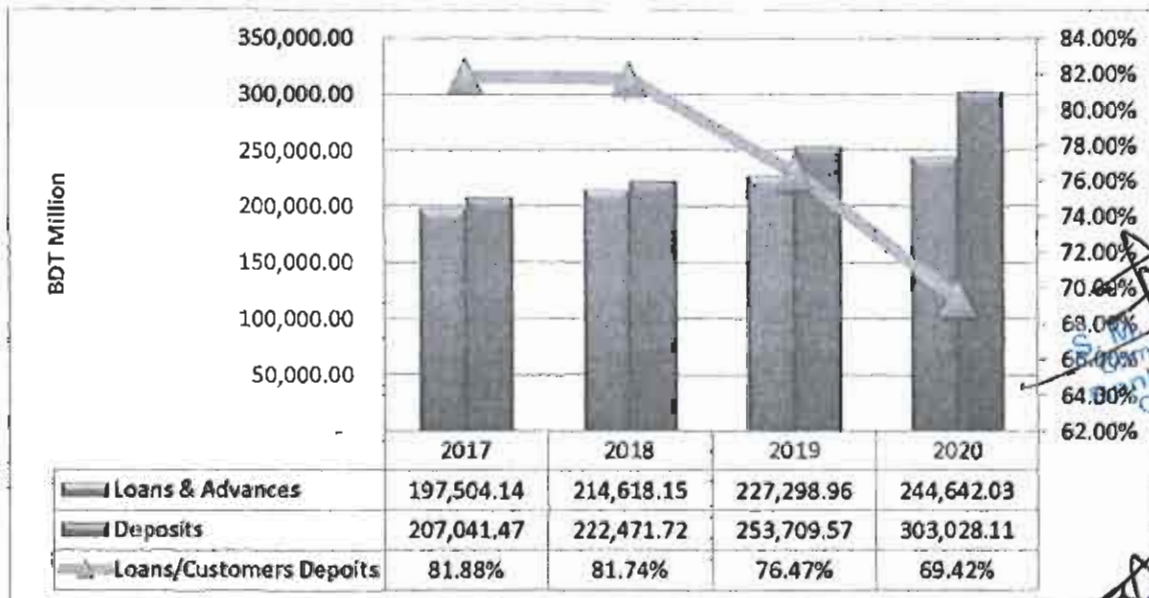


B.3.1. Fund Management

The recently imposed lending and deposit rate cap has constricted the growth of deposit in banks. Interest rates on deposits plummeted at a faster pace than those on credit, as banks raised deposits at lower rates caused by an abundance of funds in the economy. Generally, banks are mostly funded by deposits. In the case of BAL, the bank's deposits accounts for 74.14% of the total liabilities & equity base at the end of FY2020 followed by interbank liabilities covering 8.80%, equity covering 6.70% and the rest covered by other liabilities and subordinated debt. Despite the struggling growth of deposits in the banking industry in 2020, BAL's deposit base has improved significantly during the year which had been increasing over the previous years as well. The deposit mix of the BAL consists of 58.00% term deposits, 19.59% current deposit, 21.18% savings deposit and 1.24% of bills Payable in FY2020. This pattern of deposit composition is stable over the 4 year period under review here. The deposit growth was a result of significant increase in savings deposit and fixed deposits of the bank in 2020. The bank has been successful in keeping its ADR ratio within the regulatory requirement of Bangladesh Bank at 87% during FY2020 and scored 69.42% in the loan to deposit ratio. These provide the bank with headroom for disbursing more loans if the need arises however cautious lending policy need to be followed in the recent time as the pandemic has made the economy shaken.

The net loans to stable funding base ratio stood at 110.67% in FY2020 which was 117.28% in FY2019, 131.78% in FY2018 and 126.76% in FY2017. The ratio in all of the years indicate higher amount of loan being provided in contrast to the bank's stable funding base. However, the bank's interbank liabilities dependency has decreased in the recent year which was 8.80% of the total funding base in 2020.

Figure 8: Selected indicators of BAL



B.3.2. Liquidity Management

As per Bangladesh Bank's regulatory requirement statutory liquidity reserve (SLR) of 13.00% and cash reserve requirement (CRR) of 4.00% are to be maintained by conventional banks operating in Bangladesh while SLR is 5.50% for Islamic Banking. BAL has been maintaining Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement. Bangladesh Bank has recently lowered the cash reserve requirement (CRR) from 5.00% to 3.50% on a daily basis, and 5.5% to 4% in bi-weekly basis due to the pandemic. The CRR and SLR requirement of BAL for conventional banking is BDT 11,287.74 million and BDT 37,680.51 million as on December 31, 2020 against which BAL kept BDT 11,961.13 million and BDT 90,410.11 million respectively. Total surplus amount from both CRR and SLR stood at BDT 673.40 million and BDT 52,729.60 million in FY2020 respectively.

The CRR and SLR requirement of BAL against Islamic banking is BDT 854.38 million and BDT 1,174.77 million as on December 31, 2020 against which BAL kept BDT 889.97 million and BDT

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4,906.38 million respectively. Total surplus amount from both CRR and SLR against Islamic banking stood at BDT 35.60 million and BDT 3,731.61 million in FY2020 respectively.

The maturity-based asset and liability profile of BAL depicts that the assets and the liabilities of the bank are distributed over different time horizons in a suitable manner. The liquidity statement of BAL indicates deficit in net liquidity in 1 – 3 months bracket only while the other brackets show positive net liquidity. Also, the cumulative liquidity shows no liquidity gap as at December 31, 2020.

B.4. Earning Trends and Profitability

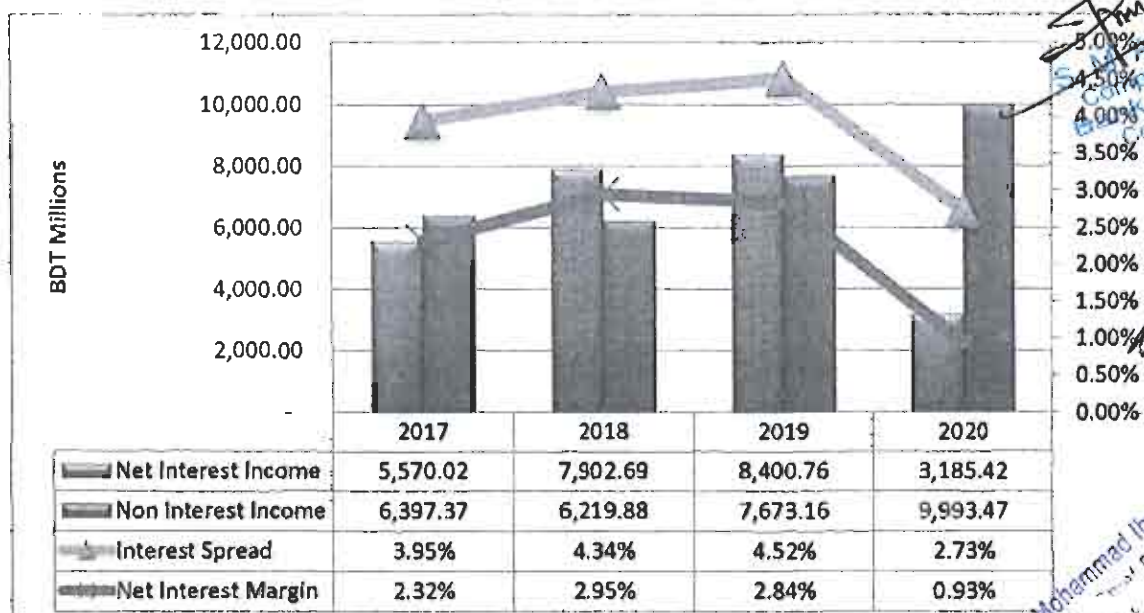
Exhibit 6: Selected Indicators of BAL

FY 31 December	2020	2019	2018	2017
Net Interest Income (BDT Million)	3,185.42	8,400.76	7,902.69	5,570.02
Net Interest Income Growth (%)	(62.08)	6.30	41.88	40.36
Non-Interest Income (BDT Million)	9,993.47	7,673.16	6,219.88	6,397.37
Non-Interest Income Growth (%)	30.24	23.37	(2.77)	(4.11)
Pre-Provision Profit (BDT Million)	6,070.84	9,322.46	8,060.38	6,687.56
Pre-Tax Profit (BDT Million)	3,957.71	3,920.81	4,616.28	4,057.53
Post-Tax Profit (BDT Million)	2,035.71	1,960.81	2,266.28	2,047.53
Post-Tax Profit Growth (%)	3.82	(13.48)	10.68	32.45
Post - Tax ROAE (%)	7.81	8.16	10.21	10.21
Interest Spread (%)	2.73	4.52	4.34	3.95
Net Interest Margin (%)	0.93	2.84	2.95	2.32
Cost Income Ratio (%)	53.94	42.00	42.93	44.12

FY2017-2020 Data Extracted from Audited Financials

Over the previous four year period, BAL saw consecutive improvements to net interest income generated except in FY2020 where the net interest income dropped by a massive 62.08% from FY2019. The interest income of the bank lowered in the recent year as an impact of the interest rate cap which was imposed from April of 2020 as well as various measures taken by Bangladesh Bank to ease the effects of the pandemic on businesses and general population. Moreover, interest income fell by 20.78% whereas interest expense increased by 3.21% causing a fall in net interest income as well. The interest cap of 9% on lending and 6% on deposit rate caused the bank's interest spread to shrink from 4.52% in FY2019 to 2.73% in the latest year. In 2020, cost of deposit decreased to 4.95% from 5.67% and lending rate decreased to 7.68% from 10.19% in the previous year.

Figure 9: Selected indicators of BAL



The bank has partially counteracted the reduction in interest income with a sizeable growth in non-interest income in the latest year. However, it was not enough as total operating income has seen a

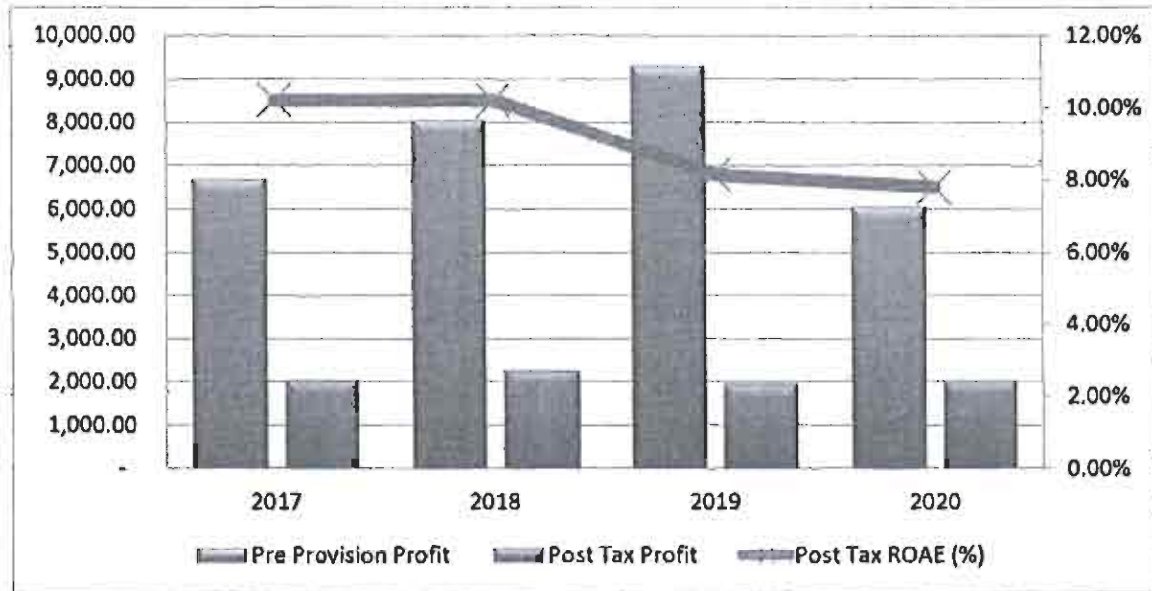
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degrowth of 18.01% in FY2020 from FY2019. The total operating income of the bank comprised of 24.17% net interest income and 75.83% non-Interest income in FY2020.

The non-interest income of the bank was generated from investment income, commission/fees and exchange income and other operating income. Among the non-interest income, investment income grew almost double (96.91%) in the latest year compared to FY2019. The growth of investment income comes from increased income from treasury bills and bonds, Islamic bonds, capital gain on investment in shares and government securities. While lower gain from foreign currency dealings during the year has decreased in commission, exchange and brokerage income by 26.37% in 2020.

Figure 10: Selected indicators of BAL



BAL's operating expenses in the latest year has increased by 5.28% in 2020 to stand at BDT 7,108.05 million. As the operating income lowered and operating expenses increased, the bank saw a significant (34.88%) reduction of profit before provision at BDT 6,070.84 million. In FY2020, the bank's provision expense was decreased and reached BDT 2,113.13 million due to a decrease in NPL of the bank in FY2020. The lower provision expenses actually gave rise to the pre-tax profit of the bank in FY2020 to a similar amount of previous year. Furthermore, tax expenses of BAL have decreased carving a way to better post-tax profit of BDT 2,035.71 million in FY2020 with a growth of 3.82% from FY2019. This increase in post-tax profit was made possible by higher non-interest income generated and lower provision expenses during FY2020. The post-tax profit in FY2019 had decreased compared to FY2018 due to increased provision expenses which was mitigated with the lower NPL in FY2020. Notably, the cost to income ratio of the bank has shown improved result in FY2020 compared to the previous three years and stood at 53.94% in FY2020.

C. MARKET RISK ANALYSIS

Markets risks of a Perpetual Bond may arise due to uncertainty related to the interest rate risk, limited subscriber risk, call risk etc. Moreover, Bond by nature is exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. The Bond market is still a new concept to the Bangladesh economy as well as the conventional Bond market is underdeveloped.

However, the proposed Perpetual Bond is sensitive towards both market and company specific risks. All investments which offer a balance between risk and potential return are graded to be the higher rated investment. The balance between risk and return varies by the type of investment (in this case Perpetual Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publicly traded in secondary market).

The entity in discussion has proposed to issue Unsecured and Contingent Convertible Perpetual Bond of BDT 5,000.00 million for the purpose of strengthening Tier I capital base. IDLC Finance Limited and City Bank Capital Resources Limited have been acting as the arrangers and will sell the Bonds as

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 July



best effort basis whereas UCB Investment Limited is acting as the trustee. ECRL considered the following risk analysis related to the both market and instrument specific risk.

C.1. Interest Rate Risk of the Bond

Interest rate risk affects the value of Bonds that arises when an investment's value will change due to a change in the absolute level of interest rates. The assumed interest rate offered by the issuer has been set at latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day – which is the reference rate and 2.00% margin, based on the market dynamics and scenario. An upward movement of the market interest rate over the term deposit will generate a higher return of the Bond than benchmark rate. But the coupon rate will not fall below 6.00% p.a. lowering the risk of the potential investors. In addition, on the part of the bank, interest rate risk is also mitigated by the coupon ceiling rate of 10.00% p.a. which means at no circumstance the coupon rate will go above 10.00% p.a.

C.2. Limited Subscriber Risk

Currently the industry is facing limited subscriber risk since many banks and NBFIs have been issuing different type of bonds to improve their capital adequacy as per the regulatory requirement. The prime buyers of those bonds are still limited to the financial institutions and response from other eligible corporates is poor as a result the bond industry is exposed to this kind of risk. However, since the floor rate and ceiling rate that the bank is offering (Floor rate: 6.00%, Ceiling rate: 10.00%) are relatively higher than existing bank deposit rate, this seems lucrative to the potential investors. Moreover, reference rate will be calculated based on 20-year Treasury-Bond rate (latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day) and 2.00% margin will be added, therefore, the proposed perpetual bond will attract long term investor with relatively high yield. Nevertheless, dividend discretion feature of the bond may be seen less attractive to the investors' point of view since the bank will have full discretion at all times to cancel distributions/payments of the bondholder.

C.3 Call risk

There is a call option for the issuer which can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank. However, to exercise the call option, the issuer needs to replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, Capital position is above the minimum requirements after the call option is exercised. In this case, the bondholders will lose the expected interest.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. Banks are exposed to five core risks through their operation, which are Credit Risk, Asset/Liability Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, and Information & Communication Technology Security Risk. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

D.1. Impact of COVID-19

As conferred earlier, the pandemic would affect the bank in many aspects both in short term and long term. Among various risks, credit risk and liquidity risk likely to shake the bank mostly. The Non-performing Loan (NPL) of the Bank likely to rise in a new level due to this pandemic. In this situation, the credit worthiness of the existing borrower will be deteriorated which would undermine the possibility of repayment of loan.

In the early months of the pandemic, Bangladesh Bank (BB) undertook a number of measures to ensure adequate liquidity in the financial system to support the operations of financial institutions. Accordingly, BB announced to buy treasury bonds and bills from banks; lowered REPO rates from 6% to 5.25% effective from April 12, 2020; reduced Cash Reserve Ratio (CRR) from 5% to 3.50% (daily-basis) and from 5.50% to 4% (bi-weekly basis) from April 15, 2020; increased advance-deposit ratio (ADR) for all the conventional banks from 85% to 87%, effective from April 15, 2020; increased investment deposit ratio (IDR) for Islami Shariah-based banks and the conventional banks operating

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under Islamic Shariah rules from 90% to 92%, effective from April 15, 2020. According to BB's data excess liquidity in the banking sector has nearly doubled from BDT 1,030,000.00 million in January 2020 to BDT 2,050,000.00 million in December 2020. The surplus liquidity in the banking operation led to a fall in the interest/profit rates, which were already quite low due to introduction of interest/profit rate cap imposed by BB this may led to lower yield from bank investment.

D.2. Credit Risk

Credit risk is one of the most vital risks for any commercial bank as like Bank Asia Limited. Credit risk arises from non-performance by a borrower. It may arise from either an inability or an unwillingness to perform in the pre-commitment contracted manner. The real risk from credit is the deviation of portfolio performance from its expected value. The credit risk of a bank also affects the book value of a bank. The more credit of a particular is in risk, the more probability of a bank to be insolvent. Therefore, the status of depositor in the bank is at risk and probability of incurring loss from their deposited value. In order to mitigate credit risk BAL has created Credit Risk Management and Client Rating Unit which is a division of the Credit Risk Management and Client Rating Unit. It is largely responsible for determining and recommending mitigation for all of the bank's credit risk issues. The unit's main focus will be on ensuring continual comprehension of any changes in risk parameters and reviewing the bank's credit-related activities in order to assess the effectiveness of existing credit risk management instruments.

D.3. Asset Liability Management Risk

Asset Liability Management (ALM) is an integral part of Bank Management; and so, it is essential to have a structured and systematic process to manage the Balance Sheet. BAL has developed an "Assets Liability Management Committee" comprising of the senior management of the bank to make important decisions related to the Balance Sheet Risk and liquidity risk of the bank. ALCO examines the Bank's liquidity requirements, asset and liability maturity, deposit and lending pricing strategy, and liquidity contingency plan. It also developed a guideline in line with Bangladesh Bank guidelines to meet above mentioned purpose. The Covid-19 pandemic in 2020 posed an unprecedented challenge to the Bank's capacity to manage its balance sheet and profit from asset liability position management. The central bank and government implemented a wide range of policy initiatives in response to these unusual conditions. Some of the initiatives intended to loosen money supply conditions, while others focused on credit flow. BAL's group treasury has well-trained officials with good technical and soft skills to give treasury solutions to its internal and external customers to achieve the vital function of manipulating the banking book and trading book of the balance sheet.

D.3.1. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in interest rate can adversely impact a bank's liquidity position. BAL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term liquidity and ensuring adequate liquidity at optimal funding cost. ALCO also reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

D.3.2. Interest Rate Risk

Interest rate risk is the possible loss from adverse movements in market interest rates. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. An investment's value will change due to changes in the absolute level of interest rates. Such changes usually affect securities inversely and can be reduced by diversifying or hedging (through an interest rate swap) techniques. The Asset Liability Committee (ALCO) of BAL is the main body which looks after and monitors interest structure. The committee also evaluates any market risk arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO committee is always watchful to adverse movement of the different market variables.

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D.3.3. Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. Introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated foreign exchange volatility risk. The Treasury Division of BAL manages market risk, including liquidity, interest rate, and foreign exchange risks, under the supervision of the Bank's Asset-Liability Management Committee (ALCO), which is made up of top executives. The treasury division is in charge of conducting transactions autonomously, while the back office is in charge of validating the deal and passing appropriate accounting entries. All foreign exchange related transactions are revalued at mark-to-market rate at the end of the month, as suggested by Bangladesh Bank.

D.4. Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks.

D.4.1. Anti-Money Laundering Policy

Money laundering risk refers to acquired or earned properties directly or indirectly through illegal means. In broader sense, illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means. So Anti Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering activities. BAL has a designated chief compliance officer at its headquarters, as well as compliance officers at its branches, who independently monitor account activities to verify suspicious activity. Money laundering became a global concern as a result of the convergence of several significant shifts in the global economy. Money Laundering and Terrorist Financing Risk are not only regulatory compliance requirements for Bank Asia, but also one of its key business values. The Board of Directors and Management are steadfast in their commitment to combating money laundering.

D.4.2. Internal Control and Compliance (ICC)

Internal control is a process involving a company's board of directors, management, and other personnel that aims to provide reasonable assurance about a company's operations' effectiveness and efficiency, financial reporting's accuracy, and compliance with applicable laws, regulations, and internal policies. BAL's top management is responsible for developing a compliance policy that outlines the core principles that must be approved by the board of directors and specifies the primary processes for identifying and managing compliance risks at all levels of the business. The compliance function plays a vital role in supporting corporate principles, policies, and processes that assist ensure that the bank acts responsibly and meets all legal requirements. The board and management are responsible for the bank's compliance. The board of the bank has established a policy for operational risks, including internal control and compliance risk, based on Bangladesh Bank recommendations. To guard against any operational risk, the Board's Audit Committee oversees the actions of the Internal Control & Compliance Division.

D.4.3. Information & Communication Technology (ICT) Security System

At present context, ICT has become an integral part of the banking institution in order to provide banking facilities to both urban and rural populations. The sector is getting highly competitive now a days and in order to survive and perform in this ever changing sector it is vital to use latest technologies and tools which can help in developing leaner and more flexible structure that can react or respond as per the dynamics of the situation of the market. The major contribution of ICT is that it is cost efficient and increases productivity thus increasing efficiency. As a result, ICT is becoming the largest distribution platform of providing banking service to millions across Bangladesh. However, risks such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on a Bank. Bank Asia Limited adheres to the "Guideline on ICT Security for Banks and Financial Institutions, April 2010". IT management is responsible for IT policy documentation, internal IT audits, and training, among other things. IT management's main goal is to

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achieve the greatest levels of technological service quality while minimizing operational risk. Environmental precautions, as well as physical access to equipment and data, are all part of physical security. Passwords, User ID management, input control, network security, virus prevention, internet, and e-mail are all under the jurisdiction of the IT department. As part of Business Continuity Planning (BCP), a data center has been established, and a disaster recovery plan has been developed.

D.5. Other Risks

The bank applies stress testing to ascertain the reaction of the bank under a set of exceptional but plausible assumptions through a series of battery tests. The bank has taken stress testing to quantify the impact of changes in number of risk factors on asset, liabilities, economic & financial systems & on management of credit risk, operational risk etc. The variables include, profit rate, categories of NPI, movement of exchange rate etc. Stress testing for credit risk assesses the impact of increase in the level of non-performing loans (NPLs) of the banks. This involves several shocking events.

Reputational risk is another risk faced by most banks which refers to the risk of failure to meet the standards of performances or behaviors mandated by the banks & expected by stakeholders in the way in which business is conducted. It arises from the failure of managing credit, market, liquidity risks etc. It may also arise from non-compliance of social, environmental & ethical standards. To mitigate reputation risk, BAL is aware of market perception at an early stage. To this effect, relevant measures and activities relating to business policy are brought under careful scrutiny. All relevant credit decisions are subjected to individual vote of the members of the credit committee. The votes may result in decline of the credit proposal.

Adaptability risk is a fundamental challenge and a potential source of competitive advantage for every organization. Banks also face adaptability risks to cope up with the up to date needs and wants of the customers. BAL provides internal & external training and continuous learning programs to upgrade the level of employee competence and qualification to the current state of developments to fulfill contemporary needs of the customers. To make the employees motivated, BAL provides different types of rewards and benefits to their employees and also inspires a long-grown loyalty and vibrant relationship. BAL empowers their employees to get rid of depression to emerge from the competitive market place.

Regulatory risk includes the risk of loss arising from failure to comply with the laws, regulations or codes applicable to the financial services industry. The regulatory risk function within banks compliance & assurance is responsible for developing & maintaining an appropriate framework of regulatory compliance policies & procedures which is the responsibilities of all the employees & monitored by the compliance & awareness function.

E. MANAGEMENT & OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

Bank Asia is dedicated to ensuring that its systems, procedures, and practices adhere to a high level of Corporate Governance. It has a defined and structured Corporate Governance framework in place to support the Board's goal of producing long-term and sustainable value, as well as to promote a culture that values ethical behavior, integrity, and respect in order to defend the interests of shareholders at all times. The Board of Directors is ultimately responsible for the company's management, direction, governance, and performance, and it leads and oversees the Bank's operations. The Board is also responsible for ensuring that adequate resources are in place to carry out the strategy and deliver long-term performance. Bank Asia must also maintain superior governance procedures in the highly regulated industry in which it works, which is critical for the long-term viability of the bank's businesses. In this regard, the Board Committees support the Board in successfully carrying out its governance responsibilities.

As of December 31, 2020 the Board of Directors (BoD) of the bank consists of 16 (sixteen) members and is headed by Mr. A. Rouf Chowdhury, the Chairman of BoD. The BoD also consists of 2 (two) Independent Directors, 7 (seven) Directors, 5 (five) Independent Directors and the Managing Director. The composition and size of the BoD is well-balanced and made up of professionals with diverse knowledge and expertise in business, operations, and finance to establish the direction of a large and growing bank. The BoD of BAL meets on a monthly basis and in FY2020 the BoD held 18 meetings. In the Board meetings, the Board reviews the Bank's strategic matters, conducts a half-year review of

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the Bank's strategy, and annually approves the Bank's overall strategic direction. Throughout the year, the Board also holds workshops on specific topics relevant to the business. The BoD of the bank has three sub-committees that are in line with the guideline set by the regulatory body. Details of these committees are presented below.

Executive Committee (EC): The Executive Committee periodically evaluates rules and guidelines issued by Bangladesh Bank regarding credit and other activities that are adapted and adopted by management after board approval. The EC approves credit requests in accordance with the Board's policy. EC of the board consists of 7 (seven) members chaired by Mr. Rumeen A Hossain. The committee sat for 42 meetings in the year 2020.

Audit Committee (AC): The Audit Committee is a key subcommittee of Bank Asia Limited's Board of Directors. The committee's mission is to assist the Board in carrying out its oversight responsibilities for the integrity of the Bank's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting), as well as the performance of the internal audit function, the internal audit function's performance, the annual independent audit of the Bank's financial statements, the engagement of Independent auditors, and the evaluation of the independent auditors' qualifications, independence, and performance, compliance of the Bank with legal and regulatory standards, the implementation and effectiveness of the Bank's disclosure controls and procedures, the evaluation of enterprise risk issues and the fulfillment of the other responsibilities set out by the regulators and the Board. The committee is comprised of five members of the Board of Directors including three Independent Directors having one Independent Director as Chairman. The committee held 07 (Seven) meetings during the year 2020.

Risk Management Committee (RMC): Apart from the Executive committee and Audit Committee of the Board, a Risk Management Committee has been formed to minimize risk while implementing the policies and business plan of the Bank. This committee consists of 5 (five) members of the BoD and is chaired by Mr. M.A. Baqui Khalily. The Risk Management Committee held 4 (four) meetings during the year 2020. The Committee monitors whether credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity, and other risks are identified, measured, and suitable mechanisms are in place to mitigate such risks.

E.2. Management Committee

The strategic management activities and overall business operations of BAL are supervised and directed by the core management team of the bank. The core management team, as well as the whole bank, is led by President and Managing Director, Mr. Md. Arfan Ali who has more 26 (twenty Six) years of diverse experience in banking industry. Previously, he was the Additional Managing Director of Bank Asia Limited. Mr. Md. Arfan Ali holds an MBA from the IBA, Dhaka University. He joined Bank Asia as an Assistant Vice President before it began operations in 1999, and he played an important role in the pre-operational stage of establishing formal operations of a newly founded local bank. Apart from functional departments, BAL has established various committees with specific objectives to manage the bank's affairs more efficiently and effectively, and to ensure compliance with Bangladesh Bank's guidelines. Notable committees include the following.

