

Report On

“Analysis of Bank Asia Limited, BRAC Bank Limited, and Eastern Bank Limited based
on CAMELS Rating”

By

Sajida Nizam
19304013

An internship report submitted to BRAC Business School (BBS) in partial fulfillment of
the requirements for the degree of
Bachelors of Business Administration (BBA)

BRAC Business School (BBS)
BRAC University
January 2024

© 2024. BRAC University
All rights reserved.

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Sajida Nizam
19304013

Student Full Name
Student ID

Supervisor's Full Name & Signature:

Dr. Mohammad Mujibul Haque
Professor of Finance & Associate Dean, BRAC Business School
BRAC University

Supervisor Full Name
Designation, Department
Institution

Co-Supervisor's Full Name & Signature:

Dr. Abu Saad Md. Masnun Al Mahi
Assistant Professor of Finance, BRAC Business School
BRAC University

Supervisor Full Name
Designation, Department
Institution

Letter of Transmittal

Dr. Mohammad Mujibul Haque

Professor of Finance & Associate Dean,

BRAC Business School

BRAC University

Kha-208, 1 Bir Uttam Rafiqul Islam Ave, Dhaka 1212.

Subject: Submission of Internship Report.

Respected Sir,

It is my absolute honor and pleasure to submit to you my Internship Report on “Analysis of Bank Asia Limited, BRAC Bank Limited, and Eastern Bank Limited based on CAMELS Rating” as the final prerequisite of my Bachelor of Business Administration (BBA) degree. I have tried to make this report as insightful as possible. This report contains thorough information about my job details, overview of the company, financial performance analysis, along with the CAMELS rate of the three banking institutions I have chosen for research. Annual reports, company websites, and other relevant secondary sources of information have mostly been used to complete this report.

I genuinely hope this report meets your expectations.

Sincerely yours,

Sajida Nizam

19304013

BRAC Business School

BRAC University

Date: January 7, 2024.

Non-Disclosure Agreement

This agreement is made and entered into by and between Bank Asia Limited and the undersigned student at BRAC University Sajida Nizam, ID: 19304013.

Acknowledgement

First and foremost, I would like to express my utmost gratitude to all those who provided me their unwavering support for the successful completion of my internship report. Sincerest gratitude to my Academic Supervisor Dr. Mohammad Mujibul Haque who was ever so gracious and approachable to have paved this path with proper guidance and knowledge. Also, immense gratitude to my academic Co-supervisor Dr. Abu Saad Md. Masnun Al Mahi, for his valuable inputs that helped me strengthen my report further.

This smooth sailing journey would also not have been possible without the unrelenting support of the honorable supervisor of Bank Asia Limited, Md. Akibur Rahman who found time from his busy schedule to show me the ways and works. Nevertheless, I would like to honor huge applause to all my seniors in the General Banking department, i.e., Ms. Tasnim Tabassum, Assistant Officer, and Ms. Razzsultana, Senior Officer, who have kept up with all my queries irrespective of time and place with utmost patience. The successful completion of my internship report requires my acknowledgment of all those who provided me with authentic information that gave light to my topic in question, thus, I offer my full respect and gratitude to each and everyone.

Executive Summary

The primary objective of this research is to assess the effectiveness of the CAMELS rating system in assessing the financial performance and standing of the banking sector in Bangladesh, with a particular emphasis on Bank Asia Limited (BAL). Three of the nation's most well-known banks, Eastern Bank Limited (EBL), BRAC Bank Limited (BBL), and Bank Asia Limited (BAL), have had their CAMELS ratings thoroughly examined. The examination offers a thorough comparison and spans the previous three years, i.e., 2020, 2021, and 2022.

There were a few reasons why I opted for BRAC Bank Limited (BBL) and Eastern Bank Limited (EBL) to compare with Bank Asia Limited (BAL). For instance, the fact that the financial information and annual reports for the years 2020, 2021 and 2022 were easily accessible that enabled me to effectively calculate the CAMELS rating measures for these banks. Moreover, all these three banks are located in the same zone at Elephant Road. BRAC Bank Limited's branch and Eastern Bank Limited's ATM booth are just opposite and beside Bank Asia Limited respectively. Moreover, all these banks have their origin in Bangladesh which also came into play for choosing BRAC Bank Limited and Eastern Bank Limited. I also got approval of my on-site supervisor after consulting with him about my choice of these banks.

Three chapters make up the report's structure. The first chapter contains first-hand accounts of the student's internship experience, including suggestions for future internships, obstacles encountered, benefits received, and contributions to the company, all of which have greatly enabled me experience the real-life banking sector up close along with allowing me implement my theoretical knowledge where possible.

The second chapter explores organizational factors, providing information on finance and accounting procedures, operations management, marketing and management strategies, industry and competitive analysis, and corporate profile. In short, chapter 2 is a summary of Bank Asia Limited. Working on this chapter has greatly enlightened me about my internship workplace.

The report's major focus, the third chapter, provides the analysis and key findings. It offers a thorough analysis of the CAMELS rating, explaining its relevance and growing worldwide significance. This chapter describes the elements that make up the CAMELS rating system and shows the computation of several indicators contained in the term CAMELS, along with

extensive comparisons between the three financial institutions that would be helpful for bank regulators, potential investors and customers.

In conclusion, the internship experience at Bank Asia Limited has been a huge learning experience for me. And working on this internship report simultaneously, which is my final prerequisite to the completion of my BBA degree, has been equally worthwhile.

Keywords: Eastern Bank Limited (EBL); BRAC Bank Limited (BBL); Bank Asia Limited (BAL); CAMELS rating; financial institutions; comparison.

Table of Contents

Declaration	ii
Letter of Transmittal	iv
Non-Disclosure Agreement	v
Acknowledgement	vi
Executive Summary	vii
Table of Contents	ix
List of Tables	xiv
List of Figures	xvi
List of Acronyms	xviii
Chapter 1: Overview of Internship	1
1.1. Student Information	1
1.2. Internship Information	1
1.2.1. Period, Company, Department, Address.....	1
1.2.2. Internship Company Supervisor’s Information	1
1.2.3. Job Scope	1
1.3. Internship Outcomes	2
1.3.1. Contribution to the company	2
1.3.2. Benefits to the student.....	3
1.3.3. Problems faced during the internship period	3
1.3.4. Recommendations to the company on future internships	4

Chapter 2: Organization Part	5
2.1. Introduction.....	5
2.1.1. Objective	5
2.1.2. Scope.....	5
2.1.3. Methodology	5
2.1.4. Limitations	5
2.1.5. Significance.....	6
2.2. Overview.....	6
2.2.1. Company Profile	6
2.2.2. Mission and Vision	6
2.2.3. Inception and Current stance	7
2.2.4. Awards and Accolades.....	7
2.2.5. Initiator of Agent Banking in Bangladesh	8
2.2.6. An Effective Workforce.....	8
2.2.7. Contribution towards the underprivileged	8
2.2.8. Advanced and High-tech services.....	8
2.2.9. Credit rating	9
2.3. Management Practices	9
2.3.1. Company Organogram.....	9
2.3.2. Form of Leadership.....	9
2.3.3. Recruitment and Selection Process	10

2.3.4. Training Procedure.....	10
2.3.5. Benefits and Compensation schemes to the employees.....	11
2.3.6. Performance appraisal measures.....	11
2.4. Marketing Practices	12
2.4.1. Products (Types of Bank accounts)	12
2.4.2. Pricing	13
2.4.3. Target Customers	15
2.4.4. Promotional and Advertising Strategies	15
2.4.5. Shortcomings/Difficulties	16
2.5. Financial Performance and Accounting Practices	16
2.5.1. Financial Performance	16
2.5.2. Accounting Practices	20
2.5.3. Corporate Governance	21
2.6 Operations Management and Information System Practices	22
2.6.1. Strategic Operations Focus	22
2.6.2. Sustainable Banking Operations	23
2.6.3. Core Banking System	23
1. iStelar:.....	23
2. e-MICR-2009:.....	24
3. Bank Asia Smart App:	25
2.7. Industry and Competitive Analysis.....	26

2.7.1. SWOT Analysis	26
2.7.2. Porter’s Five Forces Analysis	29
2.7.3. PESTEL	30
2.8. Summary and Conclusion	32
2.9. Recommendation/Implications	33
Chapter 3: Project Part	36
3.1. Introduction.....	36
3.1.1. Literature Review/ Background.....	36
3.1.1.1. What is the CAMELS rating system?.....	36
3.1.1.2. What are the classes of the CAMELS rating system?	37
3.1.2. Objective	38
3.1.3. Significance.....	39
3.2. Methodology	39
3.3. Findings and Analysis.....	42
3.3.1. Calculations of the CAMELS Rate	42
3.3.1.1. Capital Adequacy	42
3.3.1.2. Assets Quality	45
3.3.1.3. Management Efficiency	48
3.3.1.4. Earnings.....	50
3.3.1.5. Liquidity.....	53
3.3.1.6. Sensitivity.....	55