Senior Management Team (SMT)

The Bank's risk culture is set by the Board, CEO, and Senior Management Team (SMT), and is reinforced by its vision, purpose, and shared commitments. These guiding objectives explain the behaviors that the Bank tries to instill in its employees in order to create a culture in which the only risks taken are those that can be understood and managed. The risk culture of the bank fosters accountability, learning from prior experiences, and open communication and openness in all facets of risk taking. On a yearly basis, the Bank's Senior Management Team (SMT) examines the overall efficacy of the bank's control system and gives input to the Board of Directors on the effectiveness of internal control policy, practice, and procedure.

Supervisory Review Process (SRP) Committee

The Supervisory Review Process (SRP) Committee ensures that the bank has an internal process in place to identify and assess all relevant risks. It examines and recommends general principles for the construction of the Internal Capital Adequacy Assessment Process (ICAAP) as well as ensuring that

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capital is appropriately distributed in relation to the ICAAP decision. It also reports ICAAP results to the Strategic layer and BB in a timely and error-free manner.

Asset Liability Committee (ALCO): ALCO examines the bank's liquidity requirements, asset and liability maturity, deposit and lending pricing strategy, and liquidity contingency plan. The Asset Liability Committee also keeps an eye on balance-sheet risk. The Asset Liability Committee is chaired by the Managing Director of the bank and consists 8 members.

Credit Committee

The Bank has designed credit approval authority delegation and sub-delegation to ensure strong governance and improved control in the credit approval system. The Board of Directors and its Executive Committee have the final say on credit approval based on the advice of the bank's credit committee, which is comprised of senior management.

Policy Review Committee

Policy Review Committee reviews the Department/Division specific SOP/Policy/PPG before approval, places the requirement of new policies of the bank and monitors the adoption of Policy of the bank.

E.3. Human Resources

Bank Asia believes that every investment in training, development, health, and support is an investment, not an expense. Bank Asia, as a value-driven business, regards its people as its most valuable capital, who play a critical role in realizing the bank's purpose, vision, goals, and objectives. The People Management Division (PMD) of BAL is in charge of facilitating the organization's overall goals through effective human capital management - focusing on people as the company's most valuable asset. In order to align with the Bank's corporate objective and vision, PMD employs an employee-oriented strategy in its day-to-day operations. The key functional areas of the division are Planning & Sourcing, Organizational Development, Compensation & Benefits, HR Operations, Employee Relations & Compliance. The Human Resource Policy is a set of policies and procedures that regulate all elements of human resource management, from talent acquisition and development through performance and consequence management, code of conduct, and employment termination in BAL. In the FY2020, 154 new employees were recruited where 11% for branches & 89% for Corporate Office to ensure effective and timely support. As on December 31, 2020 the total number of employees were 2,463 among which 542 employees are female and rest 1,921 employees are male.

BAL fosters a performance-driven culture that recognizes success and encourages people to take charge of their personal development. The bank has arranged 657 virtual training to employees in 2020 due to the effects of the Covid19 pandemic. The bank also arranged a total of 19,015 trainings in the year 2020.

E.4. Information Technology

Bank Asia Limited made good progress in terms of digitization and automation and adoption of new technology across the Bank. Recently, the bank introduced scalable technology which was one of the milestone task in the year 2020. ICT of the bank has implemented Oracle RAC (real application technology) environment to ensure maximum availability of the system. During the Covid-19 pandemic period an online loan application system named "GhoreBosheRinNei" was developed. The bank has also implemented central day closing operation, separated report server for Agent Banking, automated NOSTRO reconciliation. Adding to that, adoption of online Account Opening system and Transactional API so that FinTech, different utility payment organizations and exchange houses can easily integrate with the bank's system was also carried out. By using latest API technology BAL has started cross-border remittance operation with MoneyGram International, 2nd largest cross-border Remittance Company of the globe operate in 200 countries. Bank Asia has also started cross-border remittance operation with RAKBANK, UAE also known as National Bank of Ras Al Khaimah by using latest blockchain technology powered by "Ripple". Bank Asia has obtained certificate on "Information Security Management System - ISO/IEC 27001:2013" in September 2019 where the certification authority was BSI Group, India.

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ICT Division has developed remote working platform during the COVID – 19 pandemic period for facilitating employees working from homw. In this regard, to secure corporate network of the Bank ICT Division has implemented Two Factor Authentication (2FA) for user authentication.

E.5. CSR Activities

Bank Asia's efforts are always streamlined to look beyond short-term quantitative advantages and focus on issues that make the institution socially accountable. They are dedicated to social and environmental well-being, and aspire to achieve sustainable, balanced growth in the economic, social, and ecological arenas. Bank Asia firmly believes that sustainable growth of an institution is nothing more than a deceptive idea if it is not conducted in a communally responsible manner and contributes to society. As a result, Bank Asia is always devoted to being a proud development partner of the communities to which it belongs and to helping the communities thrive through constant and balanced CSR initiatives. Bank Asia spent an amount of BDT 282.83 million for several CSR activities during the year of 2020. A large sum was allocated to three regular programs: Health, Higher Study Scholarship, infrastructural development of different institutes, and support to the flood and cold affected people. Sports, art and culture, and disaster management are some of the other CSR projects. With a long-term view, the pace of CSR contribution is projected to rise in the future.

E.6. Green Banking

Bank Asia is a strong supporter of green banking in order to achieve its long-term strategy goal of being a green, triple bottom line bank that makes decisions based on both financial and environmental factors. Online and paperless banking, reduction of greenhouse gas emissions, mapping the bank's carbon footprint, efficient energy use, environmentally friendly projects such as ETP, Zigzag, and HHK technology, plants nursery, biogas, and horticulture projects, and so on are among the bank's green banking initiatives. Bank Asia started approving retail and CMSE loans up to BDT 5,00 million through digital platforms in 2020, eliminating the need for any paper-based procedures. Furthermore, Bank Asia's Training Institute has offered 256 staff with 384 man-hours of Green Banking training through the Foundation training course and other Green Banking-related training that were held online for cost-efficiency and caution of COVID-19 in 2020.




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CORPORATE INFORMATION AS AT DECEMBER 31, 2020

BOARD OF DIRECTORS

Mr. A. Rouf Chowdhury	Chairman
Mr. Mohd. Safwan Choudhury	Vice Chairman
Mr. Romo Rouf Chowdhury	Vice Chairman
Mr. Rumea A Hossain	Director
Ms. Hosneara Sinha	Director
Ms. Naheed Akhter Sinha	Director
Ms. Romana Rouf Chowdhury	Director
Major General Mohammad Matiur Rahman, ndu, psc (retd.)	Director
Ms. Farhana Haq	Director
Mr. Enam Chowdhury	Director
Mr. Dilwar H Choudhury	Independent Director
Mr. Helal Ahmed Chowdhury	Independent Director
Mr. Ashraful Haq Chowdhury	Independent Director
Mr. Md. Abul Quasem	Independent Director
Mr. M. A. Baqui Khalily	Independent Director
Mr. Md. Arfan Ali	President and Managing Director

SHAREHOLDERS

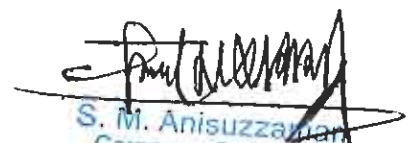
Sponsors & Directors	51.52%
Institutions	23.93%
Foreign Investors	0.22%
Non-resident Bangladeshi	0.14%
General Public	13.82%
Investment Companies	10.36%

AUDITOR

Hoda Vasi Chowdhury & Co
Chartered Accountant
BTMC Bhaban (7th floor)
7-9 Karwan Bazar, Dhaka-1217

REGISTERED OFFICE

Bank Asia Tower
32-34, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1215, Bangladesh
Phone: +88-02- 9515106, 02 9515128, 02 47111038
Fax: +88-02-7175524
Web: www.bankasia-bd.com


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Rumea A Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office




Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



BANK ASIA LIMITED

Income Statement

Financial Year Ending: 31 December	2020	2019	2018	2017
Interest income	18,112,098,828	22,863,139,585	20,910,683,339	16,411,574,859
Less: Interest paid on deposits, borrowings etc.	14,926,677,328	14,462,380,548	13,007,993,495	10,841,556,834
Net interest income	3,185,421,500	8,400,759,037	7,902,689,844	5,570,018,025
Investment income	6,484,398,100	3,293,064,994	2,311,462,131	2,535,391,259
Commission, exchange and brokerage	2,474,977,494	3,361,368,126	2,990,693,997	3,119,816,288
Other operating income	1,034,090,923	1,018,730,455	917,723,225	742,166,065
	9,993,466,517	7,673,163,575	6,219,879,353	6,397,373,612
Total operating income	13,178,888,017	16,073,922,612	14,122,569,197	11,967,391,637
Salaries and allowances	3,536,708,226	3,266,449,893	2,882,190,002	2,519,793,179
Rent, taxes, insurances, electricity etc.	440,514,478	440,093,246	684,528,849	613,241,644
Legal expenses	13,111,596	20,534,559	25,213,849	24,615,519
Postage, stamps, telecommunication etc.	125,950,752	124,471,658	108,489,491	89,544,014
Stationery, Printings, Advertisements etc.	148,118,134	156,689,993	133,450,519	97,405,242
Managing Director's salary and fees	19,262,968	16,572,420	13,900,000	13,900,000
Directors' fees	3,208,000	3,424,000	3,656,000	2,992,000
Auditors' fees	853,000	1,478,225	875,500	952,100
Depreciation and repair of bank's assets	849,791,740	834,076,015	475,722,070	459,920,443
Other expenses	1,970,532,731	1,887,668,330	1,734,164,998	1,457,470,719
Total operating expenses	7,108,051,625	6,751,458,339	6,062,191,278	5,279,834,860
Profit/(Loss) before provision	6,070,836,392	9,322,464,273	8,060,377,919	6,687,556,777
Provision for loans, investments and other assets				
Provision for loans and advances	1,752,780,294	5,653,030,046	3,594,572,904	2,406,649,018
Provision for off-balance sheet items	43,349,415	(196,376,913)	(172,971,972)	223,379,000
Provision for diminution in value of investments	180,000,000	(80,000,000)	10,000,000	-
Other provisions	137,000,000	25,000,000	12,500,000	-
Total provision	2,113,129,709	5,401,653,133	3,444,100,932	2,630,028,018
Total Profit before taxes	3,957,706,683	3,920,811,140	4,616,276,987	4,057,528,759
Provision for Current Tax	1,922,000,000	1,960,000,000	2,350,000,000	1,968,500,000
Provision for Deferred Tax	-	-	-	41,500,000
	1,922,000,000	1,960,000,000	2,350,000,000	2,010,000,000
Net Profit after Taxation	2,035,706,683	1,960,811,140	2,266,276,987	2,047,528,759




Enshad Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.


Mohammad Ibrahim Khalil, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka

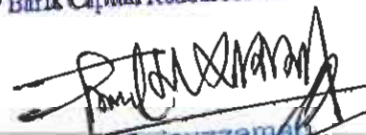


BANK ASIA LIMITED

Balance Sheet

Financial Year Ending: 31 December	2020	2019	2018	2017
Property and Assets				
Cash	17,899,782,364	23,985,692,079	15,552,120,728	17,930,274,917
Cash in hand (Including foreign currencies)	2,962,950,057	3,241,965,175	2,679,608,726	1,992,044,727
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	14,936,832,307	20,743,726,904	12,872,512,002	15,938,230,190
Balance with other banks and financial institutions	31,480,907,697	23,113,553,804	25,865,613,166	29,603,011,389
In Bangladesh	29,455,358,540	19,491,968,105	23,488,274,856	28,766,652,560
Outside Bangladesh	2,025,549,157	3,621,585,699	2,377,338,310	836,358,829
Money at call on short notice		4,600,000,000	100,000,000	-
Investments	94,251,183,584	54,932,579,936	35,999,198,344	27,545,818,419
Government	90,042,129,622	52,197,323,349	33,133,291,838	24,431,255,000
Others	4,209,053,962	2,735,256,587	2,865,906,506	3,114,563,419
Loans and Advances	244,642,030,073	227,298,956,048	214,618,151,145	197,504,138,756
Loans, Cash Credit, Overdraft etc.	228,467,330,505	208,039,420,174	193,721,116,473	181,498,036,483
Bills purchased and discounted	16,174,699,568	19,259,535,874	20,897,034,672	16,006,102,273
Fixed assets including premises, furniture and fixtures	6,708,655,006	7,025,602,707	5,431,553,592	5,329,740,498
Other assets	13,734,592,135	12,843,989,123	9,724,763,581	11,083,658,773
Non-banking assets				
Total Assets	408,717,150,859	353,800,373,697	307,291,400,556	288,996,642,751
Liabilities and Capital				
Liabilities				
Borrowings from other banks, financial institutions and agents	35,971,854,941	34,382,128,495	31,318,674,113	30,268,312,053
Subordinated non-convertible bonds	10,200,000,000	11,800,000,000	7,400,000,000	8,092,588,885
Deposits and other Accounts	303,028,106,360	253,709,574,615	222,471,716,244	207,041,471,381
Current deposit and other Accounts	59,357,845,676	47,453,683,930	47,224,630,178	41,999,629,176
Bills Payable	3,747,868,764	3,742,697,471	4,124,678,804	3,968,967,652
Savings Bank Deposits	64,167,247,193	48,293,710,027	39,558,517,712	34,496,938,426
Fixed Deposits	175,755,144,727	154,219,483,187	131,563,889,550	126,575,936,127
Bearer Certificates of Deposit	-	-	-	-
Other Deposits	-	-	-	-
Other Liabilities	32,136,293,987	29,163,552,669	22,760,876,373	22,539,776,869
Total Liabilities	381,336,255,288	329,055,255,779	283,951,266,730	267,942,149,188
Capital/Shareholders' Equity				
Paid up Capital	11,659,068,600	11,659,068,600	11,103,874,860	9,870,110,990
Statutory Reserve	9,844,096,744	9,052,555,407	8,268,393,179	7,345,137,782
Revaluation Reserve	3,777,946,202	2,065,683,636	2,120,032,204	2,154,384,193
General Reserve	8,166,144	8,166,144	8,166,144	8,166,144
Retained Earnings	2,091,617,881	1,959,644,131	1,839,667,438	1,676,694,455
Total Shareholders' Equity	27,380,895,571	24,745,117,918	23,340,133,826	21,054,493,564
Total Liabilities & Shareholders' Equity	408,717,150,859	353,800,373,697	307,291,400,556	288,996,642,751


Ehsan Hossain
 Managing Director & CEO
 City Bank Capital Resources Ltd.


S. M. Anisuzzaman
 Bank Secretary
 Bank Asia Limited
 Corporate Office


Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Officer


Mohammed Ibrahim Khaili, FCA
 Chief Financial Officer
 Bank Asia Limited
 Corporate Office, Dhaka



BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favorable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be:

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

Disclaimer

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EMERGING
Credit Rating Ltd
an independent board of risk assessment

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E: www.emergingrating.com

Md. Arfapan
President & Managing Director
Bank Asia Ltd.
Corporate Office

EMERGING
Credit Rating Ltd

Ersad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

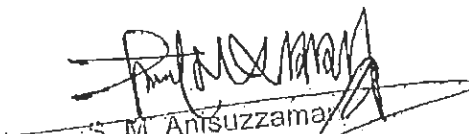
Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka



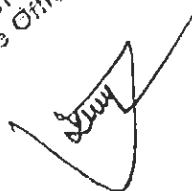
**26. PARTICULARS OF UNDERWRITERS AND AMOUNT UNDERWRITTEN,
IF ANY**

To be provided later


Bushad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

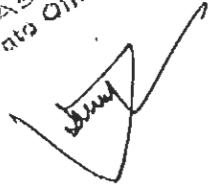
27. PUBLIC ISSUE APPLICATION PROCEDURE

As per conditions in the consent letter


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

28. PRIVATE OFFER APPLICATION PROCEDURE

As per conditions in the consent letter



Eshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

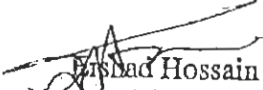


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



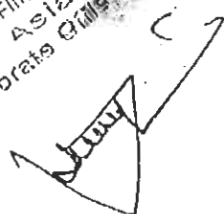
Mohammed Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

29. Audit Report and Audited Financial Statements


Enshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khelil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


Hoda Vasi
Chowdhury & Co

Bank Asia Limited
Audited Financial Statements
for the year ended 31 December 2020


Enayad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Chartered Accountants

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 2020 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 2020, 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.

Other Matters

The financial statements of the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statement on 22 March 2020.


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.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.

Company Office: BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh
Charattogram Office: Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh


Ershad Hossain
Managing Director
City Bank Capital Resources


M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office, Dhaka



Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
<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, provisions calculation consider 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 247,331 million (2019: BDT 230,095 million) and provision for loans and advances of BDT 14,522 million (2019: BDT 12,834 million) including provision maintained by BASL BDT 562,494,169 (2019: BDT 554,494,169)</p> <p>Furthermore as per BRPD circular no 56 dated 10 December 2020, additional 1% provision is required for clients who have taken the deferral facility and shown as special general provision-COVID 19 under other liabilities.</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; 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed 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 presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained <p>Considering the unprecedented adverse impact on Bangladesh economy due to COVID 19, Bangladesh Bank has instructed Banks not to further downgrade any loan from its existing classification applicable as at 1 January 2020. Initially the duration of this moratorium for any further downgrade was up to 30 June 2020</p>

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Md. Arian Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khan
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Mi. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

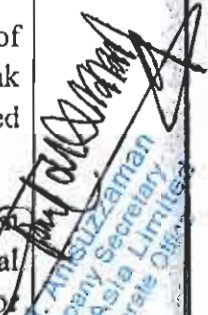
JULY


<ul style="list-style-type: none"> 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>and then up to 30 September 2020 but considering longer adverse impact of COVID 19 this has been further extended to 31 December 2020 vide BRPD Circular # 17 dated 28 September 2020.</p> <p>The Bank has calculated required provision as per Bangladesh Bank letter DBI-1/120/2021-711 dated 16 March 2021 considering total classified loans and advances of Tk 793.09 crore (3.24%).</p> <p>As per the earlier BRPD circular referred above, the Bank has not downgraded any loans and advances from its earlier classification status as at 31 December 2019. Accordingly, the amount and percentage of classified loan has improved as at 31 December 2020 as compared to 31 December 2019 since no additional classification or further downgrade of classified loans and advances have been recognized during the current year.</p>
<p>See note # 8 (a) and 13.2 to the financial statements</p>	

Risk	Our response to the risk
<p>Interest income recognition</p>	
<p>Considering the adverse impact on economy from COVID 19, Bangladesh Bank vide circular # 11 dated 3 May 2020 has advised Banks to transfer all interest charged or chargeable on outstanding loans and advances for the period from 1 April to 31 May 2020 to "interest free blocked account" without realizing those from clients and/or taking those to income.</p> <p>Subsequently, on 10 June 2020 vide BRPD Circular no 12, Bangladesh Bank has allowed banks to transfer interest from "interest-free blocked account" to income upon waiving certain portion of interest based on outstanding loan balances. These loan balances would be receivable from Government as "subsidy".</p>	<p>Interest has been accrued in full on all unclassified loan balances at relevant rates (maximum of 9% since 1 April 2020) considering the entire amount as recoverable from the client and the Government (waived portion).</p> <p>On test basis we have checked a sample of loan accounts to assess whether the Bank has complied with the instruction referred herein.</p> <p>We have also reviewed the memorandum prepared by management for the approval of the audit committee and the Board for recognition of income from deferral accounts.</p>


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 Corporate Office, Dhaka


S. M. Anisuzzaman
 Company Secretary
 Bank Asia Limited
 Corporate Office

**Hoda Vasi
Chowdhury & Co**

Furthermore, net amount of interest after giving waiver for the months of April and May 2020, shall be recoverable from the client during the next twelve months on equal instalments or as per cash flow of the client based on banker-client relationship.

Finally, as per BRPD circular letter no 56 dated 10 December 2020 Bangladesh Bank has allowed the Bank to recognize interest income for clients taking the deferral facility without receiving cash repayment, subject to the compliance of certain criteria, such as approval by management, audit committee and the Board based on applying judgement.

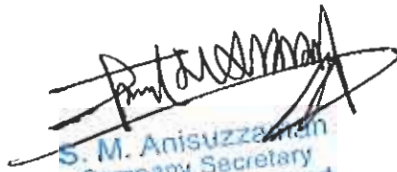
However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income may be different than the actual situation in future. If it became worse, there is a risk that significant portion of interest accrued during the year ended 31 December 2020 may not be ultimately recoverable.

See note # 20 (a) to the financial statements

Valuation of treasury bill and treasury bond

The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.

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.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.

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.

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.

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note # 7 (a) to the financial statements


Masud Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Impairment assessment of unquoted investments

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.

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.

We tested a sample of investments valuation as at 31 December 2020 and compared our results to the recorded value.

Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note # 7.2.1 to the financial statements

IT systems and controls

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.

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


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

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.


We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls


Brian Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil
Chief Financial Officer
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Corporate Office, Dhaka

<p>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>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>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 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>
---	--

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 2020 the carrying value of this investment is BDT 2,115 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</p>

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

[Signature]
Enshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

[Signature]
Md Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

[Signature]
Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office Dhaka

[Signature]

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.


Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Joint Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


M. Arifuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Hoda Vasi Chowdhury & Co

- 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.


Hossain Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


M. M. Hossain
President & Managing Director
Bank Asia Limited
Corporate Office, Dhaka


M. M. Hossain
Company Secretary
Bank Asia Limited
Corporate Office

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, 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 410,809 million as at 31 December 2020 and net interest income of BDT 28,325 million for the year ended 31 December 2020. Out of these three subsidiaries of the Bank two subsidiaries have been audited by other component auditors 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;


Ehsad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

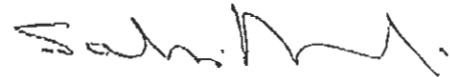

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


Md. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


**Hoda Vasi
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- (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 expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) 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;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,000 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

DVC No: 2103250770AS857181
Dhaka, 18 March 2021



Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants



Arif Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.



S. M. Atisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office



Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Bank Asia Limited and Its Subsidiaries Consolidated Balance Sheet as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
PROPERTY AND ASSETS			
Cash		17,902,027,343	23,986,604,446
In hand (including foreign currencies)	4.1(a)	2,965,195,036	3,242,877,542
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	14,936,832,307	20,743,726,904
Balance with other banks and financial institutions	5(a)	32,103,518,897	23,634,997,570
In Bangladesh		29,965,987,826	19,875,113,514
Outside Bangladesh		2,137,531,071	3,759,884,056
Money at call and on short notice	6(a)	-	4,600,000,000
Investments	7(a)	94,906,810,728	55,526,971,926
Government		90,042,129,622	52,197,323,349
Others		4,864,681,106	3,329,648,577
Loans and advances/investments	8(n)	247,331,848,282	230,095,211,871
Loans, cash credits, overdrafts, etc/investments		231,157,148,714	210,835,675,997
Bills purchased and discounted		16,174,699,568	19,259,535,874
Fixed assets including premises, furniture and fixtures	9(a)	6,814,103,400	7,065,893,231
Other assets	10(a)	11,751,062,261	10,810,548,234
Non - banking assets		-	-
Total assets		410,809,370,911	355,720,227,278
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	35,971,854,941	34,382,128,495
Subordinated non-convertible bonds	11(aa)	10,200,000,000	11,800,000,000
Deposits and other accounts	12(a)	303,493,914,448	254,077,526,668
Current/Wal-wadeeah current accounts and other accounts		59,823,653,764	47,821,635,983
Bills payable		3,747,868,764	3,742,697,471
Savings bank/Mudaraba savings bank deposits		64,167,247,193	48,293,710,027
Fixed deposits/Mudaraba fixed deposits		175,755,144,727	154,219,483,187
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	33,935,202,895	30,873,993,667
Total liabilities		383,600,972,284	331,133,648,830
Capital/shareholders' equity			
Total shareholders' equity		27,208,398,627	24,586,578,448
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	9,844,096,744	9,052,555,407
Revaluation reserve	16(a)	3,777,946,202	2,065,683,636
General reserve		8,166,144	8,166,144
Retained earnings	17(a)	1,918,254,038	1,800,257,979
Foreign currency translation reserve		856,701	836,486
Non-controlling interest	17(b)	10,198	10,196
Total liabilities and shareholders' equity		410,809,370,911	355,720,227,278

Net Assets Value per Share

23.34

21.09

S. M. Asisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Ehsad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

M. Farhan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Consolidated Balance Sheet as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	118,277,542,242	118,576,860,518
Acceptances and endorsements		36,015,850,212	39,192,489,873
Letters of guarantee		36,612,599,301	36,999,351,447
Irrevocable letters of credit		29,751,789,131	26,468,819,479
Bills for collection		15,897,303,598	15,916,199,719
Other contingent liabilities		-	-
Other commitments		3,912,885,538	2,040,416,443
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,912,885,538	2,040,416,443
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		122,190,427,780	120,617,276,961

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

A. P. Chowdhury
Chairman

Rashid Hossain
Director

Sunnat
Director

Abbas
Director

Sabbir Ahmed
President and
Managing Director

Auditors' Report to the Shareholders
see our annexed report of even date

Dhaka, March, 18 2021
DVC No: 2103250770AS857181

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



Rashid Hossain
Rashid Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

S. M. Anisuzzaman
S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Md. Arfan Ali
Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Muhammad Ibrahim Khalil
Muhammad Ibrahim Khalil, FCA
Joint Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Shujat

Hoda Vasi Chowdhury & Co

Bank Asia Limited and Its Subsidiaries
Consolidated Profit and Loss Account
for the year ended 31 December 2020

Amount in Taka

Particulars	Notes	31 Dec 2020	31 Dec 2019
OPERATING INCOME			
Interest income	20(a)	18,117,563,686	22,974,067,272
Interest paid on deposits and borrowings, etc	21(a)	14,926,706,536	14,464,586,306
Net interest income		3,190,857,150	8,509,480,966
Investment income	22(a)	6,484,398,100	3,293,064,994
Commission, exchange and brokerage	23(a)	2,653,972,061	3,495,510,223
Other operating income	24(a)	1,069,174,361	1,052,116,649
		10,207,544,522	7,840,691,866
Total operating income (A)		13,398,401,672	16,350,172,832
OPERATING EXPENSES			
Salaries and allowances	25(a)	3,638,898,248	3,360,493,052
Rent, taxes, insurance, electricity, etc	26(a)	463,933,944	471,721,301
Legal expenses	27(a)	13,751,716	22,218,779
Postage, stamp, telecommunication, etc	28(a)	128,312,780	126,842,671
Stationery, printing, advertisements, etc	29(a)	150,030,731	159,503,843
Managing Director's salary and fees	30	19,262,968	16,572,420
Directors' fees	31(a)	3,483,000	3,726,400
Auditors' fees	32(a)	2,978,246	3,440,259
Depreciation and repairs of Bank's assets	33(a)	875,119,333	842,466,683
Other expenses	34(a)	1,995,821,074	1,914,318,567
Total operating expenses (B)		7,291,592,040	6,921,303,975
Profit before provision (C=A-B)		6,106,809,632	9,428,868,857
Provision for loans and advances/investments			
General provision		2,166,139,871	2,847,887,484
Specific provision		(405,359,577)	2,841,142,562
	13.2(a)	1,760,780,294	5,689,030,046
Provision for off-balance sheet items	13.3	43,349,415	(196,376,913)
Provision for diminution in value of investments		180,000,000	(66,065,312)
Other provisions		137,000,000	25,000,000
Total provision (D)	34(c)	2,121,129,709	5,451,587,821
Total profit before tax (C-D)		3,985,679,923	3,977,281,036
Provision for taxation			
Current tax	13.5.1(a)	1,961,192,514	2,019,469,389
Deferred tax	13.5.2	-	-
		1,961,192,514	2,019,469,389
Net profit after tax		2,024,487,409	1,957,811,647
Appropriations			
Statutory reserve	15	791,541,337	784,162,228
General reserve		-	-
		791,541,337	784,162,228
Retained surplus		1,232,946,072	1,173,649,419
Attributable to:			
Equity holders of Bank Asia Limited		1,232,946,070	1,173,649,329
Non-controlling interest		2	90
		1,232,946,072	1,173,649,419
Earnings Per Share (EPS)	37(a)	1.74	1.68

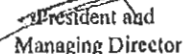
These Financial Statements should be read in conjunction with the annexed notes

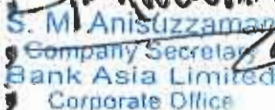

Chairman


Director

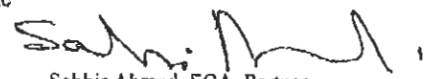

Director


Director


President and
Managing Director


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Auditors' Report to the Shareholders
see our annexed report of even date


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

Dhaka, March, 18 2021
DVC No: 2103250770AS857181


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammed Sabir Khalil, FCA
Chief Executive Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Bank Asia Limited and Its Subsidiaries Consolidated Cash Flow Statement for the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
Cash flows from operating activities (A)			
Interest receipts		23,359,993,236	25,393,562,346
Interest payments		(14,933,189,503)	(14,444,046,102)
Dividends receipts		15,280,460	51,407,464
Fees and commission receipts		2,653,972,061	3,495,510,223
Recoveries on loans previously written off		183,636,137	145,983,239
Cash payment to employees		(3,674,692,886)	(3,367,078,233)
Cash payment to suppliers		(225,693,469)	(232,488,003)
Income tax paid		(2,474,031,947)	(2,121,219,144)
Receipts from other operating activities	35 (a)	2,007,097,543	1,077,007,651
Payments for other operating activities	36 (a)	(2,627,543,728)	(2,558,840,397)
Operating profit before changes in operating assets & liabilities		4,284,827,904	7,439,799,044
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,516,163,259)	(13,378,765,853)
Other assets		541,735,042	(680,913,355)
Deposits from customers and banks		49,416,387,780	31,342,634,891
Trading liabilities		1,589,726,446	3,002,211,896
Other liabilities		424,381,282	(983,438,889)
Net Increase/(decrease) in operating assets and liabilities		36,456,067,291	19,301,728,690
Net cash flows from operating activities		40,740,895,195	26,741,527,734
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(37,844,806,273)	(19,064,031,511)
Sale/(Purchase) of trading securities		(1,535,032,529)	81,262,027
(Purchase)/disposal of fixed assets including right-of-use assets		(457,571,585)	(983,551,320)
Net cash flows from/(used in) investing activities		(39,837,410,387)	(19,966,320,804)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		-	5,000,000,000
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(600,000,000)
Payments for lease liability		(353,868,024)	(296,649,547)
Dividend paid (cash dividend)		(1,165,906,860)	(555,193,743)
Net cash flows from/(used in) financing activities		(3,119,774,884)	3,548,156,710
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(2,216,290,076)	10,323,363,640
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		52,223,764,816	41,900,401,176
Cash and cash equivalents at the end of the year		50,007,474,740	52,223,764,816
Cash and cash equivalents:			
Cash		2,965,195,036	3,242,877,542
Balance with Bangladesh Bank and its agent bank(s)		14,936,832,307	20,743,726,904
Balance with other banks and financial institutions		32,103,518,897	23,634,997,570
Money at call and on short notice		-	4,600,000,000
Prize bonds		1,928,500	2,162,800
		50,007,474,740	52,223,764,816
Net Operating Cash Flows per Share		34.94	22.94

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

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

A. G. Chowdhury
Chairman
Director

S. M. Anisuzzaman
Director

Mohammad Ibrahim Khalil
Director
President and Managing Director

Ehsan Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
& Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity for the period ended 31 December 2020

Particulars	Amount in Taka								
	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 01 January 2019	11,103,874,860	8,268,393,179	2,120,032,204	8,166,144	2,462,381	1,686,898,121	23,189,826,890	11,799	23,189,838,689
Transferred during the year	-	784,162,228	-	-	-	(784,162,228)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(633,304)	-	-	-	(633,304)	-	(633,304)
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	-	-	-
Adjustment of non-controlling interest	-	-	-	-	-	1,693	1,693	(1,693)	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(3,618,945)	(3,618,945)	-	(3,618,945)
Foreign currency translation for the year	-	-	-	-	(1,625,895)	-	(1,625,895)	-	(1,625,895)
Issue of bonus shares	555,193,740	-	-	-	-	(555,193,740)	-	-	-
Cash dividend paid	-	-	-	-	-	(555,193,743)	(555,193,743)	-	(555,193,743)
Net profit for the year	-	-	-	-	-	1,957,811,557	1,957,811,557	90	1,957,811,647
Balance as at 31 December 2019	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	836,486	1,800,257,979	24,586,568,251	10,196	24,586,578,448
Transferred during the year	-	791,541,337	-	-	-	(791,541,337)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	-	1,765,977,830	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(2,758,415)	(2,758,415)	-	(2,758,415)
Foreign currency translation for the year	-	-	-	-	20,215	-	20,215	-	20,215
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,024,487,407	2,024,487,407	2	2,024,487,409
Balance as at 31 December 2020	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	856,701	1,918,254,038	27,208,388,427	10,198	27,208,398,627

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

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Abbas Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

M. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Director

Director

Director


Chairman


Managing Director

Hoda Vasi Chowdhury & Co

Bank Asia Limited Balance Sheet as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
PROPERTY AND ASSETS			
Cash		17,899,782,364	23,985,692,079
In hand (including foreign currencies)	4.1	2,962,950,057	3,241,965,175
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	14,936,832,307	20,743,726,904
Balance with other banks and financial institutions		31,480,907,697	23,113,553,804
In Bangladesh	5.1	29,455,358,540	19,491,968,105
Outside Bangladesh	5.2	2,025,549,157	3,621,585,699
Money at call and on short notice	6	-	4,600,000,000
Investments	7	94,251,183,584	54,932,579,936
Government		90,042,129,622	52,197,323,349
Others		4,209,053,962	2,735,256,587
Loans and advances/investments	8	244,642,030,073	227,298,956,048
Loans, cash credits, overdrafts, etc/investments		228,467,330,505	208,039,420,174
Bills purchased and discounted		16,174,699,568	19,259,535,874
Fixed assets including premises, furniture and fixtures	9	6,708,655,006	7,025,602,707
Other assets	10	13,734,592,135	12,843,989,123
Non - banking assets		-	-
Total assets		408,717,150,859	353,800,373,697
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	35,971,854,941	34,382,128,495
Subordinated non-convertible bonds	11 (aa)	10,200,000,000	11,800,000,000
Deposits and other accounts	12	303,028,106,360	253,709,574,615
Current/AI-wadcah current accounts and other accounts		59,357,845,676	47,453,683,930
Bills payable		3,747,868,764	3,742,697,471
Savings bank/Mudaraba savings bank deposits		64,167,247,193	48,293,710,027
Fixed deposits/Mudaraba fixed deposits		175,755,144,727	154,219,483,187
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	32,136,293,987	29,163,552,669
Total liabilities		381,336,255,288	329,055,255,779
Capital/shareholders' equity			
Total shareholders' equity		27,380,895,571	24,745,117,918
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	9,844,096,744	9,052,555,407
Revaluation reserve		3,777,946,202	2,065,683,636
General reserve		8,166,144	8,166,144
Retained earnings		2,091,617,881	1,959,644,131
Total liabilities and shareholders' equity		408,717,150,859	353,800,373,697
Net Assets Value per Share		23.48	21.22


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arif Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Balance Sheet as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	118,277,542,242	118,576,860,518
Acceptances and endorsements		36,015,850,212	39,192,489,873
Letters of guarantee		36,612,599,301	36,999,351,447
Irrevocable letters of credit		29,751,789,131	26,468,819,479
Bills for collection		15,897,303,598	15,916,199,719
Other contingent liabilities		-	-
Other commitments		3,912,885,538	2,040,416,443
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,912,885,538	2,040,416,443
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		122,190,427,780	120,617,276,961

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

A. J. Chowdhury

Chairman

Ratnam Kumar

Director

Debes

Director

[Signature]

President and
Managing Director

Auditors' Report to the Shareholders
see our annexed report of even date

Sabbir Ahmed

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

Dhaka, March, 18 2021
DVC No: 2103250770AS857181



[Signature]
Brasao Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

[Signature]
S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

[Signature]
Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

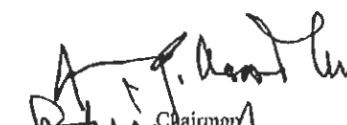
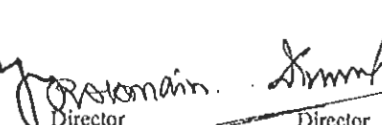


[Signature]
Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Bank Asia Limited Profit and Loss Account for the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
OPERATING INCOME			
Interest income	20	18,112,098,828	22,863,139,585
Interest paid on deposits and borrowings, etc	21	14,926,677,328	14,462,380,548
Net interest income		3,185,421,500	8,400,759,037
Investment income	22	6,484,398,100	3,293,064,994
Commission, exchange and brokerage	23	2,474,977,494	3,361,368,126
Other operating income	24	1,034,090,923	1,018,730,455
		9,993,466,517	7,673,163,575
Total operating income (A)		13,178,888,017	16,073,922,612
OPERATING EXPENSES			
Salaries and allowances	25	3,536,708,226	3,266,449,893
Rent, taxes, insurance, electricity, etc	26	440,514,478	440,093,246
Legal expenses	27	13,111,596	20,534,559
Postage, stamp, telecommunication, etc	28	125,950,752	124,471,658
Stationery, printing, advertisements, etc	29	148,118,134	156,689,993
Managing Director's salary and fees	30	19,262,968	16,572,420
Directors' fees	31	3,208,000	3,424,000
Auditors' fees	32	853,000	1,478,225
Depreciation and repairs of Bank's assets	33	849,791,740	834,076,015
Other expenses	34	1,970,532,731	1,887,668,330
Total operating expenses (B)		7,108,051,625	6,751,458,339
Profit before provision (C=A-B)		6,070,836,392	9,322,464,273
Provision for loans and advances/investments			
General provision		2,166,139,871	2,847,887,484
Specific provision		(413,359,577)	2,805,142,562
	13.2	1,752,780,294	5,653,030,046
Provision for off-balance sheet items	13.3	43,349,415	(196,376,913)
Provision for diminution in value of investments	13.7	180,000,000	(80,000,000)
Other provisions	13.8	137,000,000	25,000,000
Total provision (D)	34(b)	2,113,129,709	5,401,653,133
Total profit before tax (C-D)		3,957,706,683	3,920,811,140
Provision for taxation			
Current tax	13.5.1	1,922,000,000	1,960,000,000
Deferred tax	13.5.2	-	-
		1,922,000,000	1,960,000,000
Net profit after tax		2,035,706,683	1,960,811,140
Appropriations			
Statutory reserve	15	791,541,337	784,162,228
General reserve		-	-
		791,541,337	784,162,228
Retained surplus		1,244,165,346	1,176,648,912
Earnings Per Share (EPS)	37	1.75	1.68


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

 Chairman
 Director
 Director
 President and Managing Director

Auditors' Report to the Shareholders
see our annexed report of even date

 Sabbir Ahmed, FCA, Partner
 Enrolment no: 770
 Hoda Vasi Chowdhury & Co. Chartered Accountants
 Ibrahim Khalil, FCA
 Chief Financial Officer
 Hoda Vasi Chowdhury & Co. Chartered Accountants
 Corporate Office, Dhaka

Dhaka, March, 18 2021
DVC No: 2103250770AS857181

 Md. Masud Raza
 Managing Director & CEO
 City Bank Capital Resources Ltd.

 Md. Arfan Ali
 President & Managing Director
 Bank Asia Ltd.
 Corporate Office

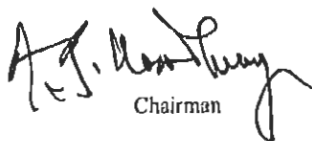


Hoda Vasi Chowdhury & Co

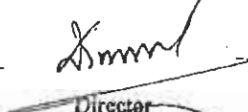
Bank Asia Limited Cash Flow Statement for the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31 Dec 2020	31 Dec 2019
Cash flows from operating activities (A)			
Interest receipts		23,166,183,766	25,072,331,026
Interest payments		(14,744,815,683)	(14,231,536,711)
Dividends receipts		15,280,460	51,407,464
Fees and commission receipts		2,474,977,494	3,361,368,126
Recoveries on loans previously written off		183,636,137	145,983,239
Cash payment to employees		(3,572,502,864)	(3,273,035,074)
Cash payment to suppliers		(223,780,872)	(229,674,153)
Income tax paid		(2,429,453,826)	(2,051,736,653)
Receipts from other operating activities	35	1,972,014,105	1,043,621,457
Payments for other operating activities	36	(2,573,433,525)	(2,494,242,438)
Operating profit before changes in operating assets & liabilities		4,268,105,192	7,394,486,283
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(15,213,028,151)	(13,519,492,993)
Other assets		281,322,817	(708,379,076)
Deposits from customers and banks		49,318,531,745	31,237,858,371
Trading liabilities		1,589,726,446	3,063,454,382
Other liabilities		332,501,946	(950,432,513)
Net Increase/(decrease) in operating assets and liabilities		36,309,054,803	19,123,008,171
Net cash flows from operating activities		40,577,159,995	26,517,494,454
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(37,844,806,273)	(19,064,031,511)
Sale/(Purchase) of trading securities		(1,473,797,375)	130,649,919
(Purchase)/disposal of fixed assets including right-of-use assets		(457,571,585)	(950,140,783)
Net cash flows from/(used in) Investing activities		(39,776,175,233)	(19,883,522,375)
Cash flows from financing activities (C)			
Issuance of subordinated non-convertible bond		-	5,000,000,000
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(600,000,000)
Payments for lease liability		(353,868,024)	(296,649,547)
Dividend paid (cash dividend)		(1,165,906,860)	(555,193,743)
Net cash flows from/(used in) financing activities		(3,119,774,884)	3,548,156,710
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(2,318,790,122)	10,182,128,789
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		51,701,408,683	41,519,279,894
Cash and cash equivalents at the end of the year		49,382,618,561	51,701,408,683
Cash and cash equivalents:			
Cash		2,962,950,057	3,241,965,175
Balance with Bangladesh Bank and its agent bank(s)		14,936,832,307	20,743,726,904
Balance with other banks and financial institutions		31,480,907,697	23,113,553,804
Money at call and on short notice		-	4,600,000,000
Prize bonds		1,928,500	2,162,800
		49,382,618,561	51,701,408,683
Net Operating Cash Flows per Share		34.80	22.74

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

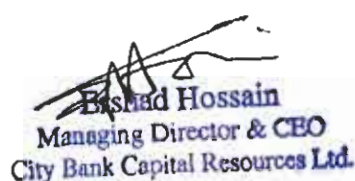

Chairman


Director


Director


Director


President and
Managing Director


Managing Director & CEO
City Bank Capital Resources Ltd.


President & Managing Director
Bank Asia Ltd.
Corporate Office


President and
Managing Director
Chief Financial Officer
Bank Asia Limited
Corporate Office: Dhaka

Bank Asia Limited
Statement of Changes in Equity for the period ended 31 December 2020

Particulars	Amount in Taka					
	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Retained earnings	Total
Balance at 01 January 2019	11,103,874,860	8,268,393,179	2,120,032,204	8,166,144	1,839,667,438	23,340,133,826
Transferred during the year	-	784,162,228	-	-	(784,162,228)	-
Adjustment on revaluation of fixed assets and other investment	-	-	(633,304)	-	-	(633,304)
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Issue of bonus shares	555,193,740	-	-	-	(555,193,740)	-
Cash dividend paid	-	-	-	-	(555,193,743)	(555,193,743)
Net profit for the year	-	-	-	-	1,960,811,140	1,960,811,140
Balance at 31 December 2019	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	1,959,644,131	24,745,117,918
Transferred during the year	-	791,541,337	-	-	(791,541,337)	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,035,706,683	2,035,706,683
Balance at 31 December 2020	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	2,091,617,881	27,380,895,571

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


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Enam Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

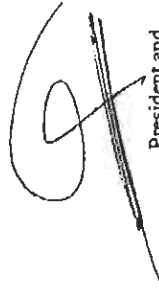

Md. Arfan Aii
President & Managing Director
Bank Asia Ltd.
Corporate Office


Md. Kamrul Hossain
Chairman

Director

Director

Director


Hoda Vasi
President and
Managing Director


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

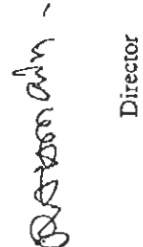
Bank Asia Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities) as at 31 December 2020

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Amount in Taka						
Assets						
Cash in hand and with banks	5,757,882,364	-	-	-	12,141,900,000	17,899,782,364
Balance with other banks and financial institutions	8,274,907,697	17,538,000,000	5,668,000,000	-	-	31,480,907,697
Money at call and on short notice	-	-	-	-	-	-
Investments	1,719,800,000	192,100,000	30,208,900,000	32,128,600,000	30,001,783,584	94,251,183,584
Loans and advances	48,573,100,000	35,240,200,000	65,016,400,000	77,936,600,000	17,875,730,073	244,642,030,073
Fixed assets including premises, furniture and fixtures	-	-	-	-	6,708,655,006	6,708,655,006
Other assets	1,078,700,000	3,512,595,779	902,400,000	6,125,028,357	2,115,868,000	13,734,592,135
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	65,404,390,061	56,482,895,779	101,795,700,000	116,190,228,357	68,843,936,663	408,717,150,859
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	9,011,654,941	14,297,800,000	6,577,300,000	12,707,300,000	3,577,800,000	46,171,854,941
Deposits	48,080,816,859	46,016,000,000	80,552,500,000	89,920,000,000	38,458,789,501	303,028,106,360
Provision and other liabilities	457,200,000	1,024,177,290	2,391,200,000	4,341,502,178	23,922,214,519	32,136,293,987
Total Liabilities (B)	57,549,671,800	61,337,977,290	89,521,000,000	106,968,802,178	65,958,804,020	381,336,255,288
Net Liquidity Excess/(Shortage) (A-B)	7,854,718,261	(4,855,081,511)	12,274,700,000	9,221,426,179	2,885,132,643	27,380,895,571

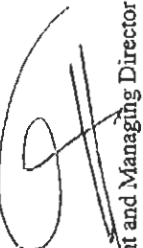

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Brshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd


Md Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


Md Masud Ibrahimi
Chairman


Jimmy
Director


Hoda Vasi
President and Managing Director

Md Masud Ibrahimi Khali, FCA
Senior Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020

General

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 129 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 5 Sub branches and 187 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 (2nd 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 February 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 subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to


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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 (NYDFS) 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.

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 2020), 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 2020)
- 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 end is taken to profit or loss account or other comprehensive income/valuation reserve respectively.


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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" (HFT), any change in the fair value of held for trading securities is recognized through profit or loss account.

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

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.

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act 1991 (amended upto 2018) until such reserve equal to its paid-up capital together with the share premium. Statutory reserve transferred in yearly basis.

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.

vii) 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 followed in the accounts.

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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 all contingent liabilities.

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 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

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

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.


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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

IFRSs: 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 3.19 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 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

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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, 2019 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, 2019 have been converted into Taka currency at the closing rate as on December 31, 2019 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:

- a. assets and liabilities for each statement of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Statement have been translated at monthly average rate; and
- c. 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, 2020.


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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 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.

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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 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 no. 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 "Consolidated and 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

- a) Loans and advances/investments are stated in the balance sheet on gross basis.
- b) 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.
- c) Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- d) 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 and Bangladesh Bank BRPD circular no. 56 dated 10 December 2020.

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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	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	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%	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%.

- e) 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.
- f) The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited, Abdul Monem Sugar Refinery Limited and Shinepukur Ceramics Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2020 total outstanding amount was Tk 3,854.05 million as per the terms and conditions of the said circular. Out of these facilities M/s. Samannaz Super Oil Limited and S. A. Oil Refinery Limited is now under Solenama (Compromise Agreement submitted before the Court) as unclassified with outstanding amount Tk 3,1280.56 million.
- g) In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 5,361.75 million which have not been reported under classification as at 31 December 2020 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 3,273.39 million has been kept as general provision against those customers.

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.


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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 equipment 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:

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

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".

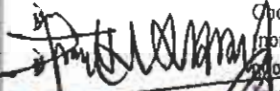
Construction work in progress/Building under Construction


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.


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Bank Asia Limited

Notes to financial statements for the year ended 31 December 2020

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 Leases

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 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.


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Bank Asia Limited

Notes to financial statements for the year ended 31 December 2020

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

Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized 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

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act 1991 (amended upto 2020) until such reserve equal to its paid-up capital together with the share premium. Statutory reserve transferred in yearly basis.

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

Minority interest (non-controlling 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 realized.


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**Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020**

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 on 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.

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 realization.

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 "Presentation of Financial Statements".


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Bank Asia Limited

Notes to financial statements for the year ended 31 December 2020

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, 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 to 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.

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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 realized.

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 at 31 December 2018 as per Bangladesh Accounting Standard (IAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share issued for the year 2018. 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.

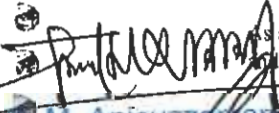
Un-reconciled entries in case of inter-branch transactions as at the reporting date are not material.

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:


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Notes to financial statements for the year ended 31 December 2020

Sl	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	
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) ensures 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.

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Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020

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 comprised 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.

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

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

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.

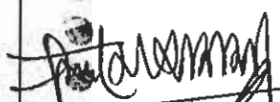
Ensuring internal control and compliance: Operational loss arising from error and fraud due to lack of proper internal control and compliance. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at corporate office for identifying 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).


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Bank Asia Limited

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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 RMD meeting, Board and Audit Committee reporting); 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:

- (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).

3.15 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.

3.16 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 entity:

- (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.


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Notes to financial statements for the year ended 31 December 2020

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 (IAS)/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	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
Revenue from Contract 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
Construction Contracts	IAS-11	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Leases	IAS-17	Complied
Revenue	IAS-18	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


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President & Managing Director
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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
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Corporate Office Dhaka

Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020

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

Name of the standards	Ref.	Status
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 Approval of financial statements

The financial statements were approved by the Board of Directors on March 18, 2021.

3.23 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 2020 to 31 December 2020.


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Hoda Vasi Chowdhury & Co

Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020


		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
4	Cash		
4.1	In hand		
	Conventional and Islamic banking		
	Local currency	2,819,744,368	3,215,685,185
	For Provisional	143,205,689	26,279,990
		<u>2,962,950,057</u>	<u>3,241,965,175</u>
	Off-shore banking unit	-	-
		<u>2,962,950,057</u>	<u>3,241,965,175</u>
4.1(a)	Consolidated cash in hand		
	Bank Asia Limited	2,962,950,057	3,241,965,175
	Bank Asia Securities Limited	7,019	6,689
	BA Exchange Company (UK) Limited	2,082,682	905,678
	BA Express USA, Inc	155,278	-
		<u>2,965,195,036</u>	<u>3,242,877,542</u>
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)	13,723,650,450	14,281,134,218
	Foreign currencies	397,715,443	5,483,798,564
		<u>14,121,365,893</u>	<u>19,764,932,782</u>
	Balance with agent bank (Sonali Bank Limited)		
	Local currency	815,466,414	978,794,122
	Foreign currencies	-	-
		<u>815,466,414</u>	<u>978,794,122</u>
		<u>14,936,832,307</u>	<u>20,743,726,904</u>
	Off-shore banking unit	-	-
		<u>14,936,832,307</u>	<u>20,743,726,904</u>
4.2(n)	Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
	Bank Asia Limited	14,936,832,307	20,743,726,904
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>14,936,832,307</u>	<u>20,743,726,904</u>

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, islamic and offshore banking) has been calculated and maintained with Bangladesh Bank in local currency and 15% (7.5% 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:


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Mohammed Ibrahim Khalil, FCA
Chartered Accountant
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Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019

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

i. Daily Bank's CRR maintenance:

Required reserve	9,838,487,000	12,425,814,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	9,608,789,000	11,454,521,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	229,698,000	971,293,000
Actual reserve maintained	13,202,579,092	14,342,548,530
Surplus	3,364,092,092	1,916,734,530

ii. Fortnightly Bank's CRR maintenance:

Required reserve	11,287,737,000	13,668,395,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	10,981,473,000	12,599,973,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	306,264,000	1,068,422,000
Actual reserve maintained (average)	11,961,134,125	13,858,631,590
Surplus	673,397,125	190,236,590

Islamic Banking

i. Daily Bank's CRR maintenance:

Required reserve (3.5% Demand and Time Liabilities)	747,580,000	881,019,000
Actual reserve maintained	944,116,000	971,336,000
Surplus	196,536,000	90,317,000

ii. Fortnightly Bank's CRR maintenance:

Required reserve (4% of Demand and Time Liabilities)	854,377,000	969,120,000
Actual reserve maintained (Average)	889,974,820	982,962,670
Surplus	35,597,820	13,842,670

4.3.2 Statutory Liquidity Ratio (SLR)

Conventional Banking

13% of Average Demand and Time Liabilities:

Required reserve	37,680,506,000	32,307,116,000
Domestic Banking Operation	35,689,789,000	29,781,755,000
Offshore Banking Operation	1,990,717,000	2,525,361,000
Actual reserve maintained	90,410,108,880	55,749,003,020
Surplus	52,729,602,880	23,441,887,020

Islamic Banking

7.5% of Average Demand and Time Liabilities :

Required reserve	1,174,768,000	969,120,000
Actual reserve maintained	4,906,377,000	1,010,836,000
Surplus	3,731,609,000	41,716,000
	56,461,211,880	23,483,603,020


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Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	2,909,958,740	3,202,645,610
Excess of CRR - Balance with Bangladesh Bank	1,914,842,090	674,153,530
Balance with agent bank (Sonali Bank Limited)	326,888,420	644,180,530
Government securities	85,256,491,120	51,225,860,540
Other securities	1,928,500	2,162,800
	<u>90,410,108,870</u>	<u>55,749,003,010</u>
Islamic Banking		
Cash in hand	32,928,000	39,320,000
Excess of CRR - Balance with Bangladesh Bank	89,739,000	2,216,000
Government securities	4,783,710,000	969,300,000
Other securities	-	-
	<u>4,906,377,000</u>	<u>1,010,836,000</u>
	<u>95,316,485,870</u>	<u>56,759,839,010</u>
5 Balance with other banks and financial institutions		
In Bangladesh		
Conventional and Islamic banking (Note 5.1)	29,455,358,540	19,491,968,105
Off-shore banking unit	-	-
	<u>29,455,358,540</u>	<u>19,491,968,105</u>
Outside Bangladesh		
Conventional and Islamic banking (Note 5.2)	1,948,061,993	3,163,855,218
Off-shore banking unit	77,487,164	457,730,481
	<u>2,025,549,157</u>	<u>3,621,585,699</u>
	<u>31,480,907,697</u>	<u>23,113,553,804</u>
5.1 Conventional and Islamic banking - In Bangladesh		
Current accounts		
AB Bank Limited	41,480	41,480
Agrani Bank Limited	387,920,880	242,743,542
Janata Bank Limited	65,066,340	74,235,985
Rupali Bank Limited	222,804,900	106,657,418
Pubali Bank Limited	290,734,265	181,718,255
Standard Chartered Bank	8,732,858	258,270
Sonali Bank Limited	505,204,561	276,432,774
Trust Bank Limited	885,766	(5,022,218)
	<u>1,481,391,050</u>	<u>877,065,506</u>
Short-notice deposit accounts		
AB Bank Limited	572,299	558,562
Bank Alfalah Limited	12,324	15,035
Islami Bank Bangladesh Limited	182,867	180,283
Uttara Bank Limited	-	48,719
	<u>767,490</u>	<u>802,599</u>
Fixed deposit accounts/ MTDR		
Islamic Finance and Investment Limited	100,000,000	150,000,000
Hajj Finance Company Limited	100,000,000	150,000,000
	<u>200,000,000</u>	<u>300,000,000</u>
	<u>1,682,158,540</u>	<u>1,177,868,105</u>
Placements		
With Banking companies (5.1.1)	24,423,200,000	12,764,100,000
With Non-banking financial institutions (5.1.2)	3,350,000,000	5,550,000,000
	<u>27,773,200,000</u>	<u>18,314,100,000</u>
	<u>29,455,358,540</u>	<u>19,491,968,105</u>

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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
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5.1.1 Details of Placement with Banking companies

In Local Currency:

EXIM Bank Limited	5,300,000,000	-
Jamuna Bank Limited	-	3,500,000,000
Mercantile Bank Limited	-	1,000,000,000
Mutual Trust Bank Limited	-	500,000,000
NRB Bank Limited	300,000,000	-
National Bank Limited	-	1,000,000,000
Sonali Bank Limited	500,000,000	-
One Bank Limited	2,000,000,000	3,000,000,000
Dhaka Bank Limited	1,000,000,000	-
Social Islami Bank Limited	4,200,000,000	-
Southeast Bank Limited	2,000,000,000	-
Standard Bank Limited	2,000,000,000	3,000,000,000
	17,300,000,000	12,000,000,000

In Foreign Currency:

Mutual Trust Bank Limited	763,200,000	-
Islami Bank Bangladesh Limited	6,360,000,000	-
Modhumoti Bank Limited	-	764,100,000
	7,123,200,000	764,100,000
	24,423,200,000	12,764,100,000

5.1.2 Details of Placement with Non-banking financial institutions

Delta Brac Housing Finance Corporation Limited	500,000,000	400,000,000
Investment Corporation of Bangladesh	2,700,000,000	3,000,000,000
IPDC Finance Limited	-	500,000,000
IDCL Finance Limited	-	1,500,000,000
Union Capital Limited	150,000,000	150,000,000
	3,350,000,000	5,550,000,000

5.2 Conventional and Islamic banking -Outside Bangladesh

Current accounts

Interest bearing :