3.3.2. Overall Composite Performance Ranking.....	56
3.4. Summary and Conclusions	56
3.5. Recommendations/ Implications.....	57
References.....	59
Appendix A. (Bank Asia Limited).....	62
Appendix B. (BRAC Bank Limited)	78
Appendix C. (Eastern Bank Limited)	93
Appendix D. (Internship Proposal).....	101

List of Tables

Table 1: Company Profile

Table 2: Financial Performance Ratios

Table 3: DUPONT Analysis

Table 4: Strategic Operations Focus

Table 5: Scale of the CAMELS rating system

Table 6: Capital Adequacy Ratio (CAR)

Table 7: Debt/Equity Ratio (D/E)

Table 8: Advance to Assets Ratio

Table 9: Government Securities to Total Investment

Table 10: Composite Capital Adequacy

Table 11: Net Non-Performing Assets (NPAs) to Total Assets

Table 12: Net Non-Performing Assets (NPAs) to Net Advance

Table 13: Gross NPA to Total Advance

Table 14: Advance Yield Ratio

Table 15: Composite Assets Quality

Table 16: Management Efficiency

Table 17: Profit per employee

Table 18: Return on Equity (ROE)

Table 19: Composite Management Efficiency

Table 20: Operating Profit to Total Assets

Table 21: Return on Assets (ROA)

Table 22: Interest Income to Total Income/Deposits

Table 23: Composite Earnings

Table 24: Liquid Assets to Total Assets

Table 25: Liquid Assets to Total Deposits

Table 26: Composite Liquidity

Table 27: Overall Composite Performance Ranking

List of Figures

Figure 1: Company Organogram

Figure 2: Product wise Deposit rate (FDR & DPS)

Figure 3: Product wise Deposit rate (Shonchoy E Kotipoti)

Figure 4: Product wise Deposit rate (ACHOL, VROMON & Senior Citizens)

Figure 5: Components of Corporate Governance

Figure 6: iStelar

Figure 7: e-MICR-2009

Figure 8: Bank Asia Smart App

Figure 9: Capital Adequacy ratio (CAR)

Figure 10: Debt/Equity Ratio (D/E)

Figure 11: Advance to Assets Ratio

Figure 12: Government Securities to Total Investment

Figure 13: Net Non-Performing Assets (NPAs) to Total Assets

Figure 14: Net Non-Performing Assets (NPAs) to Net Advance

Figure 15: Gross NPA to Total Advance

Figure 16: Advance Yield Ratio

Figure 17: Total Advance to Total Deposits

Figure 18: Profit per employee

Figure 19: Return on Equity (ROE)

Figure 20: Operating Profit to Total Assets

Figure 21: Return on Assets (ROA)

Figure 22: Interest Income to Total Income/Deposits

Figure 23: Liquid Assets to Total Assets

Figure 24: Liquid Assets to Total Deposits

List of Acronyms

CAMELS	Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity
BAL	Bank Asia Limited
BBL	BRAC Bank Limited
EBL	Eastern Bank Limited
CAR	Capital Adequacy Ratio
D/E	Debt/Equity
NPA	Non-Performing Assets
NPL	Non-Performing Loans
ROE	Return on Equity
ROA	Return on Assets
EPS	Earnings Per Share
FDR	Fixed Deposit Return
DPS	Deposit Pension Scheme
NID	National Identification
TIN	Taxpayer Identification Number
ATM	Automated Teller Machine
UV	Ultra-Violet
KYC	Know Your Customer
RTGS	Real Time Gross Settlement
EFT	Electronic Funds Transfer
NPSB	National Payment Switch Bank
GB	General Banking
SME	Small and Medium Enterprise
MOU	Memorandum of Understanding
SAFA	South Asian Federation of Accountants
ICAB	Institute of Chartered Accountants of Bangladesh
ICSP	International Competitive Selection Process
NCSR	Nationwide Cyber Security Review
CMSE	Cottage, Micro and Small Enterprise
ICT	Information and Communication Technology

AI	Artificial Intelligence
AML	Anti-Money Laundering
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
MFIs	Microfinance Institutions
SWOT	Strengths, Weaknesses, Opportunities and Threats
MFS	Mobile Financial Services
E-Banking	Electronic Banking
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
ALM	Asset Liability Management
GDP	Gross Domestic Product
CSR	Corporate Social Responsibility
4IR	Fourth Industrial Revolution
WHO	World Health Organization
GRI	Global Reporting Initiative
E-Funds	Electronic Funds
E-Statements	Electronic Statements

Chapter 1: Overview of Internship

1.1. Student Information

Name: Sajida Nizam

ID: 19304013

Program: Bachelor of Business Administration

Major: Finance

Minor: Accounting

1.2. Internship Information

1.2.1. Period, Company, Department, Address

Period: 3 months, 27th September, 2023 – 26th December, 2023

Company Name: Bank Asia Limited

Department: General Banking

Address: 64 Elephant Road, Dhaka-1205, Bangladesh.

1.2.2. Internship Company Supervisor's Information

Name: Md. Akibur Rahman

Position: Senior General Banking Officer

1.2.3. Job Scope

Working with a Senior General Banking Officer during my internship at Bank Asia Limited exposed me to the workings of the corporate world and proved to be a valuable experience. I got the chance to work on a range of projects during my internship, including:

- Filling out client account forms with the relevant data and advising clients on what paperwork is needed to open accounts, including valid NIDs, TINs, utility bills, and proof of income.
- Performing NID verification for clients by entering their information into the system, an essential measure to stop the submission of forged NIDs.
- Entering client data when ordering current account cheque books, savings account cheque books, and ATM cards in registers meant for these purposes. In addition, it was my duty to deliver and notify clients when their ATM cards and cheque books were prepared for pickup.
- Processing clearing checks from clients using UV machines to guarantee their authenticity.
- Helping clients with their yearly or monthly bank statements.
- Providing account balance updates upon request and helping clients fill out RTGS and remittance forms.
- Learned how to KYC of different accounts. KYC, which stands for Know Your Customer, is a credit rating system that assesses the risk of default associated with particular clients. The higher the score is, the higher is the associated credit risk.
- Sealing different documents with seals.

1.3. Internship Outcomes

1.3.1. Contribution to the company

Even with my limited knowledge and experience, I tried to contribute towards the bank in several ways. An example of this would be that, even though the official banking hours were 10 am to 3:30 pm, employees would frequently stay until at least 5:30 pm and sometimes even later to finish their tasks. This was especially true in the General Banking (GB) department, which handled customer services and had a heavily burdened workload. By taking on a variety of small administrative duties, I was able to reduce their workload and free up their time for more important and substantial tasks, which helped them finish their work more quickly. To summarize, my objectives were to gain knowledge about the banking industry's operations and provide invaluable assistance by managing pertinent administrative tasks.

1.3.2. Benefits to the student

My experience in the banking industry has helped me to better understand how this business runs and whether I would be a good fit for a full-time position here in the future. I've learned a lot from the practical experience in a real banking setting, and it has strengthened my desire to work in this industry. Being able to watch my senior officers and colleagues patiently and skillfully handle customer inquiries has been incredibly motivating.

I also refined my soft skills while I was an intern. Working with clients helped me become a better communicator, and finishing assignments on time helped me become a better time manager. I approached my work with organization, making sure that everything was in its proper place. In addition, I got to build good relationships with supervisors and coworkers from different departments, like Cash, SME, and Credit. Having this networking opportunity will definitely help me in my future banking endeavors.

1.3.3. Problems faced during the internship period

During my internship, in addition to the many opportunities for learning, I also faced some difficulties.

- The majority of employees, including my supervisor, were constantly busy because of the large number of transactions, especially on Sundays and Thursdays. As a result, there were times when my supervisor found it difficult to provide me with precise instructions for my assignments. On occasion, I had to wait a long time for him to respond to my questions and ask for clarification.
- Bank employees are reportedly prohibited from using personal devices by strict policies. I had to overcome the initial obstacle of not being able to use my own device and not having access to the bank's computer system. As a result, there were times when I had nothing to do. Thankfully, the GB department's Assistant Officer offered a solution by giving me access to her employee ID on a different computer. This gave me the opportunity to progressively respond to client inquiries during business hours, including checking account balances and supplying bank statements, in addition to working on my internship report.

- In addition, spending all day in one chair started to get tedious and physically uncomfortable, especially when I had no work to do.
- My duties mostly involved administrative work, which hindered my ability to use my technical expertise and knowledge effectively.
- In addition, I was the only intern assigned to the Bank Asia Limited location on Elephant Road, which was a drawback because it prevented me from having the chance to discuss comparable work experiences with a colleague.
- Finally, I think that an internship should last longer than three months in order to provide meaningful learning and skill development.