Citibank N.A., London (EURO)	55,820	467,484
Citibank N.A., London (GBP)	3,432,347	12,159,468
Citibank NA, New York (USD)	864,098,530	521,514,002
Habib American Bank, New York	373,748,309	1,811,044,754
Mashreqbank PSC, New York (USD)	71,208,735	25,612,854
Standard Chartered Bank, Mumbai	27,931,401	44,364,590
Standard Chartered Bank, New York	323,807,413	415,466,240
	1,664,282,555	2,830,629,392

Non-interest bearing :

AB Bank Limited, Mumbai	3,571,503	8,937,928
Al Rajhi Bank K.S.A	14,896,693	28,689,207
Bank of Sydney	1,027,704	2,484,730
Bhutan National Bank Limited, Thimphu	87,626	13,141,369
Axis Bank Ltd, Mumbai (Acu)	26,116,905	26,614,443
Commerzbank AG, Frankfurt (EURO)	1,211,062	19,112,994
Commerzbank AG, Frankfurt (USD)	6,056,939	6,400,719
Habib Metropolitan Bank Limited, Karachi	11,943,606	15,504,093
Aktif Bank, Istanbul -Jpy	2,587,251	2,537,702
ICI Bank Limited, Kowloon	2,022,848	10,577,408
ICI Bank Limited, Mumbai	39,671,129	66,812,787
Morgan Chase Bank N.A New York, U.S.A	5,622,870	46,115,614
Mashreqbank PSC, Mumbai (EURO)	833,981	764,315

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Chief Financial Officer
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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Mashreqbank PSC, Dubai	82,095,741	44,358,240
Muslim Commercial Bank Limited, Colombo	8,923,367	15,102,974
Nepal Bangladesh Bank Limited, Kathmandu	16,710,424	7,489,419
HDFC Bank, Mumbai	3,220,184	181,135
Bank Alfalah Limited, Karachi Pak (ACU)	31,577,935	-
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	99,202	1,025,425
Wells Fargo Bank NA, New York, (USD)	22,200,036	11,926,959
Wells Fargo Bank NA, London, (Euro)	886,088	3,616,182
Zurcher Kantonal Bank, Switzerland	2,416,344	1,832,183
	<u>283,779,438</u>	<u>333,225,826</u>
	1,948,061,993	3,163,855,218
Placement with Off-shore Banking Unit	4,258,953,750	1,139,358,801
Less: Inter-company transactions with OBU	(4,258,953,750)	(1,139,358,801)
	<u>1,948,061,993</u>	<u>3,163,855,218</u>
5.3 Maturity grouping of balance with other banks and financial institutions		
Up to 1 month	8,274,907,697	10,148,653,804
More than 1 month but not more than 3 months	17,538,000,000	10,964,900,000
More than 3 months but not more than 6 months	5,668,000,000	2,000,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<u>31,480,907,697</u>	<u>23,113,553,804</u>
5(a) Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Bank Asia Limited	29,455,358,540	19,491,968,105
Bank Asia Securities Limited	563,887,306	390,202,061
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>30,019,245,846</u>	<u>19,882,170,166</u>
Less: Inter-company transactions	53,258,020	7,056,652
	<u>29,965,987,826</u>	<u>19,875,113,514</u>
Outside Bangladesh		
Bank Asia Limited	2,025,549,157	3,621,585,699
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	15,828,898	44,673,605
BA Express USA, Inc	96,153,016	93,624,752
	<u>2,137,531,071</u>	<u>3,759,884,056</u>
	<u>32,103,518,897</u>	<u>23,634,997,570</u>
6 Money at call and on short notice		
Call money Lending (Note 6.1)	-	2,500,000,000
Short Notice Lending (Note 6.2)	-	2,100,000,000
	-	<u>4,600,000,000</u>
6.1 Call Money Lending		
With Banking companies:		
Standard Bank Limited	-	300,000,000
National Bank Limited	-	900,000,000
NRB Bank Limited	-	300,000,000
Midland Bank Limited	-	600,000,000
	-	<u>2,100,000,000</u>
With non Banking financial institutions:		
Delta Brae Housing	-	400,000,000
	-	<u>2,500,000,000</u>


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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
6.2	Short Notice Lending		
	AB Bank Limited	-	1,500,000,000
	NRB Commercial Bank Limited	-	600,000,000
		-	<u>2,100,000,000</u>
6(a)	Consolidated Money at call and on short notice		
	Bank Asia Limited	-	4,600,000,000
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		-	<u>4,600,000,000</u>
7	Investments		
	Government (Note 7.1)	90,042,129,622	52,197,323,349
	Others (Note 7.2)	4,209,053,962	2,735,256,587
		<u>94,251,183,584</u>	<u>54,932,579,936</u>
7.1	Government		
	Conventional and Islamic banking (Note 7.1.1)	90,042,129,622	52,197,323,349
	Off-shore banking unit	-	-
		<u>90,042,129,622</u>	<u>52,197,323,349</u>
7.1.1	Conventional and Islamic banking		
	Treasury bills (Note 7.1.1.1)	23,102,022,464	17,957,242,335
	Treasury bonds (Note 7.1.1.2)	66,938,178,658	34,237,918,214
	Prize bonds	1,928,500	2,162,800
		<u>90,042,129,622</u>	<u>52,197,323,349</u>
7.1.1.1	Treasury bills		
	91 days treasury bills	-	983,819,500
	182 days treasury bills	-	5,802,790,192
	364 days treasury bills	23,102,022,464	11,170,632,643
		<u>23,102,022,464</u>	<u>17,957,242,335</u>
7.1.1.2	Treasury bonds		
	Bangladesh Bank Govt Investment Sukuk	3,695,610,000	-
	Bangladesh Bank Islamic bond	1,088,100,000	969,300,000
	2 years Bangladesh Government treasury bonds	16,209,978,546	11,860,346,380
	5 years Bangladesh Government treasury bonds	10,809,627,648	1,232,569,103
	10 years Bangladesh Government treasury bonds	20,772,094,037	6,949,813,038
	15 years Bangladesh Government treasury bonds	9,979,818,881	8,844,580,607
	20 years Bangladesh Government treasury bonds	4,382,949,546	4,381,309,086
		<u>66,938,178,658</u>	<u>34,237,918,214</u>
7.2	Others		
	Conventional and Islamic banking (Note 7.2.1)	4,209,053,962	2,735,256,587
	Off-shore banking unit	-	137,586,963
	Less: Adjustment with OBU	-	(137,586,963)
		<u>4,209,053,962</u>	<u>2,735,256,587</u>


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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	444,596,173	451,939,366
Unquoted share	226,732,948	226,743,590
	671,329,121	678,682,956
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st 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	158,076,866	235,793,533
	657,741,866	735,458,533
c) Debentures		
Beximco Denims Limited	9,537,605	9,537,605
Beximco Textiles Limited	6,445,370	6,445,370
	15,982,975	15,982,975
d) Bonds		
BSRM Steels Limited zero coupon bond	-	21,132,123
Premier Bank Non-convertible subordinated bond	500,000,000	500,000,000
MTB Second subordinated bond	160,000,000	240,000,000
UCB Second subordinated bond	120,000,000	180,000,000
5 Year Pref.Sh.of Summit Lng Ter Co (Pvt)	100,000,000	100,000,000
SIBL 2nd Mudaraba Subordinated Bond	60,000,000	80,000,000
7 Year Preference Share of Summit BPL	44,000,000	54,000,000
SIBL subordinated Mudaraba bond	40,000,000	80,000,000
5 Year Pre.of Sh.Summit Gazipur II Power	40,000,000	50,000,000
UCBL 4th subordinated bond	1,000,000,000	-
5 Year Pre.Share Of Meghna Cement Mills	700,000,000	-
5 Year Pref.Sh.of Kushiara Power Co. Ltd	100,000,000	-
	2,864,000,000	1,305,132,123
	4,209,053,962	2,735,256,587
7.3 Investments classified as per Bangladesh Bank circular		
Held for trading (HFT)	49,756,216,683	25,006,234,834
Held to maturity (HTM)	35,500,274,439	26,219,625,715
Other securities	8,994,692,462	3,706,719,387
	94,251,183,584	54,932,579,936
7.4 Maturity-wise grouping		
On demand	1,719,800,000	3,800,078,275
Up to 3 months	192,100,000	4,022,700,000
More than 3 months but not more than 1 year	30,208,900,000	16,213,600,000
More than 1 year but not more than 5 years	32,128,600,000	12,123,715,602
More than 5 years	30,001,783,584	18,772,486,059
	94,251,183,584	54,932,579,936

7(a) Consolidated Investments

Government
Bank Asia Limited
Bank Asia Securities Limited
BA Exchange Company (UK) Limited
BA Express USA, Inc


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
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90,042,129,622	52,197,323,349
-	-
-	-
-	-
90,042,129,622	52,197,323,349


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Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Others		
Bank Asia Limited	4,209,053,962	2,735,256,587
Bank Asia Securities Limited	655,627,144	594,391,990
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	4,864,681,106	3,329,648,577
	<u>94,906,810,728</u>	<u>55,526,971,926</u>
8 Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	228,467,330,505	208,039,420,174
Bills purchased and discounted (Note 8.2)	16,174,699,568	19,259,535,874
	<u>244,642,030,073</u>	<u>227,298,956,048</u>
8.1 Loans, cash credits, overdrafts, etc/investments		
Conventional and Islamic banking		
Inside Bangladesh		
Agricultural loan	2,652,039,116	4,159,541,046
Cash credit/Bai Murabaha (Muajjal)	6,475,321,470	5,200,792,123
Credit card	2,732,685,187	2,516,315,246
Credit for poverty alleviation scheme-micro credit	7,613,585	7,123,089
Consumer credit scheme	13,449,332,124	12,187,585,434
Demand loan	32,210,343,715	35,233,505,899
Export Development Fund (EDF)	15,130,653,340	13,877,741,438
House building loans	1,753,894,542	1,132,154,665
Loans (General)/ Musharaka	19,204,212,902	22,237,867,700
Loan against trust receipts/ Bai Murabaha post import	13,163,763,436	11,706,288,469
Overdrafts/ Quard against scheme	37,334,786,408	36,888,315,235
Packing credit	483,400,366	501,557,309
Payment against documents	99,931,390	122,281,961
Staff Loan	1,551,039,312	1,534,466,105
Transport loan	2,032,418,741	1,876,229,886
Term loan- industrial/ Hire purchase under Shirkatul Melk	26,477,173,539	21,034,437,536
Term loan- others	34,484,219,425	35,140,657,300
Loan under Covid-19 stimulus package	15,450,815,316	-
	224,693,643,914	205,356,860,441
Outside Bangladesh		
	224,693,643,914	205,356,860,441
Off-shore banking unit		
	3,773,686,591	2,682,559,733
	<u>228,467,330,505</u>	<u>208,039,420,174</u>
8.2 Bills purchased and discounted		
Conventional and Islamic banking	1,450,361,346	2,370,138,131
Off-shore banking unit	14,724,338,222	16,889,397,743
	<u>16,174,699,568</u>	<u>19,259,535,874</u>
8.3 Maturity-wise grouping		
Repayable on demand	48,573,100,000	32,536,456,048
Not more than 3 months	35,240,200,000	33,477,600,000
More than 3 months but not more than 1 year	65,016,400,000	75,668,900,000
More than 1 year but not more than 5 years	77,936,600,000	70,342,105,600
More than 5 years	17,875,730,073	15,273,894,400
	244,642,030,073	227,298,956,048
8.4 Net loans and advances/investments		
Gross loans and advances/investments	244,642,030,073	227,298,956,048
<u>Less</u> Interest suspense (Note 13.4)	4,341,502,178	2,014,114,905
Provision for loans and advances/investments (Note 13.2)	13,110,200,000	12,279,116,920
	17,451,702,178	14,293,231,825
	<u>227,190,327,895</u>	<u>213,005,724,223</u>

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Mohammad Karim Khalil, FCA
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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh:		
Loans	184,657,222,627	165,950,312,816
Cash credits	6,475,321,470	5,200,792,123
Overdrafts	37,334,786,408	36,888,315,235
Bills purchased and discounted	15,815,626,813	18,438,714,690
	244,282,957,318	226,478,134,864
Outside Bangladesh:		
Bills purchased and discounted	359,072,755	820,821,184
	244,642,030,073	227,298,956,048

8.6 Significant concentration wise grouping

a) Directors	-	-
b) Chief Executive and other senior executives		
i) Managing Director	1,689,000	2,704,000
ii) Other senior executives	197,827,566	174,989,000
	199,516,566	177,693,000
c) Agriculture	9,523,200,000	4,776,100,000
d) Industry		
Food Manufacturing	11,149,600,000	13,514,000,000
Beverage industry	467,400,000	338,600,000
Tobacco industry	-	69,600,000
RMG industry	27,559,500,000	22,705,100,000
Textile industry	21,329,800,000	21,335,000,000
Wood cork and allied products	40,200,000	48,900,000
Furniture and Fixture	199,800,000	159,100,000
Paper and paper products	6,734,300,000	6,561,400,000
Leather and leather products	2,195,000,000	2,298,900,000
Rubber products	2,206,500,000	2,775,400,000
Chemical and chemical products	585,300,000	2,178,900,000
Basic metal products	8,953,300,000	8,800,200,000
Electrical machinery and apparatus	6,269,900,000	3,327,000,000
Other manufacturing industries	21,787,113,507	18,284,363,048
Ship building	4,614,900,000	4,608,300,000
Ship breaking	1,386,600,000	1,419,700,000
Pharmaceutical	2,290,200,000	500,300,000
	117,769,413,507	108,924,763,048
e) Constructions	5,359,200,000	5,704,100,000
f) Power, Gas, Water and Sanitary Services	6,558,800,000	7,657,100,000
g) Transport, Storage and Communication	1,423,900,000	1,577,500,000
h) Trade Services	48,065,200,000	47,112,900,000
i) Housing Services	16,706,000,000	15,140,400,000
j) Banking and Insurance	4,427,400,000	3,429,000,000
k) Professional and Misc. services	34,609,400,000	32,799,400,000
	244,642,030,073	227,298,956,048

8.7 Geographical location-wise grouping

Inside Bangladesh

Urban

Dhaka Division	192,588,197,372	150,749,987,430
Chattagram Division	26,372,205,754	44,596,194,337
Khulna Division	5,383,842,624	4,081,619,811
Rajshahi Division	4,946,980,047	2,725,982,194
Barisal Division	906,410,565	804,001,905
Sylhet Division	2,448,636,596	1,968,108,052
Rangpur Division	1,578,990,969	1,271,032,534
Mymensingh Division	569,559,166	530,778,677
	234,794,823,097	206,727,704,940


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Rural		
Dhaka Division	5,058,322,288	13,510,893,368
Chattogram Division	3,435,732,836	4,155,761,316
Khulna Division	135,602,845	95,611,839
Sylhet Division	167,587,597	384,841,443
Rajshahi Division	1,049,961,414	2,424,143,142
	<u>9,847,206,980</u>	<u>20,571,251,108</u>
Outside Bangladesh		
	<u>244,642,030,073</u>	<u>227,298,956,048</u>
8.8 Loans/investments including bills purchased and discounted covered by		
Collateral of movable/immovable assets	156,286,050,696	131,430,205,799
Local banks and financial institutions' guarantee	359,800,219	723,545,355
Foreign banks' guarantee	125,550,000	91,182,676
Export documents	6,476,499,298	8,394,416,952
Cash and quasi cash	7,185,088,750	6,258,140,290
Personal guarantee	36,458,773,678	16,493,947,200
Other securities	37,750,267,432	63,907,517,775
	<u>244,642,030,073</u>	<u>227,298,956,048</u>
8.9 Details of large loan/investments		
As at 31 December 2020 there were six (2019: eight) 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 43,753.94 million as at 31 December 2020 (Taka 42,757.14 million in 2019). 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	170,432,988,963	146,897,491,073
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	36,458,773,678	16,493,947,200
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	37,750,267,432	63,907,517,775
iv) Loans/investments adversely classified; provision not maintained there against		
	<u>244,642,030,073</u>	<u>227,298,956,048</u>
v) Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	<u>1,551,039,312</u>	<u>1,534,466,105</u>
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.	<u>1,551,039,312</u>	<u>1,534,466,105</u>
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	<u>16,174,699,568</u>	<u>19,259,535,874</u>

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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
x) Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a) Increase/(Decrease) of provision (specific)	(484,456,791)	711,897,413
Amount of loan written off	301,241,605	2,716,368,198
Amount realised against the loans previously written off	183,636,137	145,983,239
b) Provision kept against loans/investments classified as bad debts	4,120,200,000	4,604,656,791
c) Interest credited to interest suspense account	4,341,502,178	2,014,114,905
xi) Cumulative amount of written off loans/investments		
Balance as at 1 January	12,867,906,149	10,151,537,951
Amount written off during the year	301,241,605	2,716,368,198
The amount of written off loans/investments for which law suit has been filed	13,169,147,754	12,867,906,149

8.11 Grouping as per classification rules

Unclassified:

Standard including staff loan
Special mentioned account

229,709,034,174	208,365,703,048
7,002,067,597	8,453,268,000
236,711,101,771	216,818,971,048

Classified:

Sub-standard
Doubtful
Bad/loss

1,655,165,986	1,847,769,000
163,228,926	576,934,000
6,112,533,390	8,055,282,000
7,930,928,302	10,479,985,000
244,642,030,073	227,298,956,048

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2020	Base for provision	Required provision		
			%	Amount	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)

159,827,870,049	141,330,475,187	1% to 5%	8,269,900,000	6,635,246,309
31,364,700,000	31,364,700,000	0.25%	78,411,750	69,431,158
12,013,900,000	12,013,900,000	1 to 2%	120,139,000	108,482,390
2,118,300,000	2,118,300,000	2.00%	42,366,000	38,685,160
4,335,200,000	4,335,200,000	5.00%	216,760,000	208,283,750
Special general provision COVID-19 (Note 13.10)			850,600,000	-
Staff loan	1,551,039,312	297,683	0%	59,537
Special mentioned	7,002,067,597	7,002,000,000	0.25% to 90%	68,600,000
			9,578,176,750	7,060,188,303

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				Amount in Taka	
Particulars				31-Dec-20	31 Dec 2019
Off-shore unit					
Unclassified loans (general)	18,498,024,813	18,498,024,813	1%	184,980,248	188,963,706
Special mentioned account	-	-	-	-	6,755,868
Sub-standard	-	-	-	-	-
				184,980,248	195,719,574
Classified - specific provision					
Sub-standard	1,655,165,986	1,045,400,000	20% / 5%	222,200,000	234,201,791
Doubtful	163,228,926	70,900,000	50% / 5%	34,500,000	128,781,000
Bad/loss	6,112,533,390	3,858,200,000	100%	3,858,200,000	4,239,831,000
				4,114,900,000	4,602,813,791
Provision required for loans and advances				13,946,656,998	12,269,833,920
Total provision maintained (Note 13.2)					
Conventional and Islamic Banking				13,775,819,752	12,083,397,346
Off-shore Banking Unit				184,980,248	195,719,574
				13,960,800,000	12,279,116,920

8.13 Suits filed by the Bank (Branch wise details)

Agrabad Branch	2,774,258,008	2,693,658,008
Anderkilla Branch	2,147,195,492	2,146,564,386
Ashulia Branch	21,464,733	21,764,732
Bahadderhat Branch	93,140,778	90,638,634
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	304,667,551	312,998,503
Beanibazar Branch	5,584,770	5,584,770
Bhatiary Branch	235,415,552	245,224,731
Bogra Branch	170,554,742	170,554,742
BSMMU Branch	1,413,816	1,413,816
Credit Cards Department	58,986,988	64,430,319
CDA Avenue Branch	5,642,291,874	5,640,824,080
Chandragonj Branch	492,048	492,048
Chalkhil Branch	6,793,978	6,793,978
Corporate Branch	338,268,683	330,238,700
Cunilla Branch	86,486,898	32,485,367
Dhanmondi Branch	1,017,296,372	1,009,129,125
Donia Branch	46,946,884	46,946,884
Elephant Road	2,375,836	2,375,836
Gulshan Branch	1,394,306,248	1,338,662,983
Holy Family RCMCH Branch	83,100,828	58,723,079
Jaganathpur Branch	6,120,000	
Jatrabari SME	1,185,818	1,185,818
Jessore Branch	89,881,449	89,881,449
Jurain SME Centre	941,349	941,349
Kamal Bazar Branch	481,668	315,335
Kazipara Branch	13,113,564	
Khatunganj Branch	3,114,744,394	3,131,411,640
Khulna Branch	77,394,034	77,394,034
Konabari Branch	540,150	12,544,477
Lohagara Branch	20,729,905	15,123,119
Madhobdi Branch	136,591,869	
Maijdee Court Branch	98,687,119	98,687,119
Malkhanagar Branch	77,943,669	77,943,669
MCB Banani Branch	92,011,564	132,311,907
MCB Dilkusha Branch	1,194,553,154	1,383,595,978
MCB Sk. Mujib Road Branch	2,066,385,324	2,056,385,324
Mirpur Branch	13,659,797	14,808,324
Mitford Branch	300,047,766	300,047,766


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Moghbar Branch	53,513,290	53,513,290
Mohakhali Branch	62,003,361	62,424,673
Moulavibazar Branch	52,108,011	19,007,011
Narayangonj Branch	163,562,826	163,562,826
North South Road Branch	1,707,685,466	1,692,245,369
Oxygen Moor Branch	7,882,263	5,874,497
Paltan Branch	70,216,500	70,216,500
Principal Office Branch	1,067,178,608	1,059,220,847
Progoti Sarani Branch	41,340,118	41,295,179
Rajshahi Branch	34,331,602	38,621,684
Ramgonj SME/Agri Branch	13,655,636	13,655,636
Rckabi bazar SME Center	348,681	348,681
Rupnagar Branch	1,208,503	870,417
Savar Branch	25,273,708	19,429,224
Scotia Branch	718,085,871	675,239,701
Shantingar Branch	1,114,261,160	1,000,549,493
Station Road Branch	8,955,312	158,228,019
Strand Road Branch	16,264,367	14,991,880
Sylhet Main Branch	23,438,876	23,438,876
Sylhet Uposahar Branch	5,351,680	5,351,680
Sylhet Uposahar Islamic Window Branch	19,936,418	19,936,418
Tarail Branch	290,718	230,000
Tongi Branch	2,174,613	2,174,613
Uttara Branch	922,354,503	924,570,685
EPZ Branch	9,956,696	5,904,884
	<u>27,980,026,115</u>	<u>27,783,576,768</u>
8.14 Bills purchased and discounted		
Payable in Bangladesh	15,815,626,813	18,438,714,690
Payable outside Bangladesh	359,072,755	820,821,184
	<u>16,174,699,568</u>	<u>19,259,535,874</u>
8.15 Maturity-wise grouping of bills purchased and discounted		
Payable within 1 month	4,546,253,379	8,072,270,117
More than 1 month but less than 3 months	5,023,096,265	5,373,161,137
More than 3 months but less than 6 months	5,104,590,035	4,517,632,558
More than 6 months	1,500,759,889	1,296,472,062
	<u>16,174,699,568</u>	<u>19,259,535,874</u>
8. (a) Consolidated Loans and advances/investments		
Loans, cash credits, overdrafts, etc/investments		
Bank Asia Limited	228,467,330,505	208,039,420,174
Bank Asia Securities Limited	4,810,787,426	4,649,980,291
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>233,278,117,931</u>	<u>212,689,400,465</u>
Less: Inter-company transactions	2,120,969,217	1,853,724,468
	<u>231,157,148,714</u>	<u>210,835,675,997</u>
Bills purchased and discounted		
Bank Asia Limited	16,174,699,568	19,259,535,874
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>16,174,699,568</u>	<u>19,259,535,874</u>
	<u>247,331,848,282</u>	<u>230,095,211,871</u>
9 Fixed assets including premises, furniture and fixtures		
Conventional and Islamic banking (Note 9.1)	6,708,655,006	7,025,602,707
Off-shore banking unit	6,708,655,006	7,025,602,707


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
9.1 Conventional and Islamic banking		
Cost: Land	2,646,764,306	2,646,764,306
Building	3,232,313,394	2,752,485,492
Furniture and fixtures	1,431,187,762	1,392,511,972
Equipments	1,322,248,427	1,260,865,987
Computer and accessories	565,434,812	546,994,266
Motor vehicles	283,882,241	222,685,296
Intangible assets	24,000,000	24,000,000
Construction work in progress	444,741,638	667,935,308
Right-of-use assets	1,739,075,475	1,739,075,475
	11,689,648,055	11,253,318,102
Less: Accumulated depreciation	4,927,277,785	4,174,000,131
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.	<u>6,708,655,006</u>	<u>7,025,602,707</u>
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Bank Asia Limited	6,708,655,006	7,025,602,707
Bank Asia Securities Limited	100,737,790	35,734,740
BA Exchange Company (UK) Limited	112	1,797,251
BA Express USA, Inc	4,710,492	2,758,533
	<u>6,814,103,400</u>	<u>7,065,893,231</u>
10 Other assets		
Conventional and Islamic banking (Note 10.1)	13,692,680,876	12,794,895,226
Off-shore banking unit	455,426,291	49,093,897
Less : Intr transaction between OBU and Conventional Banking	(413,515,032)	-
	<u>13,734,592,135</u>	<u>12,843,989,123</u>
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	34,470,000	33,300,000
Investment in BA Express USA Inc - incorporated in USA	81,408,000	81,504,000
	2,115,868,000	2,114,794,000
Non-income generating other assets		
Income receivable (Note 10.2)	1,484,684,607	1,007,575,087
Stock of stamps	8,375,022	8,488,149
Stationery, printing materials, etc	72,829,560	64,887,379
Prepaid expenses	19,637,430	1,802,233
Deposits and advance rent	325,988,875	340,391,863
Advances, prepayments and others (Note 10.3)	199,702,197	244,111,397
Advance income tax (Note 10.4)	6,125,028,357	7,236,912,463
Receivable against government	83,180,897	138,341,463
Sundry debtors	41,540,814	62,639,097
Branch adjustment account (Note 10.5)	846,187,566	1,152,362,220
Protested bills	48,489,200	68,035,265
Receivable from BA Exchange Company (UK) Limited	94,676,053	83,868,721
Receivable from BA Express USA Inc	325,094,277	219,844,009
Excise duty recoverable	23,920,480	50,841,880
Profit Receivable from Govt Investment Sukuk	1,428,495	-
Interest receivable against Govt Subsidy - from client	1,682,351,785	-
Interest receivable against Govt Subsidy - from govt	193,697,261	-
	11,576,812,876	10,680,101,226
	<u>13,692,680,876</u>	<u>12,794,895,226</u>


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Bank Asia Limited
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Bank Asia Ltd
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
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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 2020 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	51	756,211,316	59	9,627,006
More than 3 months but within 6 months	-	-	-	-
More than 6 months but within 1 year	-	-	-	-
More than 1 year but within 5 years	1	50,000	1	23,515
Above 5 years	-	-	-	-
	52	756,261,316	60	9,650,521

10.6 Receivable from Government in connection with Rangs Properties

The Bank has a receivable from Government in connection with devaluation 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.

10.7 As per BRPD Circular letter no. 23 dated May 04, 2020 total claim to Bangladesh Bank was Tk. 255,737,851 out of which Bank has received Tk. 255,738,000 from Bangladesh Bank as of December 30, 2020. In the meantime receivable amount was Tk. 62,040,590 adjusted by the customer at the time of closing of their accounts. This amount will be duly reimburse to customer account.

10(a) Consolidated Other assets

Bank Asia Limited	13,734,592,135	12,843,989,123
Bank Asia Securities Limited	434,030,695	302,091,372
BA Exchange Company (UK) Limited	943,152	2,376,043
BA Express USA, Inc	115,533,509	78,843,426
	14,285,099,491	13,227,299,964

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	33,684,900	32,553,000
Investment in BA Express USA, Inc	80,592,000	80,496,000
Receivable from BA Exchange Company (UK) Limited	94,676,053	83,868,721
Receivable from BA Exchange USA, Inc.	325,094,277	219,844,009
	1,751,062,261	19,810,548,234


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019

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.


11 Borrowings from other banks, financial institutions and agents

Conventional and Islamic banking (Note 11.1)	21,526,054,526	15,905,617,561
Off-shore banking unit (Note 11.2)	18,704,754,165	19,615,869,735
Less: Adjustment with Head Office	(4,258,953,750)	(1,139,358,801)
	<u>35,971,854,941</u>	<u>34,382,128,495</u>
11.1 Conventional and Islamic banking		
In Bangladesh (Note 11.1.1)	21,526,054,526	15,905,617,561
Outside Bangladesh	-	-
	<u>21,526,054,526</u>	<u>15,905,617,561</u>
11.1.1 In Bangladesh		
Secured:	-	-
Un secured:		
Money at call and on short notice		
Arab Bangladesh Bank Limited	-	1,500,000,000
Uttara Bank Limited	3,000,000,000	-
IFIC Bank Limited	900,000,000	-
	<u>3,900,000,000</u>	<u>1,500,000,000</u>
Borrowings		
Bangladesh Bank (BB) refinance	369,818,471	206,595,589
Covid-19 Stimulus PKG-Tk. 5000 Cr for Export	1,324,997,951	-
Agri Refinance Under STM PKG of Tk. 5000 Cr	155,086,462	-
Borrowing From BB Under IPPF- II Fund	458,728,000	-
Borrowing from BB under Long Term Financing Facilities (LTFF) scheme	428,626,641	459,465,745
SME Foundation Pre Finance	20,422,607	23,422,607
BB Pre-Finance for SREUP	15,000,000	-
Borrowing A/C (AGRI Taka 10)	64,303,992	31,223,040
Borrowing- Green finance refinance	10,000,000	50,000,000
Export development fund	14,779,070,402	13,634,910,580
Onshore export discount	-	137,586,963
	<u>17,626,054,526</u>	<u>14,543,204,524</u>
Less : Inter borrowings between OBU and Conventional Banking	-	(137,586,963)
	<u>21,526,054,526</u>	<u>15,905,617,561</u>


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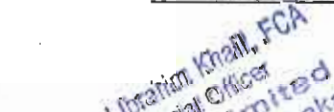

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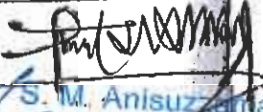
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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
11.2	Borrowing at Off-shore banking unit		
	Secured :	-	-
	Un secured:		
	Conventional Banking	4,284,703,063	1,125,267,792
	International Finance Corporation	5,456,750,000	6,708,000,000
	Borrowing - ECA	2,045,806,201	362,158,541
	Standard Chartered Bank, Singapore	-	2,728,059,750
	First Gulf Bank/First Abu Dhabi Bank	-	419,250,000
	National Bank of RAS Al Khaimah	-	1,844,700,000
	United Bank Limited, UAE	-	838,500,000
	Caixa Bank, Barcelona	2,449,467,915	-
	Standard Chartered Bank, Thailand	419,750,000	-
	HDFC, Gift City, Mumbai	-	1,257,750,000
	Nabil Bank Limited, Nepal	419,750,000	-
	Noor Islami Bank, Dubai, UAE	-	1,090,050,000
	Abu Dhabi Commercial bank	-	838,500,000
	Commercial Bank of Dubai	839,500,000	-
	State Bank of India, Hongkong	419,750,000	-
	State Bank of India, Dubai	856,290,000	-
	Nepal Bangladesh Bank Limited	419,750,000	-
	The Commercial Bank, Qatar	671,600,000	503,100,000
	DBS Bank Singapore	419,750,000	1,509,300,000
	Banca Valsabbina SCPA Vestone Italy	1,886,986	108,239,902
	Sanima Bank, Nepal	-	282,993,750
		18,704,754,165	19,615,869,735
11(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	Bank Asia Limited	35,971,854,941	34,382,128,495
	Bank Asia Securities Limited	2,120,969,217	1,853,724,468
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		38,092,824,158	36,235,852,963
	Less: Inter-company transactions	2,120,969,217	1,853,724,468
		35,971,854,941	34,382,128,495
11(na)	Subordinated Non-Convertible bonds		
	Subordinated Non-Convertible floating rate bond		
	Agrani Bank Limited	80,000,000	120,000,000
	BRAC Bank Limited	40,000,000	60,000,000
	Janata Bank Limited	100,000,000	150,000,000
	Mercantile Bank Limited	200,000,000	300,000,000
	One Bank Limited	240,000,000	360,000,000
	Pubali Bank Limited	100,000,000	150,000,000
	Rupali Bank Limited	240,000,000	360,000,000
	Sonali Bank Limited	200,000,000	300,000,000
		1,200,000,000	1,800,000,000
	Subordinated Non-Convertible floating rate bond - 2		
	Agrani Bank Limited	200,000,000	250,000,000
	Dhaka Bank Limited	600,000,000	750,000,000
	Janata Bank Limited	200,000,000	250,000,000
	National Life Insurance Co	400,000,000	500,000,000
	Pubali Bank Limited	800,000,000	1,000,000,000
	Sabinco	120,000,000	150,000,000
	Sadharan Bima Corporation	80,000,000	100,000,000
	Sonali Bank Limited	800,000,000	1,000,000,000
	Southeast Bank Limited	400,000,000	500,000,000
	Uttara Bank Limited	400,000,000	500,000,000
		4,000,000,000	5,000,000,000


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Subordinated Non-Convertible floating rate bond - 3		
Agrani Bank Limited	2,500,000,000	2,500,000,000
Eastern Bank Limited	1,000,000,000	1,000,000,000
Trust Bank Limited	500,000,000	500,000,000
Dutch-Dangla Bank Limited	500,000,000	500,000,000
Pubali Bank Limited	500,000,000	500,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	<u>10,200,000,000</u>	<u>11,800,000,000</u>

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

Payable on demand	9,011,654,941	4,207,328,495
Up to 1 month	-	-
More than 1 month but within 3 months	14,297,800,000	11,386,200,000
More than 3 months but within 1 year	6,577,300,000	17,036,200,000
More than 1 year but within 5 years	12,707,300,000	3,352,400,000
More than 5 years	3,577,800,000	10,200,000,000
	<u>46,171,854,941</u>	<u>46,182,128,495</u>

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
NIL				
Total				

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)	302,702,491,449	253,114,207,271
Off-shore banking unit	325,614,911	595,367,344
	<u>303,028,106,360</u>	<u>253,709,574,615</u>

Deposits and other accounts

Current/Al-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	59,077,355,292	47,005,242,314
Off-shore banking unit	280,490,384	448,441,616
	<u>59,357,845,676</u>	<u>47,453,683,930</u>

Bills payable

Deposits from banks	-	-
Deposits from customers	3,747,868,764	3,742,697,471
	<u>3,747,868,764</u>	<u>3,742,697,471</u>

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	64,167,247,193	48,293,710,027
	<u>64,167,247,193</u>	<u>48,293,710,027</u>


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S. M. Anisuzzaman
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		Amount In Taka	
Particulars		31-Dec-20	31 Dec 2019
Fixed deposits/Mudaraba fixed deposits			
Deposits from banks		5,101,696	1,654,615
Deposits from customers		175,704,918,504	154,070,902,844
Off-shore banking unit		45,124,527	146,925,728
		<u>175,755,144,727</u>	<u>154,219,483,187</u>
		<u>303,028,106,360</u>	<u>253,709,574,615</u>
12.1	Conventional and Islamic banking		
Deposits from banks (Note 12.1.1)		5,101,696	1,654,615
Deposits from customers (Note 12.1.2)		302,697,389,753	253,112,552,656
		<u>302,702,491,449</u>	<u>253,114,207,271</u>
12.1.1	Deposits from banks		
Fixed deposit/SND			
AB Bank Limited		39,875	40,107
EXIM Bank Limited		3,885,861	456,585
Social Islami Bank Limited		586,859	577,859
Trust Bank Limited		589,101	580,064
		<u>5,101,696</u>	<u>1,654,615</u>
12.1.2	Deposits from customers		
Current/Al-wadecah current accounts and other accounts (Note 12.1.2a)		59,077,355,292	47,005,242,314
Bills payable (Note 12.1.2b)		3,747,868,764	3,742,697,471
Savings bank/Mudaraba savings deposits		64,167,247,193	48,293,710,027
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)		175,704,918,504	154,070,902,844
		<u>302,697,389,753</u>	<u>253,112,552,656</u>
12.1.2a	Current/Al-wadecah current accounts and other accounts		
Current/Al-wadecah current accounts		24,818,035,606	17,441,207,887
Other demand deposit - Local currency		25,468,837,980	22,733,007,110
Other demand deposit - Foreign currencies		6,708,270,720	5,227,954,342
Foreign currency deposits		2,495,726,018	1,603,072,975
Export retention quota		-	-
		<u>59,490,870,324</u>	<u>47,005,242,314</u>
Less : Inter transaction between OBU and Conventional Banking		(413,515,032)	-
		<u>59,077,355,292</u>	<u>47,005,242,314</u>
12.1.2b	Bills payable		
Bills payable - local currency		3,723,901,591	3,669,925,828
Bills payable - foreign currencies		23,967,173	72,771,643
Demand draft		-	-
		<u>3,747,868,764</u>	<u>3,742,697,471</u>
12.1.2c	Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits		107,507,156,677	91,651,024,581
Special notice deposit		29,394,855,101	27,251,216,317
Foreign currency deposits (interest bearing)		3,371,973	3,364,448
Deposit under schemes		38,799,534,753	35,165,297,498
		<u>175,704,918,504</u>	<u>154,070,902,844</u>
12.2	Payable on demand and time deposits		
a) Demand deposits			
Current/Al-wadecah current accounts and other accounts		24,685,010,958	17,889,649,503
Savings bank/Mudaraba savings deposits		5,775,052,247	4,346,433,902
Foreign currency deposits (non interest bearing)		9,203,996,738	6,831,027,317
Sundry deposits		25,468,837,980	22,733,007,110
Bills payable		3,747,868,764	3,742,697,471
		<u>68,880,766,687</u>	<u>55,542,815,303</u>


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Hoda Vasi Chowdhury & Co

Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
b) Time deposits		
Savings bank/Mudaraba savings deposits	58,392,194,946	43,947,276,125
Fixed deposits/Mudaraba fixed deposits	107,557,382,900	91,799,604,924
Foreign currency deposits (interest bearing)	3,371,973	3,364,448
Special notice deposit	29,394,855,101	27,251,216,317
Security deposits	-	-
Deposits under schemes	38,799,534,753	35,165,297,498
	<u>234,147,339,673</u>	<u>198,166,759,312</u>
	<u>303,028,106,360</u>	<u>253,709,574,615</u>
12.3 Sector-wise break-up of deposits and other accounts		
Government	7,873,636,862	6,526,196,000
Deposit from banks	5,101,696	1,654,615
Other public	4,496,553,088	3,066,290,000
Foreign currencies	9,556,950,795	7,502,530,752
Private	281,095,863,919	236,612,903,248
	<u>303,028,106,360</u>	<u>253,709,574,615</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	5,101,696	1,654,615
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>5,101,696</u>	<u>1,654,615</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	2,292,300,000	3,883,700,000
Up to 1 month	44,119,515,163	39,968,110,662
Over 1 month but within 6 months	43,932,031,236	44,028,283,127
Over 6 months but within 1 year	80,552,500,000	69,390,930,219
Over 1 year but within 5 years	89,920,000,000	76,241,136,231
Over 5 years	38,458,789,501	16,453,062,291
	<u>299,275,135,900</u>	<u>249,965,222,529</u>
12.4.3 Bills payable		
Payable on demand	471,400,000	444,200,000
Up to 1 month	1,192,500,000	8,600,000
Over 1 month but within 6 months	2,083,968,764	3,289,897,471
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,747,868,764</u>	<u>3,742,697,471</u>
	<u>303,028,106,360</u>	<u>253,709,574,615</u>
12(a) Consolidated Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Bank Asia Limited	59,357,845,676	47,453,683,930
Bank Asia Securities Limited	519,066,108	375,008,705
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>59,876,911,784</u>	<u>47,828,692,635</u>
Less: Inter-company transactions	53,258,020	7,056,652
	<u>59,823,653,764</u>	<u>47,821,635,983</u>
Bills payable		
Bank Asia Limited	3,747,868,764	3,742,697,471
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,747,868,764</u>	<u>3,742,697,471</u>


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 Chief Financial Officer
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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
Savings bank/Mudaraba savings bank deposits			
Bank Asia Limited		64,167,247,193	48,293,710,027
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
BA Express USA, Inc		-	-
		<u>64,167,247,193</u>	<u>48,293,710,027</u>
Fixed deposits/Mudaraba fixed deposits			
Bank Asia Limited		175,755,144,727	154,219,483,187
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
BA Express USA, Inc		-	-
		<u>175,755,144,727</u>	<u>154,219,483,187</u>
		<u>303,493,914,448</u>	<u>254,077,526,668</u>
13	Other liabilities		
	Conventional and Islamic banking (Note 13.1)	32,135,724,795	29,159,473,351
	Off-shore banking unit	569,192	4,079,318
		<u>32,136,293,987</u>	<u>29,163,552,669</u>
13.1	Conventional and Islamic banking		
	Provision for loans and advances/investments (Note 13.2)	13,110,200,000	12,279,116,920
	Special general provision COVID-19 (Note 13.10)	850,600,000	-
	Provision on off-balance sheet exposures (Note 13.3)	1,005,000,000	961,650,585
	Interest suspense account (Note 13.4)	4,341,502,178	2,014,114,905
	Provision for income tax including deferred tax (Note 13.5)	8,956,414,519	10,575,874,451
	Provision for performance and festival bonus	252,632,349	288,426,987
	Master card and Visa card payables	829,449	37,032,028
	Expenditures and other payables	864,600,677	385,368,729
	Provision for nostro accounts (Note 13.6)	-	-
	Other payable	115,509,606	82,626,079
	Provision for profit equalisation	20,978,177	19,403,976
	Provision for diminution in value of shares (Note 13.7)	363,383,553	183,383,553
	Payable to Government	9,007,621	8,357,621
	Provision for others (Note 13.8)	290,572,690	172,218,755
	Rebate payable on good borrowers	67,700,000	67,700,000
	Unearned income	829,928,758	665,377,497
	Interest payable on subordinated non-convertible zero coupon bond	181,861,645	230,843,837
	Fraction Bonus Share	2,768,571	2,768,571
	ATM/POS settlement account	6,775	76,439,468
	Lease liabilities (Note 13.9)	872,228,227	1,108,769,389
		<u>32,135,724,795</u>	<u>29,159,473,351</u>
13.2	Provision for loans and advances/investments		
	General provision		
	Conventional and Islamic:		
	Balance as at 1 January	7,478,740,555	4,882,892,695
	Add: Provision made during the year	1,326,279,197	2,780,517,628
	Transfer from diminution value of share	-	80,000,000
	Less: Provision no longer required		
	Written off	-	(264,669,768)
	Balance as at 31 December	<u>8,805,019,752</u>	<u>7,478,740,555</u>
	Off-shore Banking Unit (OBU):		
	Balance as at 1 January	195,719,574	208,349,718
	Add: Provision made during the year	-	-
	Less: Provision no longer required	(10,739,326)	(12,630,144)
	Balance as at 31 December	<u>184,980,248</u>	<u>195,719,574</u>
		<u>8,990,000,000</u>	<u>7,674,460,129</u>

A. Total general provision on loans and advances/investments


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Specific provision		
Conventional and Islamic:		
Balance as at 1 January	4,604,656,791	3,892,759,378
Add/ Back: Recoveries of amounts previously written off	183,636,137	145,983,239
Specific provision made during the year	(413,359,577)	2,805,142,562
Less: Write off/amicable settlement during the year	(254,733,351)	(2,239,228,388)
Balance as at 31 December	4,120,200,000	4,604,656,791
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	4,120,200,000	4,604,656,791
C. Total provision on loans and advances/investments (A+B)	13,110,200,000	12,279,116,920
13.3 Provision on off-balance sheet exposures		
Balance as at 1 January	961,337,263	1,157,621,318
Add: Provision made during the year	43,308,012	-
	1,004,645,275	1,157,621,318
Less: Adjustments made during the year	-	(196,284,055)
Balance at the end of the year	1,004,645,275	961,337,263
General provision maintained for OBU as at 01 January	313,322	406,180
Add: Provision made during the year	41,403	-
Less: Provision no longer required	-	(92,858)
	354,725	313,322
Off-balance sheet exposures provision Balance as at 31 December	1,005,000,000	961,650,585
As per BRPD Circular No. 07, dated 21 June 2018 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 as at 1 January	2,014,114,905	1,689,435,106
Add: Amount transferred to "interest suspense" account during the year	4,337,844,608	818,341,563
	6,351,959,513	2,507,776,669
Less: Amount of interest suspense waived/recovered	2,119,471,298	353,260,126
Amount written-off during the year	60,986,037	140,401,638
	2,180,457,335	493,661,764
Balance as at 31 December	4,171,502,178	2,014,114,905
13.5 Provision for taxation		
Current tax (Note 13.5.1)	8,484,393,154	10,103,853,086
Deferred tax (Note 13.5.2)	472,021,365	472,021,365
	8,956,414,519	10,575,874,451
13.5.1 Provision for current tax		
Balance as at 1 January	10,103,853,086	8,143,853,086
Add: Provision made during the year	1,922,000,000	1,960,000,000
	12,025,853,086	10,103,853,086
Less: Adjustments made during the year	3,541,459,932	-
Balance as at 31 December	8,484,393,154	10,103,853,086


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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
13.5.1(a) Consolidated Provision for current tax		
Balance as at 1 January	10,457,975,108	8,438,505,719
Add: Provision made during the year		
Bank Asia Limited	1,922,000,000	1,960,000,000
Bank Asia Securities Limited	39,192,514	59,469,389
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	1,961,192,514	2,019,469,389
	12,419,167,622	10,457,975,108
Less: Adjustments made during the year		
Bank Asia Limited	3,541,459,932	-
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	3,541,459,932	-
Balance as at 31 December	8,877,707,690	10,457,975,108
13.5.2 Provision for deferred tax		
Balance as at 1 January	472,021,365	472,021,365
Provision made for deferred tax liabilities	-	-
Provision made for deferred tax assets	-	-
	472,021,365	472,021,365

13.5.2(a) Deferred Tax (asset)/liability

Particulars	Book value	Tax Base	(Deductible)/ Taxable	Deferred tax (Asset)/Liability
Balance as at December 31, 2019				
Deferred Tax Asset				(970,232,060)
Deferred Tax Liability				593,437,897
Net Deferred Tax Asset 2019				(376,794,163)
Balance as at December 31, 2020				
Loan loss provision (Note 13.2)	4,120,200,000	-	(3,090,150,000)	(1,158,806,250)
Provision against capital market	-	-	-	-
Fixed assets excluding vehicle (annex C)	-	-	-	-
Deferred tax assets (a)				(1,158,806,250)
Interest receivable	1,484,684,607	-	1,484,684,607	556,756,728
Fixed assets	3,170,586,769	2,596,940,535	573,646,234	215,117,338
Right-of-use assets			213,524,142	80,071,553
Deferred tax liability (b)				851,945,619
Net Deferred Tax Asset as of December 31, 2020 (a+b)				(306,860,631)
Movement for the year				
Opening deferred tax assets				(970,232,060)
Closing deferred tax assets				(1,158,806,250)
Changes for the year				(188,574,190)
Opening deferred tax liabilities				593,437,897
Closing deferred tax liabilities				851,945,619
Changes for the year				258,507,722
Changes during the year				69,933,532


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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 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.

13.5.3 Reconciliation of effective tax rate (Bank)	Year 2020		Year 2019	
	%	Amount	%	Amount
Profit before provision		6,070,836,392		9,322,464,273
Income Tax as per applicable tax rate	37.50%	2,276,563,647	37.50%	3,495,924,102
Tax exempted income (on govt. treasury securities)	-15.19%	(922,110,090)	-0.25%	(23,542,084)
On probable deductible/non deductible expenses	9.35%	567,546,443	-16.22%	(1,512,382,018)
	31.66%	1,922,000,000	21.02%	1,960,000,000

13.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPO (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	183,383,553	263,383,553
Add: Provision for impairment loss of investment in subsidiaries	180,000,000	-
Less: Transfer to general provision for loans and advances/investments	-	(80,000,000)
Balance as at 31 December	<u>363,383,553</u>	<u>183,383,553</u>
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	68,265,317	169,694,780
Provision maintained	363,383,553	183,383,553
Surplus provision maintained	<u>295,118,236</u>	<u>13,688,773</u>

13.8 Provision for others

Balance as at 1 January	172,218,755	147,218,755
Adjustment during the period	(18,646,065)	-
Add: Provision made during the period	137,000,000	25,000,000
Balance as at 31 December	<u>290,572,690</u>	<u>172,218,755</u>
Provision requirement	219,886,000	167,112,000
Provision maintained	290,572,690	172,218,755
Surplus provision maintained	<u>70,686,690</u>	<u>5,106,755</u>

(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 Juno 25, 2001.)


13.9 Lease liabilities

Balance as at 1 January	1,108,769,389	1,405,418,936
Add: Interest charge during the year	108,474,522	126,487,704
Less: Payment made during the year	345,015,684	423,137,251
Balance as at 31 December	<u>872,228,227</u>	<u>1,108,769,389</u>
Lease liabilities - non current portion	668,648,515	975,063,036
Lease liabilities - current portion	203,579,712	133,706,353
	<u>872,228,227</u>	<u>1,108,769,389</u>

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).


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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
13.10	Special general provision COVID-19 is maintained as per BRPD circular letter no. 56 dated December 10, 2020		
13(a)	Consolidated Other liabilities		
	Bank Asia Limited	32,136,293,987	29,163,552,669
	Bauk Asia Securities Limited	1,885,520,215	1,704,550,663
	BA Exchange Company (UK) Limited	62,316,859	92,327,339
	BA Express USA, Inc	270,842,164	217,275,726
		<u>34,354,973,225</u>	<u>31,177,706,397</u>
	<u>Less: Inter- companies transactions</u>		
	Receivable from BASL	-	-
	Receivable from BA Exchange (UK) Limited	94,676,053	83,868,721
	Receivable from BA Express USA, Inc	325,094,277	219,844,009
		<u>33,935,202,895</u>	<u>30,873,993,667</u>
14	Share capital		
14.1	Authorized capital		
	1,500,000,000 ordinary shares of Taka 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
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
		<u>11,659,068,600</u>	<u>11,659,068,600</u>
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		
	Common Equity Tier -1 capital (Going-Concern Capital)	In line of Basel III	In line of Basel III
	Paid up capital	11,659,068,600	11,659,068,600
	Statutory reserve (Note 15)	9,844,096,744	9,052,555,407
	General reserve	8,166,144	8,166,144
	Retained earnings (Note 17)	2,091,617,881	1,959,644,131
		<u>23,602,949,369</u>	<u>22,679,434,282</u>
	<u>Less: Regulatory adjustments</u>		
	Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,010,000	43,436,430
		<u>23,558,939,369</u>	<u>22,635,997,852</u>
	Common Equity Tier -1 capital (Going-Concern Capital)		
	Additional Tier I Capital	-	-
	Total Tier-I Capital	<u>23,558,939,369</u>	<u>22,635,997,852</u>

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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,990,000,000	7,674,460,129
General provision on off-balance sheet exposure	1,005,000,000	961,650,585
Subordinated non-covertable zero coupon bonds	10,200,000,000	11,800,000,000
Total Tier- 2 Capital available	20,195,000,000	20,436,110,714
Adjustment of Excess Amount (Admissible Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	-	314,972,223
Total admissible Tier-2 Capital	20,195,000,000	20,121,138,491
A) Total capital	43,753,939,369	42,757,136,343
B) Total risk weighted assets (RWA)	254,905,151,741	238,427,232,656
C) Minimum total capital requirement 10%	25,490,515,174	23,842,723,266
D) Capital surplus (A-C)	18,263,424,195	18,914,413,077
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	31,863,143,968	29,803,404,082
F) Capital surplus (A-E) with capital conservation buffer	11,890,795,401	12,953,732,261
Capital to risk weighted asset ratio:		
Common Equity Tier- 1 / core capital to RWA (minimum 4.5% under Basel III)	9.24%	9.49%
Tier- 1 / core capital to RWA (minimum 6% under Basel III)	9.24%	9.49%
Capital to Risk Weighted Assets against minimum requirement 10%	17.16%	17.93%

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)		
Paid up capital	11,659,068,600	11,659,068,600
Non-controlling (Minority) interest	10,198	10,196
Statutory reserve (Note 15)	9,844,096,744	9,052,555,407
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	1,918,254,038	1,800,257,979
	23,429,595,724	22,520,058,326
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,010,000	43,436,430
Common Equity Tier -1 capital (Going-Concern Capital)	23,385,585,724	22,476,621,896
Additional Tier 1 Capital	-	-
Total Tier- 1 Capital	23,385,585,724	22,476,621,896
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,990,000,000	7,674,460,129
General provision on off-balance sheet exposure	1,005,000,000	961,650,585
Subordinated non-covertable zero coupon bonds	10,200,000,000	11,800,000,000
Revaluation reserve of securities and fixed assets	-	-
Total Tier- 2 Capital available	20,195,000,000	20,436,110,714
Adjustment of Excess Amount (Admissible Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	-	456,641,511
Total admissible Tier-2 Capital	20,195,000,000	19,979,469,203
A) Total capital	43,580,585,724	42,456,091,099
B) Total risk weighted assets (RWA)	257,403,701,528	242,096,830,071
C) Required capital	25,740,370,153	24,209,683,007
D) Capital surplus (A-C)	17,840,215,571	18,246,408,092
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,175,462,691	30,262,103,759
F) Capital surplus (A-E) with capital conservation buffer	11,405,123,033	12,013,987,340

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Particulars	Amount in Taka	
	31-Dec-20	31 Dec 2019

Capital to risk weighted asset ratio:

Common Equity Tier- 1 / core capital to RWA (minimum 4.5% under Basel III)	9.09%	9.28%
Tier- 1 / core capital to RWA (minimum 6% under Basel III)	9.09%	9.28%
Capital to Risk Weighted Assets against minimum requirement 10%	16.93%	17.54%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2020		At 31 December 2019	
	No. of shares	%	No. of shares	%
Sponsors & Directors	600,698,621	51.52	596,898,621	51.20
General public	161,113,132	13.82	169,727,589	14.56
Institutions	279,059,559	23.94	259,623,630	22.27
Investment companies	120,806,182	10.36	133,181,344	11.42
Non-resident Bangladeshi	1,650,796	0.14	2,129,985	0.18
Foreign investors	2,578,570	0.22	4,345,691	0.37
	1,165,906,860	100	1,165,906,860	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holdings	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Less than 5,000	6,339	6,836	0.62	0.68
5,000 to 50,000	1,640	1,769	1.92	2.10
50,001 to 100,000	107	118	0.66	0.71
100,001 to 200,000	51	49	0.62	0.58
200,001 to 300,000	25	27	0.54	0.58
300,001 to 400,000	11	12	0.32	0.35
400,001 to 500,000	7	12	0.27	0.47
500,001 to 1,000,000	39	37	2.47	2.34
1,000,001 to 10,000,000	70	70	20.84	22.27
Over 10,000,000	30	30	71.74	69.92
	8,319	8,960	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2020

Sl	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	23,350,148	23,350,148
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Mr. Romo Rouf Chowdhury	Vice Chairman	23,323,746	23,323,746
4	Mr. Rumea A Hossain	Director	36,216,554	34,416,554
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	Maj. Gen. Mohammad Matiur Rahman (Retd.) (Representing Sinha Fashions Limited)	Director	23,401,435	23,401,435
9	Ms. Farhana Haq	Director	56,907,244	54,907,244
10	Mr. Enam Chowdhury (Representing Amiran Generations Limited)	Director	47,558,630	47,558,630
11	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
12	Mr. Ashrafal Haq Chowdhury (Independent Director)	Director	-	-
13	Mr. Md. Abul Quasem (Independent Director)	Director	-	-
14	Mr. M. A. Baqui Khalily (Independent Director)	Director	-	-
15	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-	-

15 Statutory reserve

Balance as at 1 January	9,052,555,407	8,268,393,179
Add: Addition during the year (20% of pre-tax profit)	791,541,337	784,162,228
Balance as at 31 December	9,844,096,744	9,052,555,407

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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
16	Revaluation reserve		
	HTM securities (Note 16.1)	46,593,577	20,176,016
	HFT securities (Note 16.2)	1,746,995,202	7,434,933
	Fixed Assets revaluation (Note 16.3)	1,984,357,423	2,038,072,687
		<u>3,777,946,202</u>	<u>2,065,683,636</u>
16.1	Revaluation reserve on HTM securities		
	Balance at 1 January	20,176,016	16,504,049
	Gain from revaluation on investments	26,417,561	14,919,561
	Adjustment for sale/maturity of securities	-	(11,247,594)
		<u>46,593,577</u>	<u>20,176,016</u>
16.2	Revaluation reserve on HFT securities		
	Balance at 1 January	7,434,933	11,740,204
	Gain from revaluation on investments	13,156,910,380	492,331,474
	Adjustment for sale/maturity of securities	(11,417,350,111)	(496,636,745)
		<u>1,746,995,202</u>	<u>7,434,933</u>
16.3	Revaluation reserve on Fixed Assets		
	Balance at 1 January	2,038,072,687	2,091,787,951
	Depreciation charged during the year	(53,715,264)	(53,715,264)
		<u>1,984,357,423</u>	<u>2,038,072,687</u>
16 (a)	Consolidated Revaluation reserve		
	Bank Asia Limited	3,777,946,202	2,065,683,636
	Bank Asia Securities Limited	-	-
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>3,777,946,202</u>	<u>2,065,683,636</u>
17	Retained earnings		
	Balance at 1 January	1,959,644,131	1,839,667,438
	Add: Post - tax profit for the year	2,035,706,683	1,960,811,140
	Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
		<u>4,049,066,078</u>	<u>3,854,193,842</u>
	Less: Issue of cash dividend for the year 2019	1,165,906,860	-
	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	791,541,337	784,162,228
		<u>1,957,448,197</u>	<u>1,894,549,711</u>
		<u>2,091,617,881</u>	<u>1,959,644,131</u>
17(a)	Consolidated Retained earnings		
	Balance at 1 January	1,800,257,979	1,686,898,121
	Add: Foreign exchange revaluation reserve for opening retained earnings	(2,758,415)	(3,618,945)
	Revaluation reserve transferred to retained earnings	53,715,264	53,715,264
	Post- tax profit for the year	2,024,487,409	1,957,811,647
	Adjustment of non controlling interest	-	1,693
	Less: Non controlling interest	2	90
		<u>3,875,702,235</u>	<u>3,694,807,690</u>
	Less: Issue of cash dividend for the year 2019	1,165,906,860	-
	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	791,541,337	784,162,228
		<u>1,957,448,197</u>	<u>1,894,549,711</u>
		<u>1,918,254,038</u>	<u>1,800,257,979</u>