1.3.4. Recommendations to the company on future internships

The following suggestions can be implemented by Bank Asia Limited in order to improve their internship program:

- The precise duties assigned to them by their department should be outlined in a handbook or other clear and comprehensive instructions provided to interns. This method would help interns perform their jobs more effectively and efficiently.
- Interns could evaluate their performance and make the required adjustments if they received regular feedback at regular intervals throughout their internship.
- Giving interns access to computers is crucial because it enables them to effectively demonstrate and use their technical skills.
- Finally, asking former interns for their opinions on areas that need work would be helpful to the bank. If these recommendations were put into practice, future interns would have a better working environment.

Chapter 2: Organization Part

2.1. Introduction

2.1.1. Objective

A thorough analysis of Bank Asia Limited and its operations is the goal of Chapter 2. It explores a thorough examination of its competitive analysis, industry evaluation, corporate profile, marketing strategies, operational management, financial and accounting procedures, and managerial methodologies.

2.1.2. Scope

This chapter completely fulfills its objective of company and industry analysis through its, marketing strategies, operational management, financial and accounting procedures, and managerial practices. The marketing products, target customers, pricing strategies or the promotional methods, along with the management practices and Bank Asia's core banking systems are all written about in this chapter. Succeeding these are the financial performance of Bank Asia calculated via several ratios, its accounting practices and corporate governance practices.

2.1.3. Methodology

Most of the information related to Bank Asia Limited is available on its website and annual reports, that came in handy while doing this chapter. Also, information obtained from the bank employees by interacting with them was very helpful while researching for this report.

2.1.4. Limitations

Even though the secondary information was readily available, it was not always easy to gather primary information due to the busy schedule of the employees at Bank Asia Limited. Hence, this task took time, especially while researching for the Operations management of the bank.

2.1.5. Significance

I have learned a great deal of valuable information about Bank Asia Limited throughout my research for Chapter 2. This whole experience has greatly deepened my understanding of the bank, be it its corporate history or employee training programs, its wide range of products or even its potential for global reach.

2.2. Overview

2.2.1. Company Profile

Table 1: Company Profile

Company Name	Bank Asia Limited
Registered Office	32 & 34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka 1215
Authorized Capital	BDT 15,000,000,000
Paid-up Capital	BDT 563,724,800
Face/Par value	BDT 10
Equity (till December 31, 2022)	BDT 28,463,837,649
Number of Branches	135
Liabilities/ Deposit (till December 31, 2022)	BDT 337,853,124,886
Assets/ Loans (till December 31, 2022)	BDT 280,591,467,444
Auditors	Hoda Vasi Chowdhury & Co.
SWIFT	BALBDDH
E-mail	contact.center@bankasia-bd.com
Website	www.bankasia-bd.com

2.2.2. Mission and Vision

Bank Asia Limited has a broad and important set of goals for its mission and future.

The following goals are part of their mission, to begin with:

- Enabling the provision of top-notch banking services to both their existing and new clients with the ultimate goal of supporting Bangladesh's economic development.

- Maintaining the greatest levels of honesty in their services to guarantee complete satisfaction among clients, shareholders, investors, and employees.
- Establishing a prestigious and lucrative name within the nation's banking industry, accomplished through cutting-edge technology and a committed team of experts.

Bank Asia Limited was founded with the inspiring **vision** of bringing Bangladesh's long-held dream of ending poverty to reality while maintaining and honoring human rights and dignity.

2.2.3. Inception and Current stance

With a goal to advance the banking industry by utilizing cutting-edge technology, Bank Asia Limited, a renowned financial institution in the country, started operations on November 27, 1999. Through its network of commercial and agent banking locations, it currently has access to almost the whole of the Bangladesh region. Furthermore, it started Islamic banking in 2008, Bank Asia Securities Limited on March 16, 2011, BA Exchange (UK) Limited in May 2011, and BA Express USA Inc. in 2014.

Currently, Bank Asia Limited has 135 branches, out of which 4 are SMEs, 14 sub-branch locations, 5 Islamic centres, 1 overseas outlet, and 3 subsidiaries. As a further service to Bangladesh's impoverished rural people, the institution has established 5414 agent banking facilities across the nation. In order to allow banking services through 8500 digital post offices nationwide, Bank Asia and the Bangladesh Post Office signed a MoU as part of its forward-thinking initiatives.

2.2.4. Awards and Accolades

In 2022, Bank Asia acquired the first prize in the Overall Excellence Award in Corporate Reporting among SAARC nations and the "Gold Award" in Private Sector Banks, Corporate Governance, and Integrated Reporting from the South Asian Federation of Accountants (SAFA).

ICAB has acknowledged that Bank Asia has also won the highest ranking in the areas of Integrated Reporting, Private Sector Banks, and Corporate Governance Disclosure. In tandem, the bank preserved its "Gold Rank" standing for its Sustainability Report, which was granted by ICSP and NCSR.

2.2.5. Initiator of Agent Banking in Bangladesh

In Bangladesh, Bank Asia Limited was the first to pioneer Agent Banking with the intention of promoting "financial inclusion." Due to this innovation, people now have access to safe banking facilities and the guarantee that lost cash can be recovered, even in the most remote parts of the nation, something that BKash under BRAC does not provide.

2.2.6. An Effective Workforce

Bank Asia Limited's effective and devoted workforce has been essential to its development and success. Presently, there are 2865 employees, 2382 officers, and 464 executives.

2.2.7. Contribution towards the underprivileged

Bank Asia has a strong commitment to supporting underprivileged groups in society. As part of its continued efforts to efficiently assist a range of economic sectors, including disaster relief, healthcare, sports, education, and the elderly, the bank also provides assistance to widows and people with physical or mental disabilities through the government's Social Safety Net Program. Furthermore, Bank Asia is an ardent advocate of eco-friendly activities and environmental conservation.

2.2.8. Advanced and High-tech services

By adding a variety of activities to its portfolio, Bank Asia is consistently broadening the scope of its banking services. The social safety net program, Islamic banking, offshore banking, CMSE banking, agent banking, opening up remittance channels, working with micro-merchants, and more are a few of these. The bank offers round-the-clock ATM services, a variety of electronic products, easy online utility and remittance payment options, and cutting-edge ICT. Furthermore, it's making incremental progress in incorporating artificial intelligence (AI).

2.2.9. Credit rating

Bank Asia obtained a long-term stability credit rating of "AA1" in 2021, and a short-term stability credit rating of "ST-1" in 2022.

2.3. Management Practices

2.3.1. Company Organogram

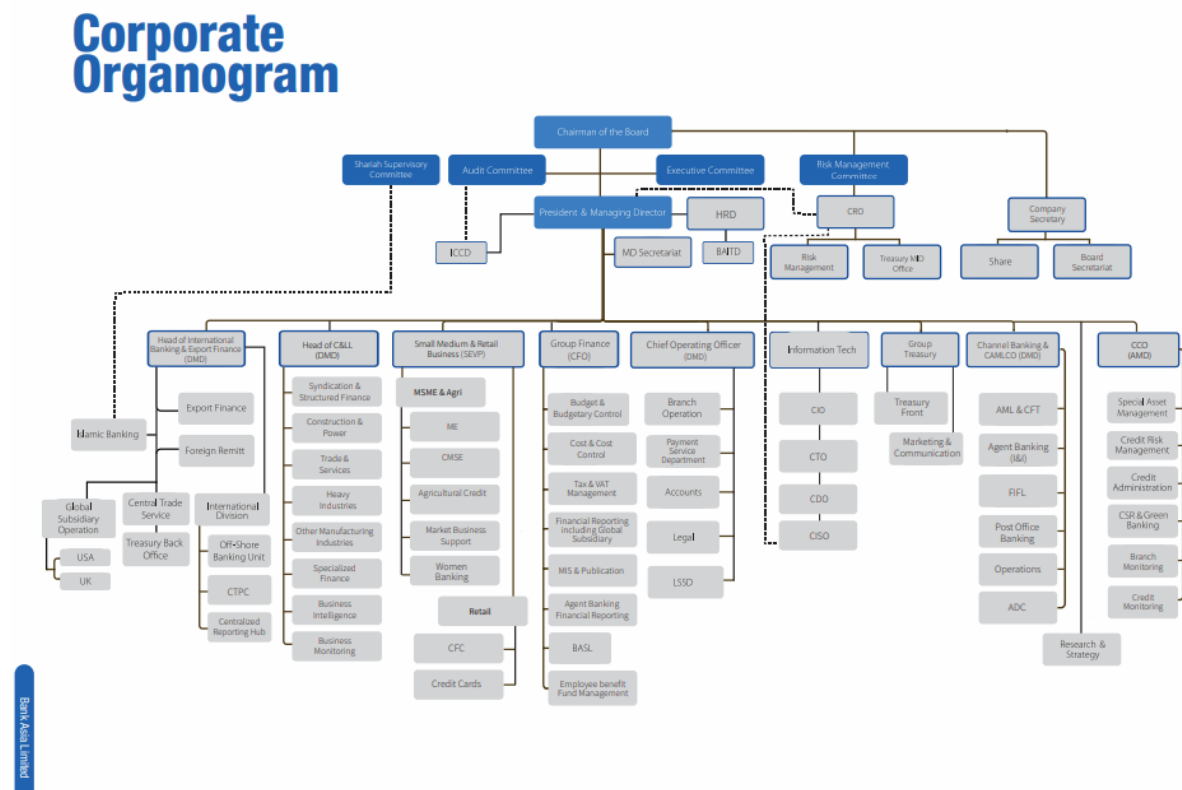


Figure 1: Company Organogram

2.3.2. Form of Leadership

The management/ leadership method used by Bank Asia is collaborative, emphasizing the value of employee involvement in decision-making, goal-setting, and problem-solving. In order to put this strategy into practice, branch managers meet every two weeks to discuss the

ongoing issues the bank is facing. To contribute their insightful opinions to successful decision-making and the creation of creative, long-term solutions that are sustainable, attendance at these meetings is required of all staff members. Still, there are problems with this managerial style. It can occasionally be time-consuming because management requests feedback from every employee. Conflicts are also more likely to occur when there are more viewpoints. Decision-making may become more cumbersome and expensive as a result of this.