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Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
17(b)	Non-controlling (Minority) interest		
	Bank Asia Securities Limited	10,198	10,196
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>10,198</u>	<u>10,196</u>
18	Contingent liabilities		
	Conventional and Islamic banking	122,154,955,295	120,585,944,792
	Off-shore banking unit	35,472,485	31,332,169
		<u>122,190,427,780</u>	<u>120,617,276,961</u>
	Acceptances and endorsements (Note 18.1)		
	Conventional and Islamic banking	36,011,691,917	39,190,434,015
	Off-shore banking unit	4,158,295	2,055,858
		<u>36,015,850,212</u>	<u>39,192,489,873</u>
	Letters of guarantee		
	Conventional and Islamic banking (Note 18.2)	36,612,044,391	36,999,351,447
	Off-shore banking unit	554,910	-
		<u>36,612,599,301</u>	<u>36,999,351,447</u>
	Irrevocable letters of credit		
	Conventional and Islamic banking (Note 18.3)	29,721,029,851	26,439,543,168
	Off-shore banking unit	30,759,280	29,276,311
		<u>29,751,789,131</u>	<u>26,468,819,479</u>
	Bills for collection		
	Conventional and Islamic banking (Note 18.4)	15,897,303,598	15,916,199,719
	Off-shore banking unit	-	-
		<u>15,897,303,598</u>	<u>15,916,199,719</u>
	Other commitments		
	Conventional and Islamic banking (Note 18.5)	3,912,885,538	2,040,416,443
	Off-shore banking unit	-	-
		<u>3,912,885,538</u>	<u>2,040,416,443</u>
		<u>122,190,427,780</u>	<u>120,617,276,961</u>
18.1	Acceptances and endorsements		
	Conventional and Islamic banking	36,011,691,917	39,190,434,015
	Off-shore banking unit	4,158,295	2,055,858
		<u>36,015,850,212</u>	<u>39,192,489,873</u>
18.2	Letters of guarantee		
	Letters of guarantee (Local)	22,772,282,978	23,279,766,953
	Letters of guarantee (Foreign)	13,839,761,413	13,719,584,494
		<u>36,612,044,391</u>	<u>36,999,351,447</u>
	Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
	Directors or officers	-	-
	Government	27,616,831,056	27,928,576,899
	Banks and other financial institutions	671,552,863	925,708,758
	Others	8,323,660,472	8,145,065,790
		<u>36,612,044,391</u>	<u>36,999,351,447</u>
18.3	Irrevocable letters of credit		
	Letters of credit Back to Back (Inland)	3,946,874,049	3,394,140,530
	Letters of credit (General)	22,526,232,627	19,708,039,248
	Back to back L/C	3,247,923,175	3,337,363,390
		<u>29,721,029,851</u>	<u>26,439,543,168</u>
18.4	Bills for collection		
	Local bills for collection	9,788,723,716	10,467,042,903
	Foreign bills for collection	6,108,579,882	5,449,156,816
		<u>15,897,303,598</u>	<u>15,916,199,719</u>
18.5	Other commitments		
	Forward Assets Purchased and Forward Deposits Placed	3,912,885,538	2,040,416,443


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Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
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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)	24,565,403,376	26,103,448,197
Dividend income (Note 22.1)	15,280,460	51,407,464
Fees, commission and brokerage (Note 19.2)	1,297,409,009	1,610,106,976
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	15,813,092	1,348,918
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	1,177,568,485	1,751,261,150
Income from non-banking assets	-	-
Other operating income (Note 24)	1,034,090,923	1,018,730,455
Profit/ less Losses on interest rate changes	-	-
	<u>28,105,565,345</u>	<u>30,536,303,160</u>

Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	14,926,677,328	14,462,380,548
Administrative expenses (Note 19.3)	4,363,389,892	4,102,698,154
Other expenses (Note 34)	1,970,532,731	1,887,668,330
Depreciation on banks assets (Note 33.1)	774,129,002	761,091,855
	<u>22,034,728,953</u>	<u>21,213,838,887</u>
	<u>6,070,836,392</u>	<u>9,322,464,273</u>

19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	18,112,098,828	22,863,139,585
Interest on treasury bills/reverse repo/bills	5,382,632,409	3,074,953,797
Interest income on corporate bonds	148,562,049	141,812,731
Interest on debentures	-	-
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	922,110,090	23,542,084
	<u>24,565,403,376</u>	<u>26,103,448,197</u>


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

19.2 Fees, commission and brokerage

Commission	1,297,409,009	1,610,106,976
Brokerage	-	-
	<u>1,297,409,009</u>	<u>1,610,106,976</u>

19.3 Administrative expenses

Salaries and allowances (Note 25)	3,536,708,226	3,266,449,893
Rent, taxes, insurance, electricity, etc (Note 26)	440,514,478	440,093,246
Legal expenses (Note 27)	13,111,596	20,534,559
Postage, stamp, telecommunication, etc (Note 28)	125,950,752	124,471,658
Stationery, printing, advertisement, etc (Note 29)	148,118,134	156,689,993
Managing Director's salary and fees (Note 30)	19,262,968	16,572,420
Directors' fees (Note 31)	3,208,000	3,424,000
Auditors' fees (Note 32)	853,000	1,478,225
Repair of Bank's assets (Note 33.1)	75,662,738	72,984,160
	<u>4,363,389,892</u>	<u>4,102,698,154</u>


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Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
20	Interest income/profit on investments		
	Conventional and Islamic banking (Note 20.1)	17,275,697,158	21,725,303,785
	Off-shore banking unit	955,775,932	1,166,103,247
		18,231,473,090	22,891,407,032
	Less: inter transaction between OBU and Conventional banking	119,374,262	28,267,447
		<u>18,112,098,828</u>	<u>22,863,139,585</u>
20.1	Conventional and Islamic banking		
	Agricultural loan	325,942,357	332,659,093
	Cash credit/Bai Murabaha (Muajjal)	367,216,728	477,480,468
	Credit card	438,461,771	415,843,541
	Credit for poverty alleviation scheme-micro credit	108,275	295,388
	Consumer credit scheme	1,192,278,999	1,293,440,738
	Demand loan	2,856,384,771	3,743,496,347
	Export Development Fund (EDF)	214,938,545	275,917,006
	House building loan	107,309,917	113,021,311
	Loans (General)/Musharaka	1,614,824,022	1,960,409,510
	Loans against trust receipts/ Bai Murabaha post import	1,089,486,511	1,342,255,595
	Overdrafts/ Guard against scheme	3,301,093,111	4,104,797,684
	Packing credit	38,329,725	41,612,011
	Payment against documents	13,197,564	15,135,149
	Staff loan	74,613,492	73,896,843
	Transport loan	185,298,757	198,006,038
	Term loan- industrial	1,793,339,863	2,448,635,975
	Term loan- others/ Hire purchase under Shirkatul Melk	1,668,931,114	2,534,322,559
	Foreign bills purchased	17,880,833	19,527,512
	Local bills purchased	124,658,095	202,427,713
	Loan Under Covid-19 Stimulus Pkg	233,724,990	-
	Total interest/profit on loans and advances/investments	15,658,019,440	19,593,180,481
	Interest/profit on balance with other banks and financial institutions	1,573,778,490	2,071,621,354
	Interest/profit received from foreign banks	43,899,228	60,501,950
		<u>17,275,697,158</u>	<u>21,725,303,785</u>
20(a)	Consolidated Interest income/profit on investments		
	Bank Asia limited	18,112,098,828	22,863,139,585
	Bank Asia Securities Ltd	193,809,470	321,231,320
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		18,305,908,298	23,184,370,905
	Less: Inter-company transactions	188,344,612	210,303,633
		<u>18,117,563,686</u>	<u>22,974,067,272</u>
21	Interest paid/profit shared on deposits and borrowings etc.		
	Conventional and Islamic banking (Note 21.1)	14,481,148,492	13,624,978,979
	Off-shore banking unit	564,903,098	865,669,016
		15,046,051,590	14,490,647,995
	Less: inter transaction with OBU	119,374,262	28,267,447
		<u>14,926,677,328</u>	<u>14,462,380,548</u>
21.1	Conventional and Islamic banking		
	Interest paid/profit shared on deposits		
	Fixed deposits/ Mudaraba Fixed deposit	5,863,126,655	5,729,597,318
	Scheme deposits	5,163,617,535	5,106,327,157
	Sanchaya plus	18,709,295	22,011,682
	Savings deposits/ Mudaraba Savings bank	1,598,451,934	1,231,128,548
	Special notice deposits	754,812,264	688,775,835
		<u>13,398,717,683</u>	<u>12,777,840,540</u>


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 Corporate Office Dhaka

Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
Interest on borrowings and others			
Local banks including Bangladesh Bank		36,871,103	83,654,999
Interest on subordinated non-convertible bond		1,045,236,439	762,314,302
Foreign banks		323,267	1,169,138
		<u>1,082,430,809</u>	<u>847,138,439</u>
		<u>14,481,148,492</u>	<u>13,624,978,979</u>
21(a)	Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia limited		14,926,677,328	14,462,380,548
Bank Asia Securities Ltd		188,373,820	212,509,391
BA Exchange Company (UK) Limited		-	-
BA Express USA, Inc		-	-
		<u>15,115,051,148</u>	<u>14,674,889,939</u>
Less: Inter-company transactions		188,344,612	210,303,633
		<u>14,926,706,536</u>	<u>14,464,586,306</u>
22	Investment income		
Conventional and Islamic banking (Note 22.1)		6,484,398,100	3,293,064,994
Off-shore banking unit		-	-
		<u>6,484,398,100</u>	<u>3,293,064,994</u>
22.1	Conventional and Islamic Banking		
Interest on treasury bills		1,577,293,512	670,410,633
Interest on treasury bonds		3,736,329,121	2,366,047,464
Interest income on corporate bonds		148,562,049	141,812,731
Interest on Islamic bonds		52,458,317	31,211,410
Capital gain from investment in shares		15,813,092	1,348,918
Dividend on shares		15,280,460	51,407,464
Capital gain on Government securities		922,110,090	23,542,084
Interest on reverse repo		16,551,459	7,284,290
		<u>6,484,398,100</u>	<u>3,293,064,994</u>
22(a)	Consolidated investment income		
Bank Asia Limited		6,484,398,100	3,293,064,994
Bank Asia Securities Limited		-	-
BA Exchange Company (UK) Limited		-	-
BA Express USA, Inc		-	-
		<u>6,484,398,100</u>	<u>3,293,064,994</u>
23	Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)		2,465,167,276	3,347,666,556
Off-shore banking unit		9,810,218	13,701,570
		<u>2,474,977,494</u>	<u>3,361,368,126</u>
23.1	Conventional and Islamic Banking		
Commission on L/C		20,178,329	41,348,963
Commission on back to back L/C against Export		749,153,916	835,085,521
Fees and commission including Export		185,343,012	335,748,324
Commission on L/G		284,159,063	341,559,858
Commission on export		3,394,820	6,772,710
Commission on PO, DD, TT, TC, etc		26,963,175	24,714,096
Other commission		18,406,476	11,175,934
		<u>1,287,598,791</u>	<u>1,596,405,406</u>
Foreign exchange gain		1,177,568,485	1,751,261,150
		<u>2,465,167,276</u>	<u>3,347,666,556</u>
23(a)	Consolidated Commission, exchange and brokerage		
Bank Asia limited		2,474,977,494	3,361,368,126
Bank Asia Securities Ltd		119,829,921	92,693,307
BA Exchange Company (UK) Limited		27,302,925	29,652,687
BA Express USA, Inc		31,861,721	11,796,103
		<u>2,653,972,061</u>	<u>3,495,510,223</u>


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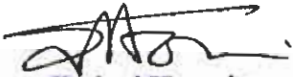

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Hoda Vasi Chowdhury & Co

		Amount in Tkn	
Particulars		31-Dec-20	31 Dec 2019
24	Other operating income		
	Conventional and Islamic banking (Note 24.1)	1,017,564,704	990,421,481
	Off-shore banking unit	16,526,219	28,308,974
		<u>1,034,090,923</u>	<u>1,018,730,455</u>
24.1	Conventional and Islamic banking		
	Locker charge	11,985,800	11,975,125
	Service and other charges	580,548,021	536,740,372
	Master/Visa card fees and charges	263,525,475	258,060,414
	Postage/telex/SWIFT/fax recoveries	111,366,654	127,286,381
	Profit on sale of fixed assets	538,805	8,753,381
	Non-operating income	9,815,312	8,137,975
	Rebate on nostro account	39,784,637	39,467,833
		<u>1,017,564,704</u>	<u>990,421,481</u>
24(a)	Consolidated other operating income		
	Bank Asia Limited	1,034,090,923	1,018,730,455
	Bank Asia Securities Ltd	30,881,002	29,775,796
	BA Exchange Company (UK) Limited	2,698,444	2,661,714
	BA Express USA, Inc	1,503,992	948,634
		<u>1,069,174,361</u>	<u>1,052,116,649</u>
25	Salaries and allowances		
	Conventional and Islamic banking (Note 25.1)	3,536,708,226	3,266,449,893
	Off-shore banking unit	-	-
		<u>3,536,708,226</u>	<u>3,266,449,893</u>
25.1	Conventional and Islamic banking		
	Basic salary	1,261,496,066	1,236,906,707
	Allowances	1,464,541,775	1,249,136,318
	Festival bonus	210,564,011	196,721,513
	Gratuity	267,400,000	202,400,000
	Provident fund contribution	122,706,374	111,297,360
	Performance bonus	210,000,000	269,987,995
		<u>3,536,708,226</u>	<u>3,266,449,893</u>
25(a)	Consolidated Salaries and allowances		
	Bank Asia Limited	3,536,708,226	3,266,449,893
	Bank Asia Securities Ltd	69,044,948	66,559,270
	BA Exchange Company (UK) Limited	14,207,933	12,325,604
	BA Express USA, Inc	18,937,141	15,158,285
		<u>3,638,898,248</u>	<u>3,360,493,052</u>
26	Rent, taxes, Insurance, electricity etc.		
	Conventional and Islamic banking (Note 26.1)	440,255,344	439,835,697
	Off-shore banking unit	259,134	257,549
		<u>440,514,478</u>	<u>440,093,246</u>
26.1	Conventional and Islamic banking		
	Rent, rate and taxes (Note 26.1.1)	30,810,105	26,712,121
	Insurance	188,345,849	169,710,299
	Power and electricity	112,624,868	116,925,573
	Interest portion on lease liabilities (Note 26.1.1)	108,474,522	126,487,704
		<u>440,255,344</u>	<u>439,835,697</u>
26.1.1	Total rent expenses for the year 2020 was Tk 462,342,546 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 108,474,522 arises against lease liabilities.		


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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
26(a)	Consolidated Rent, taxes, insurance, electricity etc.		
	Bank Asia Limited	440,514,478	440,093,246
	Bank Asia Securities Ltd	7,636,189	17,321,041
	BA Exchange Company (UK) Limited	4,139,354	6,804,596
	BA Express USA, Inc	11,643,923	7,502,418
		<u>463,933,944</u>	<u>471,721,301</u>
27	Legal expenses		
	Conventional and Islamic banking (Note 27.1)	11,698,219	20,114,446
	Off-shore banking unit	1,413,377	420,113
		<u>13,111,596</u>	<u>20,534,559</u>
27.1	Conventional and Islamic Banking		
	Legal expenses	11,698,219	20,114,446
	Other professional charges	-	-
		<u>11,698,219</u>	<u>20,114,446</u>
27(a)	Consolidated Legal expenses		
	Bank Asia Limited	13,111,596	20,534,559
	Bank Asia Securities Ltd	93,408	818,600
	BA Exchange Company (UK) Limited	194,458	444,004
	BA Express USA, Inc	352,254	421,616
		<u>13,751,716</u>	<u>22,218,779</u>
28	Postage, stamps, telecommunication etc.		
	Conventional and Islamic banking (Note 28.1)	125,257,906	123,751,262
	Off-shore banking unit	692,846	720,396
		<u>125,950,752</u>	<u>124,471,658</u>
28.1	Conventional and Islamic banking		
	Telephone, courier and postage	82,149,863	77,977,767
	Master/VISA card process fee	21,108,755	25,589,255
	ATM charge	1,780,260	1,822,152
	SWIFT and Reuter charge	17,917,695	16,709,367
	Internet	2,301,333	1,652,721
		<u>125,257,906</u>	<u>123,751,262</u>
28(a)	Consolidated Postage, stamps, telecommunication etc.		
	Bank Asia Limited	125,950,752	124,471,658
	Bank Asia Securities Ltd	1,511,559	1,579,425
	BA Exchange Company (UK) Limited	550,877	570,892
	BA Express USA, Inc	299,592	220,696
		<u>128,312,780</u>	<u>126,842,671</u>
29	Stationery, printing, advertisements etc.		
	Conventional and Islamic banking (Note 29.1)	148,068,470	156,639,432
	Off-shore banking unit	49,664	50,561
		<u>148,118,134</u>	<u>156,689,993</u>
29.1	Conventional and Islamic banking		
	Office and security stationery	78,044,292	74,489,241
	Calendar, diary, souvenir, etc	15,353,500	23,803,440
	ATM card /Supplies And Stationeries	25,482,834	30,226,705
	Books and periodicals	1,245,115	1,609,580
	Publicity and advertisement	27,942,729	26,510,466
		<u>148,068,470</u>	<u>156,639,432</u>


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 Corporate Office


Mohammed Ibrahim Khalil
 Chief Financial Officer
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 Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
29(a)	Consolidated Stationery, printing, advertisements etc.		
	Bank Asia Limited	148,118,134	156,689,993
	Bank Asia Securities Ltd	374,971	1,234,650
	BA Exchange Company (UK) Limited	988,808	1,357,957
	BA Express USA, Inc	548,818	221,243
		<u>150,030,731</u>	<u>159,503,843</u>
30	Managing Director's salary and fees		
	Basic salary	9,984,516	7,801,613
	House rent allowance	2,400,000	1,860,484
	Entertainment allowances	600,000	420,162
	Incentive bonus	1,000,000	1,000,000
	Festival bonus	1,680,000	1,210,000
	Utility allowance and others	1,200,000	1,200,000
	House maintenance allowance	600,000	600,000
	Provident fund	998,452	780,161
	Leave fare assistance	800,000	1,700,000
		<u>19,262,968</u>	<u>16,572,420</u>
31	Directors' fees		
	Directors' fees	3,208,000	3,424,000
		<u>3,208,000</u>	<u>3,424,000</u>
31(a)	Consolidated Directors' fees		
	Bank Asia Limited	3,208,000	3,424,000
	Bank Asia Securities Ltd.	275,000	302,400
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>3,483,000</u>	<u>3,726,400</u>
32	Auditors' fees		
	Audit fees	853,000	1,478,225
	Others	-	-
		<u>853,000</u>	<u>1,478,225</u>
32(a)	Consolidated Auditors fees		
	Bank Asia Limited	853,000	1,478,225
	Bank Asia Securities Ltd	76,667	95,833
	BA Exchange Company (UK) Limited	639,315	630,240
	BA Express USA, Inc	1,409,264	1,235,961
		<u>2,978,246</u>	<u>3,440,259</u>
33	Depreciation and repair of Bank's assets		
	Conventional and Islamic banking (Note 33.1)	849,791,740	834,076,015
	Off-shore banking unit	-	-
		<u>849,791,740</u>	<u>834,076,015</u>
33.1	Conventional and Islamic banking		
	Depreciation		
	Owned assets	774,129,002	761,091,855
	Leased assets	-	-
	Depreciation	774,129,002	761,091,855
	Repairs:		
	Building	8,757,327	10,055,315
	Furniture and fixtures	2,760,890	3,583,154
	Equipments	16,872,809	19,297,980
		28,391,026	32,936,449
	Maintenance	47,271,712	40,047,711
		<u>849,791,740</u>	<u>834,076,015</u>



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Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
33(a)	Consolidated Depreciation and repairs of Bank's assets		
	Bank Asia Limited	849,791,740	834,076,015
	Bank Asia Securities Ltd	21,253,736	4,709,168
	BA Exchange Company (UK) Limited	2,414,908	2,033,364
	BA Express USA, Inc	1,658,949	1,648,136
		<u>875,119,333</u>	<u>842,466,683</u>
34	Other expenses		
	Conventional and Islamic banking (Note 34.1)	1,949,674,894	1,868,985,671
	Off-shore banking unit	20,857,837	18,682,659
		<u>1,970,532,731</u>	<u>1,887,668,330</u>
34.1	Conventional and Islamic banking		
	Car expenses	315,645,246	324,170,297
	Contractual service expenses	713,057,229	744,761,162
	Computer expenses	169,616,591	168,235,611
	Other management and administrative expenses	266,773,187	246,377,129
	Commission paid to agents	108,392,050	153,238,259
	Entertainment	32,724,397	63,159,412
	AGM/EGM expenses	32,765	1,528,027
	Payment to superannuation fund	7,320,000	7,320,000
	Donation and subscription to institutions	317,003,301	103,516,418
	Travelling expenses	12,953,915	37,390,737
	Training and internship	5,641,913	18,106,353
	Directors' travelling expenses	14,300	682,266
	Sharia council fees	500,000	500,000
		<u>1,949,674,894</u>	<u>1,868,985,671</u>
34(a)	Consolidated other expenses		
	Bank Asia Limited	1,970,532,731	1,887,668,330
	Bank Asia Securities Ltd	8,289,048	11,032,998
	BA Exchange Company (UK) Limited	6,304,396	6,329,186
	BA Express USA, Inc	10,694,899	9,288,053
		<u>1,995,821,074</u>	<u>1,914,318,567</u>
34(b)	Provision for loans and advances/investments		
	Conventional and Islamic banking	2,123,827,632	5,414,376,135
	Off-shore banking unit	(10,697,923)	(12,723,002)
		<u>2,113,129,709</u>	<u>5,401,653,133</u>
	Break up of provision for loans and advances/Investments is shown below:		
	General provision		
	Conventional and Islamic banking	2,176,879,197	2,860,517,628
	Off-shore banking unit	(10,739,326)	(12,630,144)
		<u>2,166,139,871</u>	<u>2,847,887,484</u>
	Specific provision		
	Conventional and Islamic banking	(413,359,577)	2,805,142,562
	Off-shore banking unit	-	-
		<u>(413,359,577)</u>	<u>2,805,142,562</u>
	Provision for off-balance sheet items		
	Conventional and Islamic banking	43,308,012	(196,284,055)
	Off-shore banking unit	41,403	(92,858)
		<u>43,349,415</u>	<u>(196,376,913)</u>
	Provision for diminution in value of investments	180,000,000	(80,000,000)
	Other provisions	137,000,000	25,000,000
		<u>2,113,129,709</u>	<u>5,401,653,133</u>



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		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
34(c)	Consolidated Provision for loans and advances/investments		
	Bank Asia Limited	2,113,129,709	5,401,653,133
	Bank Asia Securities Limited		
	Specific Provision	8,000,000	36,000,000
	Provision for diminution in value of investments	-	13,934,688
	Other provisions	-	-
		8,000,000	49,934,688
	BA Exchange Company (UK) Limited	-	-
	BA Express USA, Inc	-	-
		<u>2,121,129,709</u>	<u>5,451,587,821</u>
35	Receipts from other operating activities		
	Conventional and Islamic banking (Note 35.1)	1,955,487,886	1,015,312,483
	Off-shore banking unit	16,526,219	28,308,974
		<u>1,972,014,105</u>	<u>1,043,621,457</u>
35.1	Conventional and Islamic banking		
	Locker charge	11,985,800	11,975,125
	Service and other charges	580,548,021	536,740,372
	Master card fees and charges	263,525,475	258,060,414
	Postage/telex/SWIFT/ fax recoveries	111,366,654	127,286,381
	Non-business income	988,061,936	81,250,191
		<u>1,955,487,886</u>	<u>1,015,312,483</u>
35(a)	Consolidated Receipts from other operating activities		
	Bank Asia Limited	1,972,014,105	1,043,621,457
	Bank Asia Securities Ltd	30,881,002	29,775,796
	BA Exchange Company (UK) Limited	2,698,444	2,661,714
	BA Express USA, Inc	1,503,992	948,684
		2,007,097,543	1,077,007,651
	<u>Less: inter- companies transactions</u>	-	-
		<u>2,007,097,543</u>	<u>1,077,007,651</u>
36	Payments for other operating activities		
	Conventional and Islamic banking (Note 36.1)	2,552,316,554	2,475,302,230
	Off-shore banking unit	21,116,971	18,940,208
		<u>2,573,433,525</u>	<u>2,494,242,438</u>
36.1	Conventional and Islamic banking		
	Rent, rates and taxes	440,255,344	439,835,697
	Legal expenses	13,111,596	20,534,559
	Directors' fees	3,208,000	3,424,000
	Postage, stamp, telecommunication, etc	125,950,752	124,471,658
	Other expenses	1,949,674,894	1,868,985,671
	Managing Director's salary	19,262,968	16,572,420
	Auditors' fee	853,000	1,478,225
		<u>2,552,316,554</u>	<u>2,475,302,230</u>
36(a)	Payments for other operating activities		
	Bank Asia Limited	2,573,433,525	2,494,242,438
	Bank Asia Securities Ltd	17,881,871	31,150,297
	BA Exchange Company (UK) Limited	11,828,400	14,778,918
	BA Express USA, Inc	24,399,932	18,668,744
		<u>2,627,543,728</u>	<u>2,558,840,397</u>


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Corporate Office


Mohammad Ibrahim
Joint Financial Officer
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Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

		Amount in Taka	
Particulars		31-Dec-20	31 Dec 2019
37	Earnings per share (EPS)		
	Net profit after tax (Numerator)	2,035,706,683	1,960,811,140
	Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
	Earnings per share (EPS)	1.75	1.68
37(a)	Consolidated Earnings per share (EPS)		
	Net profit after tax (Numerator)	2,024,487,409	1,957,811,647
	Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
	Earnings per share (EPS)	1.74	1.68
38.	Reconciliation of net profit with cash flows from operating activities (Solo basis)		
	Profit before tax as per profit and loss account	3,957,706,683	3,920,811,140
	Adjustment for non-cash items:		
	Provision for Loans and advances	1,752,780,294	5,653,030,046
	Provision for Off balance sheet items	43,349,415	(196,376,913)
	Provision for Diminution in value of investments	180,000,000	(80,000,000)
	Provision for other assets	137,000,000	25,000,000
	Depreciation of Property plant and equipment	849,791,740	834,076,015
	Profit on sale of fixed assets	(538,805)	(8,753,381)
	Increase/decrease in operating assets & liabilities:		
	Loans and advances to customers	(15,213,028,151)	(13,519,492,993)
	Other operating assets	281,322,817	(708,379,076)
	Deposits from customers and banks	49,318,531,745	31,237,858,371
	Other operating liabilities	1,367,196,137	2,361,890,411
	Trading liabilities	332,501,946	(950,432,513)
	Income tax paid	(2,429,453,826)	(2,051,736,653)
	Cash flows from operating activities as per cash flow statement	40,577,159,995	26,517,494,454

39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,492 (2019: 2,376).


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 432th meeting held on 12th July 2020 consisting of the following members:

Name	Status in the Audit Committee	Educational qualification
Mr. Dilwar H Choudhury	Chairman	BA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA
Mr. Ashrafal Haq Chowdhury	Member	M.Sc.
Major General Mohammad Matiur Rahman (retd.)	Member	M. Com
Mr. M. A. Baqui Khalily	Member	

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

No. of meeting	Date	No. of meeting	Date
206th Audit	22nd March, 2020	210th Audit	08th September, 2020
207th Audit	08th June, 2020	211th Audit	28th October, 2020
208th Audit	06th July, 2020	212th Audit	29th December, 2020
209th Audit	28th July, 2020		


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Company Secretary
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Corporate Office

Hoda Vasi Chowdhury & Co

Amount in Taka

Particulars	31-Dec-20	31 Dec 2019
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In the year 2020, 7 (seven) 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 in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- 5 The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are 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 31.12.2019.
- 8 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- 9 The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.
- 10 xxii. Proposal of the management for realization of profit charged/accrued to income under the provisions of BRPD Circular Letter No#56 dated 10.12.2020.