2.3.3. Recruitment and Selection Process

The official websites of individual banks, as well as other websites like bdjobs.com, are usually where job openings in the banking industry are posted. In-depth data on the work duties, joining date, pay, skills needed, educational background, and other requirements are all included in these job advertisements.

To be more precise, the first objective-type exam is usually part of the recruitment process. The written test, which evaluates general knowledge and logical reasoning skills, is only open to applicants who fulfill the requirements of the exam. The shortlisted applicants are asked for a face-to-face interview after successfully completing this second phase. They receive a job offer after passing this interview.

2.3.4. Training Procedure

Bank Asia Limited uses both on the job and online training for its staff. A variety of subjects are covered in online sessions that are run through Zoom meetings and True Conference. Branch managers oversee Zoom meetings, which cover a wider range of topics and include every branch employee through individual user IDs and passcodes. The December 9, 2023, Anti-Money Laundering (AML) training session was one example of this. On the other hand, officials from the Customer Service Department are the ones who mostly attend True Conference sessions, which concentrate on particular subjects like account opening, RTGS, and cheque clearing. The theoretical components of banking operations are mostly covered in online training.

However, on the job training places more of an emphasis on practical experience. While working in the field under senior supervision, employees put the theoretical knowledge they

learned online to use. Employees may utilize and comprehend the practical parts of banking operations through their in-house training strategy that is practical.

2.3.5. Benefits and Compensation schemes to the employees

Offering a variety of monetary and non-monetary incentives, Bank Asia stresses the importance of its workers' well-being. When they perform well or hit goals, they can receive financial benefits like commissions and bonuses that exceed their base pay.

The “Bank Asia Provident Funds” is another financial advantage for the employees. It is made up of a proportion of their monthly pay, which is deducted regularly once they have completed their one-year probationary period. It is a form of future savings for the employees that the employees can utilize upon their departure from the bank.

The employees are also provided health insurance from the bank. This insurance not only covers the medical costs of the employees, but also their spouses and children, from some of the renowned and credible hospitals in the country.

Moreover, employees also have access to free transportation. The bank has its own micro-cars that can accommodate good number of employees at a time.

Job security is one of the biggest benefits for Bank Asia staff members. Employees are not at risk of losing their jobs unless they perform poorly, commit fraud, or break bank policies. Since the Bangladesh Bank has required this practice, the security is in place even during difficult economic times.

2.3.6. Performance appraisal measures

Employee performance at Bank Asia is carefully examined and evaluated in order to prepare for an appraisal. A 360-degree assessment method is used to produce an accurate evaluation.

To assess an employee's commitment to the work ethics and culture of the organization, for example, feedback from colleagues and subordinates is gathered. The results that an employee produces at work are the most accurate and direct measure of their productivity, efficacy, and commitment.

In addition, a key component of assessing staff performance is consumer feedback. Evaluating an employee's customer service skills, ability to satisfy client requests, accuracy in responding to customer inquiries, and general customer happiness are all part of this.

And last, a key component of a worker's devotion to their position is whether or not they are prepared to take on more tasks and work longer hours. In order to persuade the bank authorities of the employee's commitment, this element is equally crucial.

2.4. Marketing Practices

2.4.1. Products (Types of Bank accounts)

- ❖ Savings Account: Bank Asia provides interest-bearing accounts that are intended to let people deposit money safely.
- ❖ Current Account: This type of business account is mainly utilized for regular, large-value financial transactions. There is no interest accrued on it.
- ❖ Fixed Deposit Account: You can earn interest at a fixed rate on a fixed deposit account by making a predetermined number of deposits over a predetermined period of time. For instance, the yearly interest rate on deposits with a 3-month duration of BDT 10 lac and above is 6.70%.
- ❖ Shanchay Plus Account: A minimum deposit of BDT 100,000 is needed to start a Shanchay Plus account, and interest is paid to depositors at the following rate:
- ❖ Deposit Pension Scheme: Account holders of this type of savings account can make monthly deposits and take out the total amount at account maturity.
- ❖ Achol: Designed specifically for women 18 years of age and older, Achol is a Deposit Pension Scheme (DPS) account.
- ❖ Vromon: For travelers who wish to temporarily hold their money, Vromon is a specialized banking service.
- ❖ Nirvabna: This account is intended to provide seniors with a monthly benefit account.

2.4.2. Pricing

The interest rates (price) charts for different tenures on the different bank account services provided by Bank Asia Limited are attached below.



Elephant Road Branch Product Wise Deposit Rate (Effective from 02nd JANUARY, 2023)

Particulars Of FDR	1-2 months	3 Months				6 months				01 Year		2 & 3 Years
	Any amount	Below Tk. 01 Crore	Tk. 01 Crore to Below 05 Crore	Tk. 05 Crore to Below 10 Crore	Tk. 10 Crore and Above	Below Tk. 01 Crore	Tk. 01 Crore to Below 05 Crore	Tk. 05 Crore to Below 10 Crore	Tk. 10 Crore and Above	Below Tk. 05 Crore	Tk. 05 Crore and Above	Any amount
Interest Rate for Corporate	3.00%	6.00%	6.00%	6.25%	6.50%	6.25%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%

Particulars Of FDR	1-2 months	3 Months			6 months			01 Year		2 & 3 Years
	Any amount	Below Tk. 10 Lac	Tk. 10 Lac to Below 10 Crore	Tk. 10 Crore and Above	Below Tk. 10 Lac	Tk. 10 Lac to Below 10 Crore	Tk. 10 Crore and Above	Below Tk. 01 Crore	Tk. 01 Crore & above	Any amount
Interest Rate for Individual	3.00% p a	6.70% p a	6.70% p a	6.70% p a	6.70% p a	6.70% p a	6.70% p a	6.70% p a	7.00% p a	7.00% p a

Deposit Pension Scheme (DPS+)							
Monthly Installments	BDT 1000	BDT 2000	BDT 3000	BDT 4000	BDT 5000	BDT 8000	BDT 10000
3 Years	38,000	76,000	1,14,000	1,52,000	1,90,000	3,04,000	3,80,000
5 Years	67,000	1,34,000	2,01,000	2,68,000	3,35,000	5,36,000	6,70,000
7 Years	1,00,000	2,00,000	3,00,000	4,00,000	5,00,000	8,00,000	10,00,000
10 Years	1,64,000	3,28,000	4,92,000	6,56,000	8,20,000	13,12,000	16,40,000
12 Years	2,20,000	4,40,000	6,60,000	8,80,000	11,00,000	17,60,000	22,00,000

Figure 2: Product wise Deposit rate

Shonchay E KotiPoti – Monthly Installment Schedule						
Mature Amount	10 Lac	50 Lac	1 Crore	2 Crore	3 Crore	4 Crore
5 Years	15,000	75,000	1,50,000	-	-	-
7 Years	10,000	50,000	1,00,000	-	-	-
10 Years	6,300	31,500	63,000	1,26,000	-	-
12 Years	4,900	24,500	49,000	98,000	1,47,000	-
15 Years	3,500	17,500	35,000	70,000	1,05,000	1,40,000

Benefit Scheme	Time Limit
Double Benefit	14 Years
Triple Benefit	18 Years
Monthly Benefit	3 years Tk. 450/- (Before Tax) & 5 Years Tk. 450/- (Before Tax) Per (1) One Lac Taka

Benefit Scheme	Time Limit & Details
Bank Asia Shanchay Plus (BASP)	- Maximum tenure of the product is 3 years. - Deposit amount will be BDT 100,000/- . - Interest will be accrued only after 12 th months BDT 5,000 24 th months BDT 11,000& 36 th months BDT 18,000 Before Tax

Short Notice Deposit (SND)				Savings Account			
Short Term Deposit (Monthly balance below Tk 1 crore)	Short Term Deposit (Monthly balance between Tk 1 crore to Tk. 25 crore)	Short Term Deposit (Monthly balance between Tk 25 crore to Tk. 50 crore)	Short Term Deposit (Monthly balance between Tk 50 crore to Tk. 100 crore)	Short Term Deposit (Monthly Tk. 100 crore and above)	Average balance below Tk 1 Lac	Average balance Tk 1 lac & above but below Tk. 1.00 Crore	Average balance Tk 1.00 Crore & above
2.50% p.a.	2.50% p.a.	3.50% p.a.	3.50% p.a.	4.00% p.a.	2.00% p.a.		3.00% p.a.