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


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Bank Asia Limited
Notes to financial statements for the year ended 31 December 2020

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 2020 is given below:

Name of the organization	Relationship	Service Type	Transaction Amount (Tk)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	26,151,231
All Estates Limited	-do-	Office Rent	90,766,517
DHIS Motors	-do-	Car providers & Car repair and Services	10,606,916
Garda Shield Security Service Ltd.	-do-	Maintenance	3,627,926
Green Bangla	-do-	Tree Plantation	576,785
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	360,000
Opex Fashions Limited	-do-	Office Rent	3,657,150
Rancon car Hub	-do-	Car supplier	41,192,532
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	11,260,525
Rangs Industries Ltd.	-do-	Electronics Items provider	525,023
Rangs Limited	-do-	Car providers	29,221,258
Rangs Pharmaceuticals Ltd	-do-	Hand Sanitizer	1,778,300
Rangs Power Tech Limited	-do-	Machinery Equipments provider	2,790,000
Rangs workshop Ltd	-do-	Car repair and Services	1,040,095
Ranks ITT Ltd.	-do-	Network Connectivity fees	26,452,544
Reliance Insurance	-do-	Insurance Service	46,199,978
Romask Ltd	-do-	Printing	47,933,150
Shield Security Service	-do-	Security Service providers	342,753,815
The Daily Star	-do-	Advertising	7,237,316
ERA Infotech	Associate Company	Software vendor	97,585,344

During the year 2020, 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 2020 is given below:

Particulars	Amount Tk
Short-term employee benefit	103,054,259

Key Management personnel includes President and Managing Director, 08 nos. Deputy Managing Director, 05 nos Senior Executive Vice President, 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.

42 Coverage of external audit

The external auditors of the Bank, Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 7,000 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 2020 was Tk. 18.20 (2019: Tk. 18.20) at DSE and Tk. 18.00 at CSE (2019: 18.50).

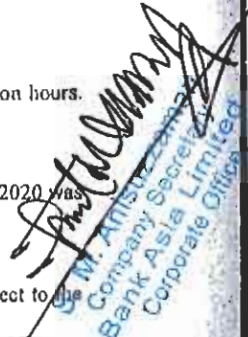
44 Events after the reporting period

The Board of Directors in its 448th meeting held on March 18, 2021 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.


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Bank Asia Limited
Highlights on the overall activities
as at and for the year ended 31 December 2020

SL No.	Particulars		2020	2019
1	Paid-up capital	Taka	11,659,068,600	11,659,068,600
2	Total capital	Taka	43,753,939,369	42,757,136,343
3	Capital (deficit)/surplus	Taka	18,263,424,195	18,914,413,077
4	Total assets	Taka	408,717,150,859	353,800,373,697
5	Total deposits	Taka	303,028,106,360	253,709,574,615
6	Total loans and advances / investments	Taka	244,642,030,073	227,298,956,048
7	Total contingent liabilities and commitments	Taka	122,190,427,780	120,617,276,961
8	Credit deposit ratio	%	69.42%	76.47%
9	Percentage of classified loans / investments against total loans and advances / investments	%	3.24%	4.61%
10	Profit after tax and provision	Taka	2,035,706,683	1,960,811,140
11	Amount of classified loans/investments during current year	Taka	7,930,928,302	10,479,985,000
12	Provisions kept against classified loans / investments	Taka	4,120,200,000	4,604,656,791
13	Provision surplus (shortfall) against classified loans / investments	Taka	5,300,000	1,843,000
14	Cost of fund	%	7.23%	8.25%
15	Interest earning assets	Taka	372,489,989,354	312,059,883,788
16	Non-interest earning assets	Taka	36,227,161,505	41,740,489,909
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	%	2.77%	2.76%
18	Return on assets (ROA) [PAT/ Average assets]	%	0.53%	0.59%
19	Income from investment	Taka	6,484,398,100	3,293,064,994
20	Capital to Risk Weighted Asset (CRAR)	%	17.16%	17.93%
21	Earnings per share	Taka	1.75	1.68
22	Net income per share	Taka	1.75	1.68
23	Price earning ratio	Times	10.40	10.83


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Bank Asia Limited
Balance with other banks-Outside Bangladesh (Nostro Account) as at 31 December 2020


Annex A

Name of the Bank	Account type	Currency type	2020		2019	
			FC amount	Exchange rate	FC amount	Exchange rate
Conventional and Islamic banking:						
Interest bearing:						
Citibank N.A., London	CD	EURO	539	103.55	55,820	94.90
Citibank N.A., London	CD	GBP	29,872	114.90	3,432,347	111.00
Citibank N.A., New York	CD	USD	10,189,841	84.80	864,098,530	84.90
Habib American Bank, New York	CD	USD	4,407,409	84.80	373,748,309	84.90
Mashreqbank psc, New York	CD	USD	839,726	84.80	71,208,735	84.90
Standard Chartered Bank, Mumbai	CD	ACU	329,380	84.80	27,931,401	84.90
Standard Chartered Bank, New York	CD	USD	3,818,484	84.80	323,807,413	84.90
					1,664,282,555	2,830,629,394
Non-interest bearing:						
AB Bank Ltd, Mumbai	CD	ACU	42,117	84.80	3,571,503	84.90
Al Raihi Bank, KSA	CD	SAR	659,146	22.60	14,896,693	22.60
AXIS Bank Ltd	CD	ACU	307,982	84.80	26,116,905	84.90
HDFC Bank Limited, Mumbai, India	CD	ACU	37,974	84.80	3,220,184	84.90
AKTIF Bank, Istanbul -JPY	CD	JPY	3,234,064	0.80	2,587,251	0.80
Bank of Sydney	CD	AUD	15,921	64.55	1,027,704	59.25
Bhutan National Bank Ltd, Thimphu	CD	USD	1,033	84.80	87,626	84.90
Commerzbank AG, Frankfurt	CD	USD	14,281	84.80	1,211,062	84.90
Mashreqbank PSC (Dubai AE)	CD	AED	3,553,928	23.10	82,095,741	23.10
Commerzbank AG, Frankfurt	CD	EURO	58,493	103.55	6,056,939	94.90
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	140,844	84.80	11,943,606	84.90
ICICI Bank Ltd, Hongkong	CD	USD	23,854	84.80	2,022,848	84.90
ICICI Bank Ltd, Mumbai	CD	ACU	467,820	84.80	39,671,129	84.90
JP Morgan Chase Bank, New York	CD	USD	66,307	84.80	5,622,870	84.90
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,054	103.55	833,981	94.90
Muslim Commercial Bank Ltd, Colombo	CD	ACU	105,228	84.80	8,923,367	84.90
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	197,057	84.80	16,710,424	84.90
Bank Alfalah Limited, Karachi PAK (ACU)	CD	ACU	372,381	84.80	31,577,935	84.90
UniCredit Bank AG Munich	CD	EURO	958	103.55	99,202	94.90
Wells Fargo Bank N.A, New York	CD	USD	10,449	84.80	886,088	84.90
Wells Fargo Bank N.A, London	CD	EURO	214,390	103.55	22,200,036	94.90
Zuercher Kantonal Bank, Switzerland	CD	CHF	25,355	95.30	2,416,344	86.60
					283,779,438	333,225,824
Off-shore banking unit:						
Commerzbank AG, Frankfurt	CD	EURO	37,720	113.33	4,274,883	113.17
Habib American Bank, New York	CD	USD	872,089	83.95	73,211,840	83.85
Standard Bank, London	CD	GBP	3	134.45	441	134.15
					77,487,164	457,750,481
					2,025,549,157	3,621,585,699


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd


Md. Arfan Ali
President & Managing Director
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Corporate Office


Mohammad Ibrahim
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Annex B

Bank Asia Limited
Investment in Shares: Provision Requirement at 31 December 2020

S/n	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 2020	Total market value as at 31 Dec 2020	Unrealized profit/ (loss) as at 31 Dec 2020
Quoted Shares								
1	AB Bank Limited	10	149,007	9,721,217	65.24	12.10	1,802,985	(7,918,232)
2	Dhaka Bank Limited	10	586,106	15,813,139	26.98	11.90	6,974,661	(8,838,478)
3	Exim Bank Limited	10	1,877,123	38,582,386	20.55	11.80	22,150,051	(16,432,335)
4	Golden Son Limited	10	119,185	8,586,791	72.05	11.20	1,334,872	(7,251,919)
5	Lanka Bangla Finance Limited	10	1,310,017	59,762,975	45.62	31.40	41,134,534	(18,628,441)
6	Mercantile Bank Limited	10	507,150	10,498,005	20.70	12.70	6,440,805	(4,057,200)
7	Phoenix Finance and Investments Limited	10	1,248,436	49,438,065	39.60	27.50	34,331,990	(15,106,075)
8	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	12.60	914,458	(11,087,363)
9	Prime Insurance Company Limited	10	60,564	5,466,943	90.27	49.20	2,979,749	(2,487,194)
10	Southeast Bank Limited	10	1,390,215	34,741,473	24.99	12.50	17,377,688	(17,363,785)
11	United Commercial Bank Limited	10	2,624,381	63,772,931	24.30	14.10	37,003,772	(26,769,159)
12	Premier Bank Limited	10	3,031,875	40,505,850	13.36	11.00	33,350,625	(7,155,225)
13	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	74.70	74,700,000	17,050,000
A. Provision requirement for quoted shares				406,541,595			280,496,190	(126,045,405)
Available cash balance				38,054,578				
				444,596,173				
Mutual Fund								
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,000	6.90	6.00	43,488,492	-
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	7.50	37,500,000	(2,200,000)
16	EBL NRB Mutual Fund	10	22,376,041	149,565,000	6.69	5.70	127,543,434	-
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.40	209,559,679	-
18	EXIM Bank 1st Mutual Fund	10	22,645,455	158,076,866	6.98	6.70	151,724,549	-
B. Provision requirement for Mutual Fund as per BB Circular				96,076,926			569,816,154	(2,200,000)
S/n	Name of the company	Face value	No. of Shares including bonus	Cost of holding	Per Unit cost	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	17.48	233,853,189	174,852,929
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	34.69	39,625,231	36,486,341
3	Era-InfoTech Limited	100	195,687	383,700	1.96	266.21	52,092,893	51,709,193
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	21.94	702,472	(2,499,040)
5	MSF Asset Management Co. Ltd.	10	200,000	2,000,000	10.00	10.00	2,000,000	-
6	Universal Financial Solutions Limited (UFS)	10	10,000,000	100,000,000	10.00	11.56	115,600,000	15,600,000
7	Investment in SWIFT share	311,560	29	9,035,228	311.560	311.560	9,035,228	-
8	Energypac Power Generation Limited	10	1,192,800	49,984,000	41.90	51.83	61,825,524	11,841,524
C. Unrealized profit of unquoted stocks				226,743,590			514,734,537	287,990,947
Provision required for subsidiaries								(212,037,884)
D. Provision for unquoted stock								75,963,063
E. Provision required for Reciprocal Debentures								(15,982,975)
F. Total Provision Requirement (A+B+D+E)								(68,265,317)
G. Provision maintained								363,363,553
H. Provision Excess / (Shortfall) for quoted and unquoted share								295,118,236


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S.M. Anisuzzaman
Company Secretary
Bank Asia Limited

Annex-C-1

Bank Asia Limited
Conventional, Islamic banking and Off-shore banking unit
Schedule of fixed assets including premises, furniture and fixtures at 31 December 2020

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2020
	Balance as at 01 Jan 2020	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2020		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2020	
Own assets										
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	2,646,764,306
Building	2,752,485,492	-	479,827,902	3,232,313,394	5	-	53,715,264	-	1,398,875,120	1,833,438,274
Furniture and fixtures	1,225,349,124	40,375,790	(1,700,000)	1,264,024,914	20	77,956,097	-	(1,309,716)	1,114,593,341	149,431,573
Machinery & Equipments	1,154,664,848	61,382,440	-	1,216,047,288	20	139,113,748	-	-	881,006,920	335,040,368
Computer and accessories	474,790,166	18,440,546	-	493,230,712	20	48,800,157	-	-	413,725,727	79,504,985
Motor vehicles	203,785,296	80,738,577	(9,641,632)	274,882,241	20	30,459,113	-	(9,641,632)	164,900,748	109,981,493
Sub-total	8,457,839,232	200,937,353	468,486,270	9,127,262,855		393,752,185	53,715,264	(10,951,348)	3,973,101,856	5,154,160,999
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	18,900,000	-	(9,900,000)	9,000,000	20	-	-	(9,900,000)	9,000,000	-
Sub-total	364,468,087	-	(9,900,000)	354,568,087		-	-	(9,900,000)	354,568,087	-
Total	8,822,307,319	200,937,353	468,586,270	9,481,830,942		393,752,185	53,715,264	(20,851,348)	4,327,669,943	5,154,160,999
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										
Karwan bazar building (2)	572,445,344	217,326,531	(408,891,169)	380,881,206		-	-	-	-	380,881,206
Sukrebadi building (2)	82,469,264	31,379,976	(70,936,733)	42,912,507		-	-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-	20,947,925		-	-	-	-	20,947,925
Sub-total	667,935,308	256,634,232	(479,827,902)	444,741,638		-	-	-	-	444,741,638
Total	9,514,242,627	457,571,585	(21,241,632)	9,950,572,580		393,752,185	53,715,264	(20,851,348)	4,327,669,943	5,622,902,637
Right-of-use assets										
Office space (3)	1,739,075,475	-	-	1,739,075,475		326,661,553	-	-	653,323,106	1,085,752,369
Sub-total	1,739,075,475	-	-	1,739,075,475		326,661,553	-	-	653,323,106	1,085,752,369
Total	11,253,318,102	457,571,585	(21,241,632)	11,689,648,055		720,413,738	53,715,264	(20,851,348)	4,999,993,049	6,708,655,006

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 implementation of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.


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S.M. Anwarul Karim
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Bank Asia Limited
Corporate Office

Annex-C-2

Bank Asia Limited
Conventional and Islamic banking
Schedule of fixed assets including premises, furniture and fixtures at 31 December 2019

Particulars	Cost				Rate of dep. %	Amount in Taka					
	Balance as at 01 Jan 2019	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2019		Balance as at 01 Jan 2019	Charged during the year	Depreciation Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2019	Written down value as at 31 Dec 2019
Own assets											
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	-	-	2,646,764,306
Building	2,752,485,492	-	-	2,752,485,492	5	-	51,715,264	-	1,247,776,786	-	1,504,708,706
Furniture and fixtures	1,188,646,531	37,502,593	(800,000)	1,225,349,124	20	99,383,783	-	(381,250)	1,037,906,960	-	187,442,164
Machinery & Equipments	927,523,396	228,901,452	(1,760,000)	1,154,664,848	20	90,058,019	-	(1,760,000)	741,893,172	-	412,771,676
Computer and accessories	440,900,264	33,889,902	-	474,790,166	20	116,511,998	-	-	364,925,570	-	109,864,596
Motor vehicles	243,279,818	3,334,055	(42,828,577)	203,785,296	20	52,002,096	-	(42,828,577)	144,083,267	-	59,702,029
Sub-total	8,199,599,807	303,628,002	(45,388,577)	8,457,839,232		380,715,038	53,715,264	(44,969,827)	3,536,585,755		4,921,253,477
Lensed 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	18,900,000	-	-	18,900,000	20	-	-	-	18,900,000	-	-
Sub-total	364,468,087	-	-	364,468,087		364,468,087	-	-	364,468,087	-	-
Total	8,564,067,894	303,628,002	(45,388,577)	8,822,307,319		380,715,038	53,715,264	(44,969,827)	3,901,053,842		4,921,253,477
Intangible assets											
Corporate Membership (1)	-	24,000,000	-	24,000,000		-	-	-	-	-	24,000,000
Corporate Membership (1)	-	24,000,000	-	24,000,000		-	-	-	-	-	24,000,000
Work in progress											
Kawran bazar building (2)	332,037,775	240,408,069	-	572,445,844		-	-	-	-	-	572,445,844
Subrahad building (3)	47,041,290	35,427,974	-	82,469,264		-	-	-	-	-	82,469,264
Renovation & Decoration (4)	-	13,020,200	-	13,020,200		-	-	-	-	-	13,020,200
Total	379,079,065	288,856,243	-	667,935,308		380,715,038	53,715,264	(44,969,827)	3,901,053,842		667,935,308
Total	8,943,146,959	616,484,245	(45,388,577)	9,514,242,627		380,715,038	53,715,264	(44,969,827)	3,901,053,842		5,613,188,785
Right-of-use assets											
Office space (5)	-	1,739,075,475	-	1,739,075,475		326,661,553	-	-	326,661,553	-	1,412,413,922
Office space (5)	-	1,739,075,475	-	1,739,075,475		326,661,553	-	-	326,661,553	-	1,412,413,922
Grand Total	8,943,146,959	2,355,559,720	(45,388,577)	11,253,318,102		707,376,591	53,715,264	(44,969,827)	4,227,715,395		7,025,602,707

Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)
2. For construction of 12 storied commercial building with 22 stored foundation
3. For construction of 9 storied building
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100. For construction of 9 storied building

Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 15.9) and initial payment for executing the contract.


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Bank Asia Limited
Corporate Office

Bank Asia Limited & its Subsidiaries

Consolidated Schedule of fixed assets including premises, furniture and fixtures at 31 December 2020

Annex-C.3

Particulars	Cost			Rate of dep. %	Amount in Taka					
	Balance as at 01 Jan 2020	Additions during the year	Disposal/adjustment during the year		Balance as at 31 Dec 2020	Charged during the year	Depreciation Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2020	Written down value as at 31 Dec 2020
Own assets										
Land	2,646,764,306	-	-	0	2,646,764,306	-	-	-	-	2,646,764,306
Building	2,774,364,124	3,297,052	467,259,157	5	3,244,920,333	-	-	53,715,264	1,408,530,839	1,836,389,494
Furniture and fixtures	1,253,332,695	40,375,790	(1,684,927)	20	1,292,023,558	-	-	(1,309,716)	1,123,100,426	168,923,132
Equipments	1,168,355,274	61,694,563	199,521	20	1,230,249,358	-	-	676,825	888,630,079	341,619,279
Computer and accessories	484,838,267	18,440,546	-	20	503,278,813	-	-	-	420,815,049	82,463,764
Motor vehicles	203,785,296	80,738,377	(9,641,632)	20	274,882,041	-	-	(9,641,632)	164,900,748	109,981,493
Sub-total	8,531,439,962	204,546,528	456,132,119		9,192,118,609	-	-	53,715,264	4,005,977,141	5,186,141,468
Leased assets										
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	-	167,162,848	-
Equipments	106,201,139	-	-	20	106,201,139	-	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	20	72,204,100	-	-	-	72,204,100	-
Motor vehicles	18,900,000	-	(9,900,000)	20	9,000,000	-	-	(9,900,000)	9,000,000	-
Sub-total	364,468,087	-	(9,900,000)		354,568,087	-	-	(9,900,000)	354,568,087	-
Total	8,895,908,049	204,546,528	446,232,119		9,546,686,696	-	-	53,715,264	4,360,545,228	5,186,141,468
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										
Kawran bazar building (2)	572,445,844	217,326,531	(408,891,169)		380,881,206	-	-	-	-	380,881,206
Sukrabad building (2)	82,469,264	31,379,976	(70,936,733)		42,912,507	-	-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-		20,947,925	-	-	-	-	20,947,925
Total	667,935,308	256,634,232	(479,827,902)		444,741,638	-	-	-	-	444,741,638
Grand Total	9,587,843,357	461,180,760	(33,895,783)		10,015,428,334	-	-	53,715,264	4,360,545,228	5,654,883,106
Right-of-use assets										
Office space (3)	1,739,075,475	86,256,785	-		1,825,332,260	-	-	-	666,111,966	1,159,220,294
Sub-total	1,739,075,475	86,256,785	-		1,825,332,260	-	-	-	666,111,966	1,159,220,294
Grand Total	11,326,918,832	547,437,545	(33,895,783)		11,840,760,594	-	-	53,715,264	5,026,657,194	6,814,103,400

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

For Machinery, Furniture and Fixture and Office Renovation

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


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Bank Asia Limited & its Subsidiaries
Consolidated Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2019

Annex-C-4

Particulars	Cost				Rate of dep. %	Amount in Taka					
	Balance as at 01 Jan 2019	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019		Balance as at 01 Jan 2019	Charged during the year	Depreciation Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2019	Written down value as at 31 Dec 2019
Own assets											
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	-	-	2,646,764,306
Building	2,773,626,243	737,880	127,713	2,774,491,836	5	97,338,178	53,715,264	645,698	1,266,662,255	1,507,829,582	
Furniture and fixtures	1,206,448,427	61,578,715	(11,191,101)	1,256,836,041	20	97,338,178	-	(10,771,204)	1,043,911,105	212,924,937	
Equipments	935,599,805	235,594,987	(6,470,579)	1,164,724,213	20	117,723,860	-	(6,406,685)	744,491,505	420,232,708	
Computer and accessories	453,288,375	35,792,902	(4,243,011)	484,838,266	20	321,974,971	-	(4,233,740)	370,747,826	114,090,440	
Motor vehicles	243,279,818	3,334,055	(42,828,577)	203,785,296	20	26,759,142	-	(42,828,577)	144,083,268	59,702,029	
Sub-total	8,259,006,975	337,038,539	(64,605,555)	8,531,439,959		387,556,996	53,715,264	(63,594,508)	3,569,895,958	4,961,544,001	
Leased assets											
Furniture and fixtures	167,162,848	-	-	167,162,848	20	-	-	-	167,162,848	-	
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	18,900,000	-	-	18,900,000	20	-	-	-	18,900,000	-	
Sub-total	364,468,087	-	-	364,468,087		-	-	-	364,468,087	-	
Total	8,623,475,062	337,038,539	(64,605,555)	8,895,908,046		387,556,996	53,715,264	(63,594,508)	3,934,364,045	4,961,544,001	
Intangible assets											
Corporate Membership (1)	-	24,000,000	-	24,000,000		-	-	-	-	24,000,000	
Grand Total	-	24,000,000	-	24,000,000		-	-	-	-	24,000,000	
Work in progress											
Kawran bazar building (2)	332,037,775	240,408,069	-	572,445,844		-	-	-	-	572,445,844	
Suicrabad building (3)	47,041,290	35,427,974	-	82,469,264		-	-	-	-	82,469,264	
Renovation & Decoration (4)	-	13,020,200	-	13,020,200		-	-	-	-	13,020,200	
Total	379,079,065	288,856,243	-	667,935,308		-	-	-	-	667,935,308	
Grand Total	9,002,554,127	625,894,782	(64,605,555)	9,563,843,354		387,556,996	53,715,264	(63,594,508)	3,934,364,045	5,653,479,309	
Right-of-use assets											
Office space (5)	-	1,739,075,475	-	1,739,075,475		326,661,553	-	-	326,661,553	1,412,413,922	
Grand Total	9,002,554,127	2,388,970,257	(64,605,555)	11,326,918,829		326,661,553	53,715,264	(63,594,508)	4,261,025,598	7,065,893,231	

1. Membership fees to Barishala Cosmopolitan Club Limited (BOCL)
2. For construction of 12 storied commercial building with 22 store foundation.
3. For construction of 9 storied building Gulshan Branch and Fatullah Branch
4. 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.


Ershad Hossain
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City Bank Capital Resources Ltd.


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President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil
President & Managing Director
Bank Asia Limited
Corporate Office, Dhaka.


S.M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Bank Asia Limited

Statement of tax position at 31 December 2020

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	Return Submitted


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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Details of Large Loan at 31 December 2020

	2020	2019
Number of clients	6	8
Amount of outstanding advances (Taka)	33,712	43,683
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise break up is as follows:

SL. No.	Name of clients	Outstanding (Taka) 2020			Outstanding (Taka) 2019		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Echotex Group	2,072	2,733	4,806	-	-	-
2	BRAC	6,373	11	6,383	-	-	-
3	Ahmed Group	82	5,133	5,215	-	-	-
4	Spectra Group	2,680	2,951	5,631	1,489	4,247	5,736
5	Basundhara Group	3,986	2,806	6,792	4,508	2,221	6,729
6	Saiham Group	1,449	3,436	4,885	1,951	3,032	4,983
7	Western Marine Group	-	-	-	4,204	945	5,149
8	City Group	-	-	-	1,862	4,182	6,044
9	Summit Group	-	-	-	2,049	3,413	5,461
10	Meghna Group	-	-	-	2,014	2,793	4,807
11	ACI Group	-	-	-	2,606	2,168	4,773
	Total	16,642	17,070	33,712	20,683	23,000	43,683


Enshad Hossain
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Md. Arfan Ali
President & Managing Director
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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Name of Directors and their interest in different entities as at 31 December 2020

SL. No.	Name	Status with the Bank	Name of firms/companies in which interested as proprietor/ director/managing agent/ guarantor/ employee/ partner, etc.
1.	Mr. A Rouf Chowdhury	Chairman	Agro Food Services Ltd. Amiran Generations Limited Bank Asia Limited Deep Sea Fishers Limited Fishers Shipyard Limited Mavis Ispat Limited Metro Foils 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 Motors Workshop Limited Rangs Pharmaceuticals Limited Rangs Properties Limited Rangs Workshop Limited Ranks Agro Biotech Limited Ranks Appliances Limited Ranks Commercial Vehicles Ltd. 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 Communication Limited The Daily Star Zest Polymers Ltd.
2.	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	Anandaniketan Ltd. Bank Asia Limited 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 & Calendering Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Eshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



M. Ibrahim Khalil, FCA
Joint Managing Director
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

SL. No.	Name	Status with the Bank	Name of firms/companies in which interested as proprietor/ director/managing agent/ guarantor/ employee/ partner, etc.
3.	Mr. Romo Rouf Chowdhury	Vice Chairman	Agro Food Services Ltd Bank Asia Limited Deep Sea Fishers Limited Fishers Shipyard Ltd. Inspace Architects Limited Metro Foils Limited Rancon Auto Industries Ltd. Rancon Automobiles Limited Rancon Car Hubs Limited Rancon Accessories Limited Rancon Elcetronics Limited Rancon Engineering Limited Rancon Holdings Ltd. Rancon Hospitality Limited Rancon Industrial Solutions Ltd Rancon Infrastructures and Engineering Limited Rancon Motor Bikes Ltd. Rancon Motors Limited Rancon Oceana Limited Rancon Sea Fishing Limited Rancon Trucks & Buses Ltd Rangs Industries Ltd. Rangs Limited Rangs Properties Limited Rangs Workshop Limited Ranks FC Properties Ltd. Ranks Agro Bioteq Limited Ranks ITT Limited Ranks Petroleum Limited Ranks Telecom Limited Sea Fishers Limited Sea Resources Agencies Ltd. Sea Resources Cold Storage Limited Sea Resources Limited Seamans Dockyard and Fish Meal Ltd Shield Security Services Limited Softex Communication Limited Zest Polymers Ltd.
4.	Mrs. Hosneara Sinha	Director	Bank Asia Limited Pritha Fashions Ltd. Sattar Jute Mills Ltd. Sinha Auto Spinning Mills Ltd.
5.	Mr. Rumeo A Hossain	Director	Bank Asia Limited Rangs Industries Ltd. Rangs Pharmaceuticals Limited Ranks ITT Limited Ranks Petroleum Ltd. Ranks Telecom Limited Romask Limited


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Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

SL. No.	Name	Status with the Bank	Name of firms/companies in which interested as proprietor/ director/managing agent/ guarantor/ employee/ partner, etc.
6.	Ms. Farhana Haq	Director	Ali Estates Limited Bank Asia Limited DHS Automobiles Limited DHS Motors Limited FAR Limited Platform Services Limited Platform Solutions Limited Surja Soft Limited
7.	Mr. Dilwar H Choudhury (Independent Director)	Director	Bank Asia Limited Golden Harvest Fintech Ltd. Jubilant Golden Harvest Ltd. Latif Center
8.	Major General Mohammad Matiur Rahman, (retd.)	Director	Bank Asia Limited Jolphar Bangladesh Ltd.
9.	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	Agro Food Services Ltd. Amiran Romana Ltd. Amreen Romana Ltd. Bank Asia Limited Deep Sea Fishers Limited Fishers Shipyard Limited Mavis Ispat Limited Maya Limited Metro Foils Ltd. Rancon Automobiles Ltd. Rancon Autos Limited Rancon Motors Limited Rangs Industries Ltd. Rangs Limited Rangs Motors Limited Rangs Motors Workshop Ltd. Rangs Pharmaceuticals Limited Rangs Properties Limited Rangs Workshop Limited Ranks Agro Biotech Limited Ranks Interiors Limited Ranks ITT Limited Ranks Petroleum Limited Ranks Real Estate Limited Ranks Telecom Limited Romask 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 Limited Shield Security Services Limited SRL Marine Products Ltd. Zest Polymers Ltd.
10.	Ms. Naheed Akhter Sinha	Director	Bank Asia Limited Cluster World Pte. Ltd. (Singapore) Enterprise Cluster Pte. Ltd. (Singapore) Lafarge Holcim Bangladesh Limited


S. M. Anisuzzaman
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Bank Asia Limited
Corporate Office



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Chief Financial Officer
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Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

SL. No.	Name	Status with the Bank	Name of firms/companies in which interested as proprietor/ director/managing agent/ guarantor/ employee/ partner, etc.
11.	Mr. Ashrafal Haq Chowdhury (Independent Director)	Director	Bank Asia Limited Star Allied Venture Limited Star Infrastructure Development Consortium Limited
12.	Mr. Enam Chowdhury (Representing Amiran Generations Limited)	Director	Bank Asia Limited Deep Sea Fishers Limited Fishers Shipyards Limited Sea Resources Cold Storage Limited
13.	Mr. Md. Abul Quasem (Independent Director)	Director	Bank Asia Limited
14.	Mr. M. A. Baqui Khallily (Independent Director)	Director	Bank Asia Limited
15.	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	Bank Asia Limited Baraka Patenga Power Ltd. Baraka Power Ltd. PKSF (Palli Karma-Sahayak Foundation)


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Corporate Office, Dhaka

Bank Asia Limited
Islamic Banking Operations of Bank Asia for the year ended 31 December 2020

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 2020

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.11.2020	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	40%	60%
2. Mudaraba Term Deposit Account (MTDA) 2 months	40%	60%
3. Mudaraba Term Deposit Account (MTDA) 3 months	62%	38%
4. Mudaraba Term Deposit Account (MTDA) 6 months (Below Tk. 1 crore)	62%	38%
5. Mudaraba Term Deposit Account (MTDA) 6 months (Tk. 1 crore & above but below Tk. 5 crore)	62%	38%
6. Mudaraba Term Deposit Account (MTDA) 6 months (Tk. 5 crore & above)	62%	38%
7. Mudaraba Term Deposit Account (MTDA) 12 months (Below Tk. 1 crore)	62%	38%
8. Mudaraba Term Deposit Account (MTDA) 12 months (Tk. 1 crore & above)	62%	38%
9. Mudaraba Term Deposit Account (MTDA) 24 months (Below Tk. 1 crore)	62%	38%
10. Mudaraba Term Deposit Account (MTDA) 24 months (Tk. 1 crore & above)	62%	38%
11. Mudaraba Term Deposit Account (MTDA) 36 months (Below Tk. 1 crore)	62%	38%
12. Mudaraba Term Deposit Account (MTDA) 36 months (Tk. 1 crore & above)	62%	38%
13. Mudaraba Term Deposit Account (MTDA) 60 months (Below Tk. 1 crore)	62%	38%
14. Mudaraba Term Deposit Account (MTDA) 60 months (Tk. 1 crore & above)	62%	38%
15. Corporate Term Deposit Account (CTDA) 3 months (Tk. 1 crore & above)	62%	38%
16. Corporate Term Deposit Account (CTDA) 6 months (Tk. 1 crore & above but below Tk. 5 crore)	62%	38%
17. Corporate Term Deposit Account (CTDA) 6 months (Tk. 5 crore & above)	62%	38%
18. Corporate Term Deposit Account (CTDA) 12 months (Tk. 1 crore & above)	62%	38%
19. Mudaraba Savings Account (MSA)	40%	60%
20. Mudaraba Corporate Privilege Savings Account (MCPSA)	40%	60%
21. Smart Junior Saver (School Banking) Account	50%	50%
22. Mudaraba Special Notice Deposit Account (MSND)	55%	65%
23. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 year	80%	20%
24. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 2 years	82%	18%
25. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
26. Mudaraba Deposit Pension Scheme (MDPS) 3-12 Years	85%	15%
27. Mudaraba Hajj Savings Scheme (MHSA) 1- 10 Years	88%	12%
28. Cash Waqf	88%	12%

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Er Mas Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

M. Azfar Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Skun

Bank Asia Limited
Islamic Banking Operations of Bank Asia for the year ended 31 December 2020

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:

- a. Fixed return based investment
- b. 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.


Ehsan Uzzaman
Managing Director & CEO
City Bank Capital Resources Ltd.


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Company Secretary
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Md. Arfan Ali
President & Managing Director
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Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


Hoda Vasi Chowdhury & Co

Annex G.1

Bank Asia Limited
Islamic Banking Unit
Balance Sheet as at 31 December 2020

Particulars	Amount in Taka	
	31 Dec 2020	31 Dec 2019
PROPERTY AND ASSETS		
Cash	977,044,058	1,010,655,911
Cash in hand	32,928,013	39,319,564
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	944,116,045	971,336,347
Balance with other banks and financial institutions	200,611,490	300,753,880
In Bangladesh	200,611,490	300,753,880
Outside Bangladesh	-	-
Placement with other banks and financial institutions	-	-
Investments in shares and securities	4,823,710,000	1,049,300,000
Government	4,783,710,000	969,300,000
Others	40,000,000	80,000,000
Investments	16,409,426,612	13,304,712,470
General Investment	16,408,036,612	13,253,555,559
Bills purchased and discounted	1,390,000	51,156,911
Fixed assets including premises furniture and fixtures	3,484,699	4,884,814
Other assets	1,549,634,621	4,139,401,670
Non - banking assets	-	-
Total assets	23,963,911,480	19,809,798,745
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks financial institutions and agents	-	-
Deposits and other Accounts :		
Al-wadeeah current and other deposits accounts etc.	1,023,697,578	815,561,996
Bills payable	130,359,220	108,992,752
Mudaraba savings deposits	3,553,025,320	2,551,157,860
Mudaraba term deposits	17,655,569,247	15,090,188,481
	22,362,651,365	18,565,901,089
Other liabilities	1,601,260,115	1,243,807,656
Total liabilities	23,963,911,480	19,809,798,745
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	571,286,809	214,311,365
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	571,286,809	214,311,365
Other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	571,286,809	214,311,365



Md. Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


President & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

**Bank Asia Limited
Islamic Banking Unit
Profit and Loss Account for the year ended 31 December 2020**

Particulars	Amount in Taka	
	31 Dec 2020	31 Dec 2019
OPERATING INCOME		
Investment income	874,546,219	1,348,621,170
Profit paid on deposits, borrowings, etc.	928,307,146	1,003,503,946
Net investment income	(53,760,927)	345,117,224
Profit on Investment with bank and financial institutions	52,458,317	31,211,410
Commission, exchange and brokerage	51,644,010	59,755,482
Other operating income	10,529,155	9,390,895
Total operating income	60,870,555	445,475,011
OPERATING EXPENSES		
Salaries and allowances	91,293,218	84,059,716
Rent, taxes, insurance, electricity, etc.	9,598,412	9,826,725
Legal expenses	-	92,500
Postage, stamp, telecommunication, etc.	1,064,244	862,710
Stationery, printing, advertisement, etc.	1,432,590	1,532,772
Depreciation and repair of Bank's assets	3,261,650	4,733,774
Other expenses	39,268,515	42,724,634
Total operating expenses	145,918,629	143,832,831
Profit before provision	(85,048,074)	301,642,180
Provision for investments		
General provision	112,212,068	1,809,521
Specific provision	(1,691,611)	163,150,386
	110,520,457	164,959,907
Provision for off balance sheet items	3,569,754	677,707
Total provision	114,090,211	165,637,614
Total profit/(loss) before taxes	(199,138,285)	136,004,566


Eshak Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Company Office


Mohammed Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Hoda Vasi Chowdhury & Co

Annex H

Bank Asia Limited
Off-shore Banking Unit
Balance Sheet as at 31 December 2020

Particulars	Notes	Amount			
		31 Dec 2020		31 Dec 2019	
		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					
In Bangladesh	3	-	-	-	-
Outside Bangladesh		923,016	77,487,164	5,458,920	457,730,481
		923,016	77,487,164	5,458,920	457,730,481
Investments					
Government		-	-	-	-
Others		-	-	1,628,319	136,534,543
		-	-	1,628,319	136,534,543
Loans and advances					
Loans, cash credits, overdrafts, etc.	4	44,951,597	3,773,686,591	31,992,364	2,682,559,733
Bills purchased and discounted		175,394,142	14,724,338,222	201,423,944	16,889,397,743
		220,345,739	18,498,024,813	233,416,309	19,571,957,476
Fixed assets including premises, furniture and fixtures					
Other assets	5	5,424,971	455,426,291	585,497	49,093,897
Non - banking assets		-	-	-	-
Total assets		226,693,726	19,030,938,268	241,089,045	20,215,316,397
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	222,808,269	18,704,754,165	233,940,009	19,615,869,735
Deposits and other accounts					
Current deposits	7	3,341,160	280,490,384	5,348,141	448,441,616
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		537,517	45,124,527	1,752,245	146,925,728
Bearer certificate of deposit		-	-	-	-
		3,878,677	325,614,911	7,100,386	595,367,344
Other liabilities	8	6,780	569,192	48,650	4,079,318
Total liabilities		226,693,726	19,030,938,268	241,089,045	20,215,316,397
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements		49,533	4,158,295	24,518	2,055,858
Letters of guarantee		6,610	554,910	-	-
Irrevocable letters of credit	10	366,400	30,759,280	349,151	29,276,311
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		422,543	35,472,485	373,669	31,332,169
Other commitments		-	-	-	-
Total Off-Balance Sheet Items including contingent liabilities		422,543	35,472,485	373,669	31,332,169


Arshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office



Mohammad Ibrahim Khalil
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Off-shore Banking Unit
Profit and Loss Account for the year ended 31 December 2020

Particulars	Notes	Amount			
		31 Dec 2020		31 Dec 2019	
		USD	Taka	USD	Taka
Interest income	11	11,395,921	955,775,932	13,995,478	1,166,103,247
Interest paid on deposits and borrowings, etc.	12	6,735,461	564,903,098	10,389,691	865,669,016
Net interest/net profit on investments		4,660,461	390,872,834	3,605,788	300,434,231
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	65,458	9,810,218	92,403	13,701,570
Other operating income	14	197,046	16,526,219	339,762	28,308,974
Total operating income (A)		4,922,964	417,209,271	4,037,953	342,444,775
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		3,090	259,134	3,091	257,549
Legal expenses		16,852	1,413,377	5,042	420,113
Postage, stamp, telecommunication, etc.		8,261	692,846	8,646	720,396
Stationery, printing, advertisements, etc.		592	49,664	607	50,561
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		248,692	20,857,837	224,228	18,682,659
Total operating expenses (B)		277,487	23,272,858	241,614	20,131,278
Profit before provision (C=A-B)		4,645,477	393,936,413	3,796,339	322,313,497
Provision for loans and advances					
General provision		(128,047)	(10,739,326)	(151,586)	(12,630,144)
Specific provision		-	-	-	-
		(128,047)	(10,739,326)	(151,586)	(12,630,144)
Provision for off-balance sheet items		494	41,403	(1,114)	(92,858)
Total provision (D)		(127,554)	(10,697,923)	(152,700)	(12,723,002)
Total profit/(loss) (C-D)		4,773,030	404,634,336	3,949,039	335,036,499


Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Md. Arfan Aii
Assistant & Managing Director
Bank Asia Ltd.
Corporate Office


Mohammar Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements for the year ended 31 December 2020

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 83.95 (2019 : BDT 83.85). Income and expenses are translated at an average rate @ USD 1 = BDT 83.87 (2019 : BDT 83.32). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 84.80

Particulars	Amount			
	31 Dec 2020		31 Dec 2019	
	USD	Taka	USD	Taka

3 Balance with other banks and financial institutions

In Bangladesh

Outside Bangladesh

Commerzbank A.G, Frankfurt	50,922	4,274,893	1,445	121,161
Habib American Bank, New York	872,089	73,211,840	5,457,470	457,608,880
Sonali Bank (UK) Limited, London	5	441	5	440
	<u>923,016</u>	<u>77,487,164</u>	<u>5,458,920</u>	<u>457,730,481</u>


Eshad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office


S. A. Anwarul Hossain
Company Secretary
Bank Asia Limited
Corporate Office

Stamp: 
Mohammad Ibrahim
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements for the year ended 31 December 2020

4	Loans and advances				
	Loans, cash credit, overdrafts etc. (Note 4.1)	44,951,597	3,773,686,591	31,992,364	2,682,559,733
	Bills purchased and discounted (Note 4.2)	175,394,142	14,724,338,222	201,423,944	16,889,397,743
		<u>220,345,739</u>	<u>18,498,024,813</u>	<u>233,416,309</u>	<u>19,571,957,476</u>
4.1	Loans, cash credit, overdrafts etc.				
	Term loan industrial	44,571,237	3,741,755,387	30,754,031	2,578,725,495
	Loan against trust receipts	-	-	113,016	9,476,426
	Demand loan	380,360	31,931,204	407,736	34,188,702
	Loan others	-	-	717,580	60,169,110
		<u>44,951,597</u>	<u>3,773,686,591</u>	<u>31,992,364</u>	<u>2,682,559,733</u>
4.2	Bills purchased and discounted				
	Payable in Bangladesh	175,394,142	14,724,338,222	201,423,944	16,889,397,743
	Payable outside Bangladesh	-	-	-	-
		<u>175,394,142</u>	<u>14,724,338,222</u>	<u>201,423,944</u>	<u>16,889,397,743</u>
5	Other assets				
	Branch adjustment account	169,698	14,246,142	169,698	14,229,167
	Prepaid expenses	329,543	27,665,117	415,799	34,864,730
	Receivable From DBO	4,925,730	413,515,032	-	-
		<u>5,424,971</u>	<u>435,426,291</u>	<u>585,497</u>	<u>49,093,897</u>
6	Borrowings from other banks, financial institutions and agents				
	Borrowing from other banks (Note 6.1)	82,400,177	6,917,494,901	136,200,875	11,420,443,402
	Borrowing from Bank Asia Treasury Division	51,038,750	4,284,703,063	13,420,009	1,125,267,792
	Borrowing - ECA	24,369,341	2,045,806,201	4,319,124	362,158,541
	Borrowing from IFC	65,000,000	5,456,750,000	80,000,000	6,708,000,000
		<u>222,808,269</u>	<u>18,704,754,165</u>	<u>233,940,009</u>	<u>19,615,869,735</u>
6.1	Borrowing from other banks				
	Standard Chartered Bank, Singapore	-	-	32,535,000	2,728,059,750
	First Gulf Bank/First Abu Dhabi Bank	-	-	5,000,000	419,250,000
	National Bank of RAS Al Khaimah	-	-	22,000,000	1,844,700,000
	United Bank Limited, UAE	-	-	10,000,000	838,500,000
	Caixa Bank, Barcelona	29,177,700	2,449,467,915	-	-
	Standard Chartered Bank, Thailand	5,000,000	419,750,000	-	-
	HDFC, Gift City, Mumbai	-	-	15,000,000	1,257,750,000
	Noor Islami Bank, Dubai, UAE	-	-	13,000,000	1,090,050,000
	Abu Dhabi Commercial bank	-	-	10,000,000	838,500,000
	Commercial Bank of Dubai	10,000,000	839,500,000	-	-
	State Bank of India, Hongkong	5,000,000	419,750,000	-	-
	State Bank of India, Dubai	10,200,000	856,290,000	-	-
	Nepal Bangladesh Bank Limited	5,000,000	419,750,000	-	-
	The Commercial Bank, Qatar	8,000,000	671,600,000	6,000,000	503,100,000
	DBS Bank Singapore	5,000,000	419,750,000	18,000,000	1,509,300,000
	Banca Valsabbina SCPA Vestone Italy	22,477	1,886,986	1,290,875	108,239,902
	Sanima Bank, Nepal	-	-	3,375,000	282,993,750
		<u>82,400,177</u>	<u>6,917,494,901</u>	<u>136,200,875</u>	<u>11,420,443,402</u>
7	Deposits and other accounts				
	Customer deposits and other accounts (Note 7.1)	<u>3,878,677</u>	<u>325,614,911</u>	<u>7,100,386</u>	<u>595,367,344</u>
7.1	Customer deposits and other accounts				
	Foreign currency (Current)	2,590,556	217,477,204	3,531,472	296,113,904
	Other demand deposits (Current)	750,604	63,013,180	1,816,669	152,327,712
	Fixed deposit	537,517	45,124,527	1,752,245	146,925,728
		<u>3,878,677</u>	<u>325,614,911</u>	<u>7,100,386</u>	<u>595,367,344</u>


Ershad Hossain
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Md. Arfan Ali
President & Managing Director
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Mohammed Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka


S.M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

**Bank Asia Limited
Off-shore Banking Unit (OBU)
Notes to the Financial Statements for the year ended 31 December 2020**

8 Other liabilities				
Provision for loans and advances	(127,925)	(10,739,326)	(150,628)	(12,630,144)
Provision for off balance sheet items	493	41,403	(1,107)	(92,858)
Due to Head Office	127,432	10,697,923	151,735	12,723,002
FDR on Export Bill	6,780	569,192	48,425	4,060,473
Interest suspense account	-	-	225	18,846
	<u>6,780</u>	<u>569,192</u>	<u>48,650</u>	<u>4,079,319</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	49,533	4,158,295	24,518	2,055,858
	<u>49,533</u>	<u>4,158,295</u>	<u>24,518</u>	<u>2,055,858</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	366,400	30,759,280	349,151	29,276,311
	<u>366,400</u>	<u>30,759,280</u>	<u>349,151</u>	<u>29,276,311</u>
11 Interest income				
Demand loan	30,684	2,573,430	17,436	1,452,793
Loan against trust receipt	8,743	733,274	8,380	698,190
Term loan - industrial	1,320,685	110,765,831	1,617,682	134,785,301
Term loan - others	-	-	2,259	188,235
Foreign bill purchased	10,002,227	838,886,771	12,296,826	1,024,571,538
Lease finance	33,583	2,816,626	52,895	4,407,190
	<u>11,395,921</u>	<u>955,775,932</u>	<u>13,995,478</u>	<u>1,166,103,247</u>
12 Interest paid on deposits and borrowings etc.				
Interest on deposit	15,967	1,339,137	48,601	4,049,409
Interest on borrowings	6,719,494	563,363,961	10,341,990	861,619,607
	<u>6,735,461</u>	<u>564,903,098</u>	<u>10,389,691</u>	<u>865,669,016</u>
13 Commission, exchange and brokerage				
Commission on L/C	5,154	432,300	7,701	645,896
Commission on L/G	26	2,181	-	-
Commission on export	51,595	4,327,286	69,689	5,806,497
Commission on PO, DD, TT, TC, etc	8,682	728,160	14,120	1,176,477
Foreign exchange gain and charges	-	4,320,291	-	5,998,295
Fees and commission	-	-	893	74,405
	<u>65,458</u>	<u>9,810,218</u>	<u>92,403</u>	<u>13,701,570</u>
14 Other operating income				
SWIFT charge recovery	5,615	470,913	7,198	599,738
Other	191,431	16,055,306	332,564	27,709,236
	<u>197,046</u>	<u>16,526,219</u>	<u>339,762</u>	<u>28,308,974</u>


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S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Bank Asia Limited
Statement of outstanding unreconciled entries (nostro account) at 31 December 2020

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book				Amount in USD	
		Debit entries		Credit entries		Debit entries		Credit entries		No.	Amount
		No.	Amount	No.	Amount	No.	Amount	No.	Amount		
1	Less than 1 month	28	1,801,632	155	5,099,995	66	27,275,652	474	17,003,631		
2	More than 1 month but less than 3 months	-	-	4	40,917	-	-	6	9,393		
3	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-		
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	28	1,801,632	159	5,140,912	66	27,275,652	480	17,013,024		

Hoda Vasi
Chowdhury & Co


Hoda Vasi
Managing Director & CEO
City Bank Capital Resources Ltd.


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S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Bank Asia Limited
Reconciliation between Bangladesh Bank statement and Bank's book

The reconciling item relates to clearing of the following:

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

Local currency :

Bangladesh Bank, Dhaka
Bangladesh Bank, Dhaka (Al-wadeeah current account)
Bangladesh Bank, Chittagong
Bangladesh Bank, Sylhet
Bangladesh Bank, Khulna
Bangladesh Bank, Rajshahi
Bangladesh Bank, Bogra
Bangladesh Bank, Barishal
Bangladesh Bank, Rangpur
Total

As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
BDT	BDT	BDT
12,662,053,876.71	12,468,717,696.29	193,336,180.42
944,116,044.88	944,116,044.88	-
148,047,740.89	148,048,810.19	(1,069.30)
30,019,469.73	30,019,469.73	-
40,328,102.38	40,329,532.08	(1,429.70)
27,089,755.01	27,089,755.01	-
33,881,876.97	33,868,766.97	13,110.00
30,699,798.97	30,699,798.97	-
760,471.78	760,575.78	(104.00)
13,916,997,137.32	13,723,650,449.90	193,346,687.42

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

-
456,885.00
388,731,092.91
194,927,520.49
193,346,687.42

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD	
Foreign currency: USD Clearing account	6,093,956.77	4,674,098.46	396,363,549.41	1,419,858.31	
Total	6,093,956.77	4,674,098.46	396,363,549.41	1,419,858.31	

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

2,871,098.37
304.29
810,994.19
2,261,929.96
1,419,858.31

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP	
GBP Clearing account	6,785.43	6,780.07	779,030.00	5.36	
	6,785.43	6,780.07	779,030.00	5.36	


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

2.68
-
2.68
-
5.36

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR	
EUR Clearing account	6,572.75	5,182.75	536,674.00	1,390.00	
	6,572.75	5,182.75	536,674.00	1,390.00	

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

1,390.00
-
-
1,390.00


Farhad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Md. Arfan Ali
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S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Annex J

Bank Asia Limited
Reconciliation between Bangladesh Bank statement and Bank's book

	As per Bangladesh Bank statement		As per Bank's general ledger		Reconciling difference
	JPY	BDT	JPY	BDT	JPY
JPY Clearing account	45,238.00	36,190.40	45,238.00	36,190.40	-
	45,238.00		45,238.00	36,190.40	-
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)				14,121,365,894	


Rashed Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.


Mohammad Ibrahim Khalil, FCA
Chief Financial Officer
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Md. Arfan Ali
President & Managing Director
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Corporate Office


S.M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Annex K

Bank Asia Limited
Segment Reporting
The Bank reports its operations under the following business segments as per International Financial Reporting Standards (IFRS) 8 "Operating segment"

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries				Inter company transactions	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	16,281,776,677	874,546,219	935,775,932	18,112,098,828	193,809,470	-	-	-	(188,344,612)	18,117,563,686
Interest paid on deposits and borrowings, etc	13,433,467,084	928,307,146	564,903,098	14,926,677,328	188,373,820	-	-	-	(188,344,612)	14,926,706,536
Net interest income	2,848,309,593	(53,760,927)	390,872,834	3,185,421,500	5,435,650	-	-	-	-	3,190,857,150
Investment income	6,431,939,783	52,458,317	-	6,484,398,100	-	-	-	-	-	6,484,398,100
Commission, exchange and brokerage	2,413,523,266	51,644,010	9,810,218	2,474,977,494	119,829,921	27,302,925	31,861,721	-	-	2,653,972,061
Other operating income	1,007,035,549	10,529,155	16,526,219	1,034,090,923	30,881,002	2,698,444	1,503,992	-	-	1,069,174,361
Total operating income (A)	12,700,808,191	60,870,555	417,209,271	13,178,888,017	156,146,573	30,001,369	33,365,713	-	-	10,207,544,522
Salaries and allowances	3,445,415,038	91,293,218	-	3,536,708,256	69,044,948	14,207,933	18,937,141	-	-	3,658,898,248
Rent, taxes, insurance, electricity, etc	430,656,932	9,598,412	259,134	440,514,478	7,636,189	4,139,354	11,645,923	-	-	463,953,944
Legal expenses	11,698,219	-	1,413,377	13,111,596	93,408	194,458	352,254	-	-	13,751,716
Postage, stamp, telecommunication, etc	124,193,662	1,064,244	692,845	125,950,752	1,511,559	550,877	299,592	-	-	128,312,780
Stationery, printing, advertisements, etc	146,635,880	1,432,590	49,664	148,118,134	374,971	988,808	548,818	-	-	150,030,731
Managing Director's salary and fees	19,262,968	-	-	19,262,968	-	-	-	-	-	19,262,968
Directors' fees	3,208,000	-	-	3,208,000	275,000	-	-	-	-	3,483,000
Auditors' fees	833,000	-	-	833,000	76,667	639,315	1,409,264	-	-	2,978,246
Depreciation and repairs of Bank's assets	846,530,090	3,261,650	-	849,791,740	21,253,736	2,414,908	1,658,949	-	-	875,119,333
Other expenses	1,910,406,379	39,268,515	20,857,837	1,970,532,731	8,289,048	6,304,396	10,694,399	-	-	1,995,821,074
Total operating expenses (B)	6,938,860,138	145,918,629	23,272,858	7,108,051,625	108,555,576	29,440,049	45,544,840	-	-	7,291,597,040
Profit before provision (C=A-B)	5,761,948,053	(85,048,074)	393,936,413	6,070,836,392	47,591,047	561,320	(12,179,127)	-	-	6,106,809,632
Provision:										
Provision for loans and advances/investments				1,752,780,294	8,000,000	-	-	-	-	1,760,780,294
Provision for off-balance sheet items				43,349,415	-	-	-	-	-	43,349,415
Provision for diminution in value of investments				180,000,000	-	-	-	-	-	180,000,000
Provision for tax				137,000,000	-	-	-	-	-	137,000,000
Total provision (D)				2,113,129,709	8,000,000	-	-	-	-	2,121,129,709
Profit before tax provision (E=C-D)				3,957,706,683	39,591,047	561,320	(12,179,127)	-	-	3,985,679,923
Provision for taxation				1,922,000,000	39,192,514	-	-	-	-	1,961,192,514
Profit after tax provision				2,035,706,683	398,533	561,320	(12,179,127)	-	-	2,024,487,409

Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

S. M. Anisuzzaman
Company Secretary
Bank Asia Limited
Corporate Office

Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office

Mohammad Ibrahim Khan, FCA
Chief Financial Officer
Bank Asia Limited
Corporate Office, Dhaka

Annex K-1

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 transactions	Consolidated
	Inside Bangladesh		Outside Bangladesh		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.	Total		
PROPERTY AND ASSETS										
Cash	16,922,738,306	977,044,058	-	17,899,782,364	7,019	2,082,682	153,278	-	-	17,902,027,343
Balance with other banks and financial institutions	31,207,809,043	200,611,490	77,487,164	31,480,907,697	563,887,306	15,828,898	96,153,016	(53,258,020)	(53,258,020)	32,103,518,897
Money at call and on short notice	-	-	-	-	-	-	-	-	-	-
Investments	89,427,473,584	4,823,710,000	-	94,251,183,584	655,627,144	-	-	-	-	94,906,810,728
Loans and advances/investments	209,734,578,648	16,409,426,612	18,498,024,813	244,642,030,073	4,810,787,426	-	-	(2,120,969,217)	(2,120,969,217)	247,531,848,282
Fixed assets including premises, furniture and fixtures	6,705,170,307	3,484,699	-	6,708,655,006	100,737,790	112	4,710,492	-	-	6,814,103,400
Other assets	11,729,531,223	1,549,634,621	455,426,291	13,734,592,135	434,030,695	943,152	115,533,509	(2,534,037,230)	(2,534,037,230)	11,751,062,261
Non - banking assets	-	-	-	-	-	-	-	-	-	-
Total assets	365,723,301,111	23,963,911,480	19,030,938,268	408,717,150,859	6,565,077,380	18,854,844	216,552,295	(4,708,264,467)	(4,708,264,467)	410,809,370,911
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	17,267,100,777	-	18,704,754,165	35,971,854,941	2,120,969,217	-	-	(2,120,969,217)	(2,120,969,217)	35,971,854,941
Subordinated Non-Convertible Zero Coupon Bond	10,200,000,000	-	-	10,200,000,000	-	-	-	-	-	10,200,000,000
Deposits and other accounts	280,339,840,084	22,362,651,365	325,614,911	303,028,106,360	519,066,108	-	-	(55,258,020)	(55,258,020)	303,493,914,448
Other liabilities	30,335,326,395	1,601,260,115	569,192	32,136,293,987	1,885,520,215	62,316,859	270,842,164	(419,770,350)	(419,770,350)	33,555,202,895
Total liabilities	338,142,267,256	23,963,911,480	19,030,938,268	381,336,255,288	4,525,555,540	62,316,859	270,842,164	(2,593,997,567)	(2,593,997,567)	383,600,972,284
Total shareholders' equity	27,580,895,571	-	-	27,580,895,571	2,039,521,840	(43,462,015)	(54,289,869)	(2,114,266,900)	(2,114,266,900)	27,208,398,627
Total liabilities and shareholders' equity	365,723,162,827	23,963,911,480	19,030,938,268	408,717,150,859	6,565,077,380	18,854,844	216,552,295	(4,708,264,467)	(4,708,264,467)	410,809,370,911

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