Note: Interest calculation on savings account on average balance and interest will be paid if weekly withdrawals maximum 02 times and minimum balance to be maintained Tk 15,000/-

Figure 3: Product wise Deposit rate

Special Savings for Women- আঁচল

Monthly Savings	After 03 years	After 05 years	After 07 years	After 10 years	After 12 years
1,000	39,000	69,000	1,02,500	1,69,000	2,29,000
2,000	78,000	1,38,000	2,05,000	3,38,000	4,58,000
3,000	1,17,000	2,07,000	3,07,500	5,07,000	6,87,000
4,000	1,56,000	2,76,000	4,10,000	6,76,000	9,16,000
5,000	1,95,000	3,45,000	5,12,500	8,45,000	11,45,000
8,000	3,12,000	5,52,000	8,20,000	13,52,000	18,32,000
10,000	3,90,000	6,90,000	10,25,000	16,90,000	22,90,000

Special Savings for Travelers- ভ্রমণ

1 Year Package		2 Years Package		3 Years Package	
Monthly Savings	Final Value	Monthly Savings	Final Value	Monthly Savings	Final Value
4,065	50,000	1,975	50,000	2,550	1,00,000
8,130	100,000	3,950	100,000	5,100	2,00,000
12,195	150,000	5,925	150,000	7,650	3,00,000
16,260	200,000	7,900	200,000	8,925	3,50,000
		9,875	250,000	10,200	4,00,000
		11,850	300,000	12,750	5,00,000

*Conditions apply

Special Savings for Senior Citizen-

Tenure	Monthly Earning (Before tax) Per lac
For 3 years tenure	BDT. 550/-
For 5 years tenure	BDT. 550/-

Figure 4: Product wise Deposit rate

2.4.3. Target Customers

Among the most popular financial institutions, banks provide to a wide range of customers, including households, small and big enterprises, and governmental organizations. This large customer base is served by Bank Asia, just as by other commercial banks. Corporate clients are one of their most notable and in-demand customer sectors. Banks receive a sizable portion of their earnings from these business clients, who frequently deposit large quantities of money. As a result, banks frequently view corporate clients as their most lucrative and ideal clientele.

2.4.4. Promotional and Advertising Strategies

To engage its clients, Bank Asia uses a variety of advertising and promotional methods. Periodic email updates on various product offers and discounts are sent to the bank's regular customers. To ensure that customers are aware of the most recent bank promotions, for instance, the bank swiftly contacts a customer by phone or email when they qualify for a platinum credit card.

The bank gives exclusive and valuable clientele preferential attention. These consumers frequently receive expensive gifts as a mark of appreciation on holidays like New Year's and birthdays. As a sign of respect, bank representatives will occasionally pay these prestigious clients a personal visit and bring them fresh offers and priceless gifts.

In order to bring in new business, bank officers also tour locations. It's particularly easy to draw in corporate clients by using marketplaces. When it comes to banking, bank representatives go to these places to convince prospective customers to choose Bank Asia.

An advertising campaign named "The Journey" was recently organized by Bank Asia for current and savings accounts. In order to draw in as many clients as they can, bank employees in these circumstances need to make the most of their skills and chances. Due to word-of-mouth recommendations, their current clientele also proves beneficial in helping them grow their network.

2.4.5. Shortcomings/Difficulties

Opening a bank account requires a lot of paperwork, which is one problem. Though clients often hesitate to submit a significant number of documents, it is required by established protocol. That being said, persuading such clients can be an extremely difficult process that could lead to delays or even the loss of important clients.

Sometimes banks decide to forego the demand for specific documentation in order to handle such circumstances. But this strategy might cause problems down the road with compliance. Bank Asia sometimes turns to this tactic because it fears losing important clients, even though the bank is dedicated to its values and standards. The bank is making a lot of effort to address this significant flaw.

2.5. Financial Performance and Accounting Practices

2.5.1. Financial Performance

Table 2: Financial Performance Ratios

Ratio	Formula	2020	2021	2022
Liquidity Ratio				
Current ratio	Current Assets/ Current Liabilities	1.3901 times	1.694 times	1.363 times
Asset Management Ratios				
Fixed Asset Turnover	Sales/ Net Fixed Assets	2.700 times	2.998 times	3.591 times
Total Asset Turnover	Sales/ Total Assets	0.044 times	0.042 times	0.044 times
Debt Management Ratios				
Debt ratio	Total Debt/ Total Asset	0.933 times	0.938 times	0.940 times

Profitability Ratios				
Gross Profit Margin	Gross Profit /Sales	17.62%	30.91%	27.08%
Operating Profit Margin	EBIT/ Sales	22.01%	24.55%	32.32%
Net Profit Margin	Net income/ Sales	11.18%	14.81%	14.90%
Return on Assets (ROA)	Net income/ Total Assets	0.50%	0.62%	0.65%
Return on Equity (ROE)	Net income/ Common equity	7.44%	10.03%	10.72%
Stock Market Ratios				
Earnings Per Share (EPS)	Net Income/ Number of common stocks outstanding	35.91	48.40	54.15
Price/Earnings ratio	Price per share/ Earnings per share	0.278	0.207	0.185

Liquidity Ratio

The **Current ratio**, possibly the most used liquidity indicator, determines if a company has adequate current assets to pay its current liabilities. It is generally better the greater the current ratio. While the current ratio grew between 2020 and 2021, it sharply decreased between 2021 and 2022, raising concerns for Bank Asia, especially if the downward trend persists. Bank Asia, thus should aim to improve its current ratio by repaying its debt obligations on time, selling obsolete assets or ones that do not provide any return, etc.

Asset Management Ratios

The company's capacity to make money from its fixed assets is gauged by the **Fixed Asset Turnover Ratio**. This ratio has significantly improved between 2020 and 2022, indicating how well Bank Asia has used its fixed assets to create income.

An additional asset management metric that assesses the company's capacity to make money from its whole asset base is the **Total Asset Turnover** ratio. It hasn't changed much over the years, but it's still far too low when compared to other financial organizations. Consequently, Bank Asia should enhance this metric as it is a crucial indication for possible investors. Few ways this could be done include selling off assets, leasing assets rather than buying, and collecting its receivables early.

Debt Management Ratios

The **Debt ratio** measures the proportion of the company's assets that are financed by borrowings. Bank Asia's debt ratio grew between 2020 and 2022, indicating excessive leverage and a significant reliance on debt to finance the company's assets. A decreased debt ratio is imperative for Bank Asia to obtain to ensure sustainability and liquidity in the long run.

Profitability Ratios

The profit gained after subtracting the cost of sales is determined by the **Gross Profit Margin**. The company's cost of sales decreases as the gross profit margin rises. Between 2020 and 2021, it significantly climbed; but, between 2021 and 2022, it decreased.

Another useful profitability statistic that determines sales earnings before interest and taxes is the **Operating Profit Margin**. For Bank Asia, it rose throughout time, particularly between 2021 and 2022 when the increase was over 7.77%, indicating the excellent caliber of its earnings.

Once all operational costs and taxes have been deducted, the profit is measured by the **Net Profit Margin**. The more valuable the company's resources and strategies are, the greater the Net Profit margin. Bank Asia's share rose throughout time, rising from 11.18% to 14.90%.

The yield from a company's assets, or **Return on Assets (ROA)**, measures how well the company has used its resources to make a profit. Compared to other profitability metrics, the Return on Assets (ROA), while it has increased over time, is still very low. For this reason, Bank Asia needs to try to make this better by more effective use of its assets in generating returns.

The profit a company makes from its equity is known as **Return on Equity**, or ROE. As a result of its expansion between 2020 and 2022, Bank Asia was able to make profitable use of its equity.

Stock Market Ratios

The earnings per share of common stock outstanding is known as **Earnings per Share**, or EPS. An investment in the firm's shares is more profitable the greater the EPS. To preserve its position in the stock market, Bank Asia must continue to generate high earnings per share (EPS) starting in 2022, as this does not guarantee future profitability.

An organization's undervaluation or overvaluation is determined by the **Price/Earnings ratio**. In general, a lower P/E ratio is preferable since it indicates that stock prices are low and could rise in the future. Therefore, the company's stock is cheap. As a result, investors may see large profits. The same is true for Bank Asia, whose P/E ratio has decreased from 2020 to 2022.

DUPONT Analysis

Table 3: DUPONT analysis

	Formula	2020	2021	2022
DUPONT	Net Profit Margin * Asset Turnover * Equity Multiplier			
Net Profit Margin	Net income/ Sales	0.112	0.148	0.149
Asset Turnover	Sales/ Average Total Assets	0.044	0.042	0.044
Equity Multiplier	Average Total Assets/ Average Shareholders' Equity	15.031	16.212	16.538
	DUPONT	7.44%	10.03%	10.72%

In order to help the company address its strengths and shortcomings, the **DUPONT analysis** provides a more detailed representation of ROE by outlining all of its components and emphasizing which financial indicators are most important in driving ROE growth.

The operational efficiency is indicated by Net profit margin, asset usage efficiency by Asset Turnover ratio, and the financial leverage by Equity Multiplier.

In this instance, as was previously indicated, the Net Profit margin increased over time but the Asset Turnover ratio mostly stayed constant. The leverage of a company, however, is indicated by the equity multiplier. One of the worst indicators of the bank's liquidity situation is a large equity multiplier, such as Bank Asia's. The bank has taken on excessive debt to finance its assets, as shown by a high equity multiplier, which also translates to significant financial leverage. With the bank's liquidity eventually in jeopardy, the Equity multiplier's constant climb from 2020 to 2022 is concerning even though it has helped the DUPONT (ROE) to be high. As is well known, maintaining adequate liquidity is essential to any institute's survival. The third chapter of this internship report will also cover this.

In conclusion, the DUPONT (ROE) has increased over time, rising from 7.44% in 2020 to 10.72% in 2022, indicating the significant profit margins that Bank Asia has achieved throughout this time.

2.5.2. Accounting Practices

Bangladesh Bank regulation has resulted in a standardization of accounting practices across banks in the country. International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) are followed by these banks when preparing financial statements, including the cash flow statements, statement of financial position, and statement of comprehensive income via the double entry bookkeeping system.

As far as the accounting concepts are concerned, Bank Asia follows the Going Concern, Accruals and Matching Principle concepts. The Going Concern concept assumes the business is going to operate for the foreseeable future, while the Matching Principle concept matches costs and revenues, and the Accruals concept records expenses and incomes once they occur.

Next, the audit of the financial statements of Bank Asia is done by the famous Hoda Vasi Chowdhury & Co Chartered Accountants. Auditing is a crucial aspect of the accounting practice of the bank to ensure all financial statements are error free, as even the minutest of mistakes can jeopardy the solid reputation Bank Asia has built.

Lastly, Bank Asia uses the straight-line depreciation method to depreciate its assets and find out their true value.

2.5.3. Corporate Governance

To optimize client benefits and bolster its image, Bank Asia Limited places a high priority on sound corporate governance.



Figure 5: Components of Corporate Governance

Transparency is one of the core values of corporate governance, which calls for accurate and thorough disclosure to stakeholders of all information, including financial and non-financial. **Accountability** is the bank's promise to make up any losses that are reasonably foreseeable to stakeholders. Being **inclusive** entails keeping all bank employees informed and involved in decision-making, from senior executives to entry-level employees.

The bank must respond to questions from clients, investors, and staff in order to uphold **responsiveness**. In order to reach a majority conclusion that works, all pertinent bank members must participate fully in the process. It is essential that the bank and its stakeholders uphold the

rule of law and abide by all applicable laws. People's trust in the bank is put at risk when it engages in criminal activities.

2.6 Operations Management and Information System Practices

2.6.1. Strategic Operations Focus

Table 4: Strategic Operations Focus

<p>Going green in the future of banking</p> <p>Going paperless in its banking operations and cutting greenhouse gas emissions are just two examples of the green projects that Bank Asia is committed to. Additionally, the bank shows its dedication to environmental sustainability by funding eco-friendly initiatives.</p>	<p>Promoting financial inclusion</p> <p>By guaranteeing that individuals from all social and economic backgrounds may obtain banking services and reap comparable, if not higher, benefits than those from more affluent backgrounds, Bank Asia hopes to reduce poverty through financial inclusion. By a number of channels, such as Microfinance Institutions (MFIs) and programs like the Amar Bari Amar Khamar Project, the bank also makes it easier for disadvantaged migrant workers to send money home.</p>
<p>Giving back</p> <p>These projects include encouraging sports, a better environment, disaster relief, and children's education.</p>	<p>Customer satisfaction</p> <p>Customer happiness is Bank Asia's main goal, which it strives to accomplish through individualized services, ongoing product innovation, and providing its clients with worthwhile offers.</p>

2.6.2. Sustainable Banking Operations

- Almost 70 students received BDT 3.07 million and were benefitted via Bank Asia Higher Studies programme.
- 70% of the transactions are done via ATMs.
- It is slowly progressing towards a paperless banking conduct. Till date, Bank Asia delivered 1487328 number of e-statements to its clients.
- Bank Asia also spent around BDT 4663.61 million for Agriculture and Rural credit which led to almost 69,182 farmers being financially supported.
- Furthermore, BDT 2403.14 million was distributed for Renewable energy and Resource Efficiency.

2.6.3. Core Banking System

1. iStelar:

The central banking software of Bank Asia Limited is iStelar that performs several functions to aid in the banking activities, some of which are mentioned below.

- Facilitates in the conduct of complex banking transactions and operations.
- Allows the inclusion of multiple foreign currencies through all services.
- Enables payment, remittance and even customers' signatures verifications are done via this system.
- Helps in both identifying and notifying fraudulent activities.
- Automated calculation of profit and revenue, report generation and the creation of new accounts.
- Allows for the checking of customer account balances.

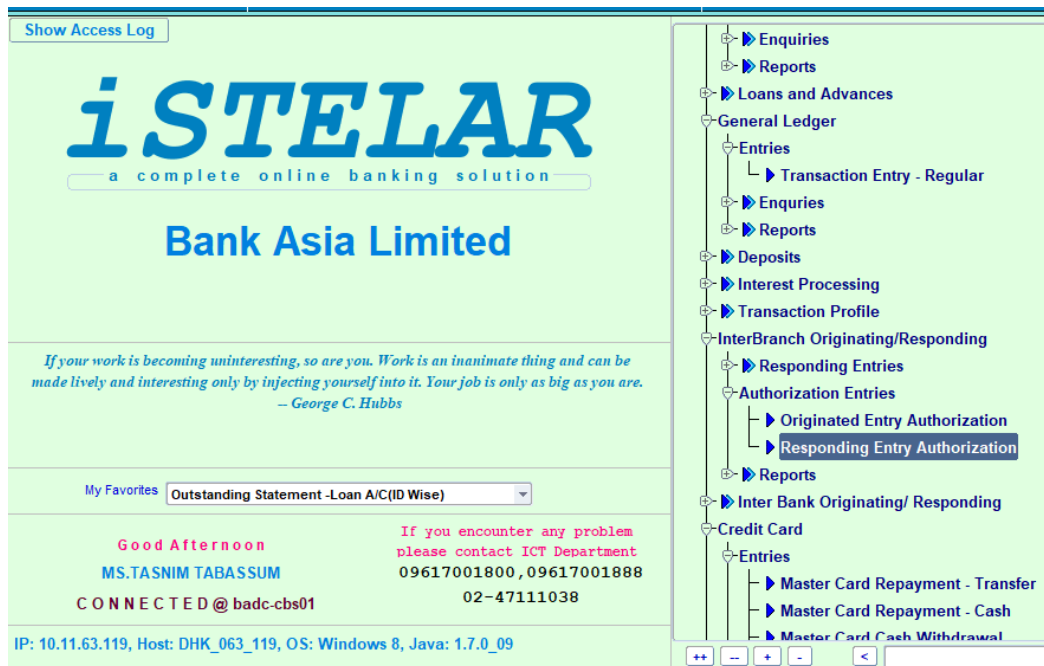


Figure 6: iStelar

2. e-MICR-2009:

This platform is specifically used for cheque clearing and settlement process via Bangladesh bank. The clearance of cheques happens based on whether the amount is high value or regular value. Any cheque amount above BDT 500,000 is a high value cheque and is eligible of being cleared early and the money received on the same day, given that customers want this service. Otherwise, the cheque is cleared on a regular basis as the amount is less than BDT 500,000.

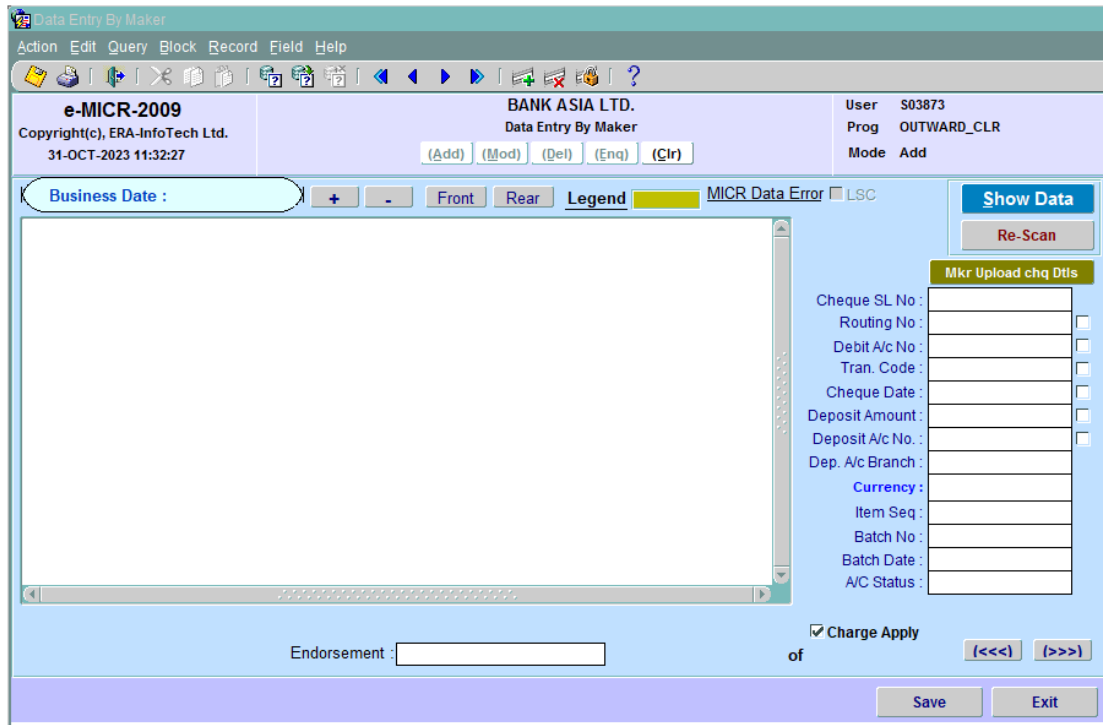


Figure 7: e-MICR-2009

3. Bank Asia Smart App:

The Bank Asia Smart App is a mobile application developed to facilitate the banking service to the accountholders. The following are some of the services that can be performed via this app:

- The interbank transaction allows the accountholders to send money both in their own accounts held in different branches of the same bank, as well as to other's accounts held in a different bank, given that that bank has access to this bank application.
- Electronic Funds Transfer (EFT), National Payment Switch Bank (NPSB) and Real Time Gross Settlement (RTGS) are all methods of money transfer. The Bank Asia Smart App allows the self-transfer of money via these methods up to BDT 3 lac. However, this amount might be insufficient for the current accountholders as the amounts of transaction are generally larger.
- Furthermore, checking account balances, accessing the bank statements, making utility bills payments, sending money to their BKash accounts from the bank accounts, and both sending and receiving money from NAGAD are possible via this app.

- The Smart App is both fingerprint and password protected. The password has to be reset after every 90 days for security purpose. This, however, is inconvenient at times for the users of the app.

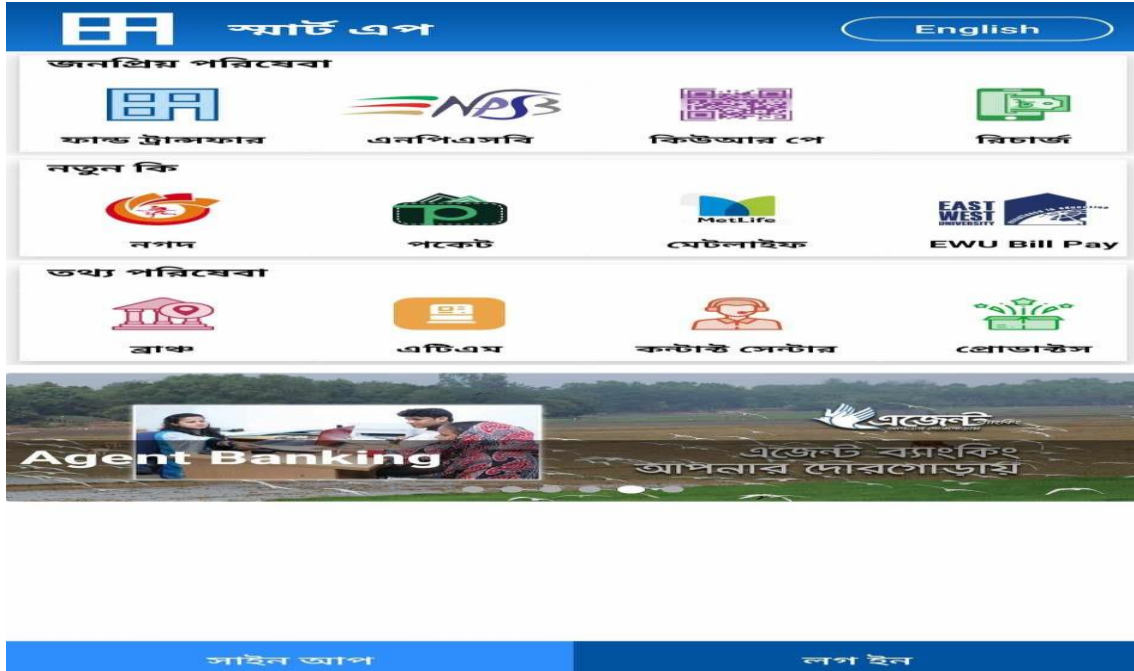


Figure 8: Bank Asia Smart App

2.7. Industry and Competitive Analysis

SWOT Analysis and PESTEL Analysis fall under the Competitive Analysis segment, whereas the Porter's Five Forces Analysis falls under the Industry Analysis framework.

2.7.1. SWOT Analysis

One of the key analysis tools for measuring industry competitiveness is the SWOT analysis that focuses on the Strengths, Weaknesses, Opportunities and Threats for a firm in the industry.

Strengths:

- Bank Asia has established a strong reputation as a reliable and capable financial institution that inspires confidence in its clients. Over the course of its many years of operation, the bank has gained a healthy market share.
- A significant edge in the market is the wide array of banking and financial services that Bank Asia Limited provides. Bank Asia is superb in all areas of traditional banking, including account opening, deposit taking, lending, foreign exchange, remittance, and even investment banking. Achieving its primary financial goals depends heavily on this varied offering.
- An important factor in the growth and performance of Bank Asia Limited over the years has been its competent and effective workforce. The bank is able to successfully address the changing needs of its clients because of their extensive training, expertise, and commitment.
- Additionally, Bank Asia complies with all laws and regulations as a law-abiding organization in the nation. The trust that customers have in the bank is also largely a result of its commitment to compliance.
- In order to continuously enhance its operations, Bank Asia also keeps a close eye on both its financial and non-financial performance and makes the required corrections.

Weakness:

- Keeping qualified workers on staff is one of the most common vulnerabilities—albeit one that can be fixed. Traditional banks run the risk of losing their bright staff in the quickly changing financial industry of today, where people have access to alternative options such as FinTech companies, mobile financial services (MFS), and other financial agencies. My own work experience at Bank Asia indicates that some employees are clearly underpaid for the amount of work and time they put in, especially those in customer-facing departments like Cash and General Banking.

Opportunities:

- Though many customers find the process somewhat complicated, particularly those who may lack education or experience with smartphones, Bank Asia does offer online and mobile banking services. As a result, this area could use some work. An improvement that could be made to these services would be to provide detailed written instructions on how to use them. This would increase their accessibility to a wider audience and help the bank's E-banking platform expand.
- Bank Asia has additionally increased the scope of its global operations. However, if the bank makes good use of its resources, talent, and capabilities, there remains a chance for additional worldwide expansion. The bank can increase its global visibility and accessibility by setting up foreign franchises.

Threats:

- The existence of almost every economic sector faces difficulties in the age of globalization. Fintech firms and digital-first banks like EBL and BRAC Bank are posing a threat to banks nowadays and creating competition, which makes established banks like Bank Asia more unpredictable. The rationale behind this is that their operations may be affected by strict and rapidly changing regulations.
- Above all, the problem of classified loans is a significant and almost ubiquitous weakness in today's banking sector. A nation's economic circumstances are directly related to this situation, which has the potential to damage a bank's reputation.

Overall, it is crucial that the bank administration gives these workers fair and consistent pay raises in order to keep them on board. Yet, the bank should also recognize and value its workers' contributions and offer benefits that are appropriate for their roles in addition to paying its workers. For the purpose of improving employee retention, Bank Asia should give priority to these factors. Shareholder expectations for higher returns have increased due to the increasingly competitive business environment. Bank Asia needs to develop strategic initiatives that are both effective in navigating market pressures and meeting shareholder expectations in order to meet these demands. Lastly, the classified loan crisis can be overcome by the banking

institutions by carefully following the steps in the lending process that would ensure reduced, and perhaps even no defaults.

2.7.2. Porter's Five Forces Analysis

Porter's Five Forces is an analytical tool that helps analyze the external industry of a business thereby helping to evaluate the potential, profitability and sustainability of the business in the long run. The Porter's Five Forces analysis for Bank Asia has been done below.

- Threat of new entrants:

The banking sector is marked by fierce competition and a high degree of concentration, just like other economic sectors. Significant barriers prevent new entrants from entering the market, including the strict entry regulations and the significant challenges of establishing a presence in the market. The restricted capital investment from both public and private sources presents a significant barrier for respectable new banks aiming to enter the market, notwithstanding Government efforts to promote competition and improve economic liquidity. Thus, the threat of new entrants for Bank Asia Limited is low.

- Bargaining power of customers:

Customers are usually in a favorable position in this industry because banks face significant obstacles in their efforts to become and stay in the market. Notwithstanding the fact that consumers depend heavily on the services banks offer, banks frequently have little leverage in negotiations. In some ways, too, customers are powerless to set prices. The way money is offered by banks is instead determined by the way the market forces of supply and demand interact. Still, clients can easily move to another bank that puts them in a better position if they are unhappy with the services provided by this one which is they have a high bargaining power.

- Bargaining power of suppliers:

Although Bangladeshi banks are working to improve the caliber of their services, they also need to give technology improvements equal weight. These days, with everything

being done through technology, traditional in-person banking services are rarely preferred. Online banking has become increasingly popular during the pandemic, and most people prefer to use it for their banking needs. Currently, most banking activities are done online. Hence, incorporating state-of-the-art technology into its banking infrastructure and providing services that differentiate it from its closest competitors is the most effective and efficient way for Bank Asia to gain a competitive advantage over its rivals. Moreover, there is a difference between a credible bank and simply a bank. A credible bank is one that gives absolute security to customer deposits. Hence, credible banks like EBL and BAL have a high bargaining power.

- Threat of substitutes:

In Bangladesh, the emergence of mobile financial services (MFS) has made traditional banks face more competition. Examples like Bkash, Nagad, and Rocket provide services akin to those of banks with a focus on convenience for people living in rural areas, especially those who might be illiterate. Even simple button phones can be used to access these MFS platforms because they are easy to use. As a result, banks frequently discover that these competitors are stealing some of their clientele. In the long run, these alternative services might be a threat to traditional banks if they keep developing and growing. Therefore, the threat of substitutes is high.

- Competitive rivalry:

Even though there is fierce competition already, there is a significant number of well-established players in the market, making it difficult for new banks to establish themselves. More than just banks now provide comparable banking services; other financial institutions include mutual funds, securities firms, credit unions, finance companies, and others. As a result, banks like Bank Asia must constantly innovate and adapt in order to stay in the market and keep their current clientele. This indicates that the competitive environment is strong.

2.7.3. PESTEL

Utilizing the PESTEL framework, organizations assess external market variables so that managers and owners can make informed and profitable business decisions. The PESTEL analysis for Bank Asia Limited has been done below:

- P denotes Political. Aside from the upcoming election, international issues generally pose significant risks to financial institutions. Although, at the moment, the economy of Bangladesh is experiencing high rates of inflation due to the Russia-Ukraine crisis and rising commodity prices, there may be an impending economic shock as a result of these uncertainties. As a result, Bank Asia promises to adhere to Bangladesh Bank policies and work towards ensuring the welfare of its customers.
- E is an acronym for Economic. Bangladesh's GDP shrank to 7.1% in the 2021–2022 fiscal year due to the world economic difficulties caused by the conflict between Russia and Ukraine, rising inflationary pressures, and the subsequent adoption of a stricter monetary policy. Forecasts for the fiscal year 2022–2023 show that the GDP will continue to decline. The government limited the amount of US dollars available to commercial banks and decreased imports in retaliation. Asset Liability Management (ALM) principles have been followed by Bank Asia in order to address the imbalance in payments and the depreciation of the Bangladeshi Taka (BDT) against the US dollar. With this strategy, they can meet the demands of corporate and individual clients across a range of industries. Bank Asia has also kept a sizable amount of reserves in their vaults to avert any possible bank run situation.
- S signifies Social. In order to enable the development of a stronger social structure, Bangladesh's 2031 social vision calls for the country to become an "upper middle-class" nation. This entails advancing gender parity, reducing corruption and poverty, guaranteeing education for all, and raising public awareness of healthcare issues. With significant investments in Corporate Social Responsibility (CSR) programs, Bank Asia is steadfastly dedicated to achieving this goal. As a matter of fact, Bank Asia committed 237 million Bangladeshi Taka (BDT) to CSR initiatives until 2022. Interestingly, in order to support female entrepreneurs around the country, they have set up a "Women Entrepreneurs" Development Unit.
- Technological is what T stands for. Building on recent developments in online banking, Bangladesh hopes to achieve its "Digital Bangladesh" vision by 2041. Internet banking usage has increased dramatically, from BDT 6,800 crore in 2020 to BDT 26,145 crore in 2022, a 285% increase. However, the financial industry still faces significant

cybersecurity challenges. Bank Asia is embracing the Fourth Industrial Revolution (4IR) in order to address these problems. This includes allowing users to open bank accounts remotely using legitimate National Identity (NID), implementing face recognition for user authentication, using software robots to streamline remittance services, and using artificial intelligence (AI) for data processing. In this dynamic industry, Bank Asia's approach enables it to efficiently and effectively cater to the varied needs of its clientele.

- Environmental is represented by the letter E. According to a report by the World Health Organization (WHO), currently Dhaka belongs to the top five polluted cities in the world. Even so, Bangladesh was able to lower vehicle emissions in 2015 by regulating the import of used cars, more than four years of age, and allowing for the use of low-sulfur diesel fuels. Raising environmental awareness and encouraging eco-friendliness is something that Bank Asia, a leader in sustainability reporting in Bangladesh that adheres to GRI standards, strongly supports. The bank aggressively promotes paperless and digital practices among its clientele, such as email correspondence, SME banking, Net Banking, E-fund transfers, and E-statements. It is noteworthy that Bank Asia has obtained the gold rank from both NCSR and ICSP for the past two years, and has routinely been rated in the top 10 banks for sustainability. Bank Asia's efforts to protect the environment are a prime example of their dedication.
- L represents legal. Since its founding in 1999, Bank Asia has continuously maintained a strong commitment to abiding by the laws and regulations of the nation. The organizational culture and behavior of the bank are firmly rooted in this dedication. As a result, an essential component of the bank's operational protocol is adhering to the legal frameworks and regulations that control the banking sector as well as the larger economy.

2.8. Summary and Conclusion

Today, Bank Asia stands tall as a major and significant financial institution in the country that also greatly contributes to the revenue of the Government. With its recent initiative for women

entrepreneurs, Bank Asia has further set a benchmark for all. Neelima which was established in 2022, is a platform created by Bank Asia for women entrepreneurs from all across the country, even in the remotest of areas, to empower and establish them. Since then, proper trainings on CSME businesses have been provided to these women with 150 sessions at Jamalpur, 200 at Chittagong, 30 at Meherpur, 120 at Mymensingh, and so on.

Bank Asia is also highly involved in Corporate Social Responsibility (CSR) activities. Till today, 7.2% of its income goes to art and culture, 19.8% to healthcare and medical facilities, 6.6% to educating the underprivileged children of the society, 58.4% in disaster management, and 19.2% in other activities. A big chunk is also donated to the elderly, disabled, and third gender people, including maternity and rohingya allowances.

2.9. Recommendation/Implications

- Modern technology can be used by Bank Asia to develop chatbots that will enable more rapid and convenient client communication. As an illustration, many frequently asked client questions necessitate that they come into the bank in person. Rather than wasting time on human responses, clients can get automated responses by visiting Bank Asia's official website and utilizing the chatbot to ask questions.
- Bank Asia ought to aim for total paperless operations in order to make a positive impact on Bangladesh's environmental conditions. Nearly everyone in the modern era of digitalization knows how to use a smartphone, therefore this is a great idea that can also help the bank save huge amounts of money on stationery.
- Bank Asia should always have and routinely update contingency plans to deal with such scenarios successfully in order to be ready for unanticipated events like liquidity crises, cyber fraud, system breakdowns, or even fraudulent activity by personnel.
- The installation of scanning devices at the main entrance to guarantee a high level of security could also be part of the bank's security enhancement plan.

- If Bank Asia Limited makes good use of technology, they might also be the ones to introduce the idea of neo-banking. Neo-banks, which will undoubtedly be the wave of the future in the banking industry, present Bank Asia Limited with a once-in-a-lifetime opportunity in Bangladesh.
- Furthermore, even though it was the first agent bank, Bank Asia Limited frequently finds itself unable to offer a wide range of services to its clientele. In general, conventional branches are not permitted to offer any other services outside cash deposits, cash withdrawals, and bank statement collections. Thus, "agent banking points" are where agent banking clients must access the majority of services. Due to the small number of agent banking points, traditional branches must obtain permission to service this clientele.
- Undoubtedly, the Bank Asia Smart app has offered its users numerous helpful features. However, the maximum amount that can be transferred is a little lower than with a few other banks, such as BDT 500,000. For current account holders who deal with large sums of money on a daily basis, this might be a little inconvenient.
- Moreover, after they have retrieved their debit cards, consumers must complete a procedure to set their pin code. For this, 16205 is the customer service number. Some consumers still struggle to understand and frequently contact the bank multiple times to resolve this issue, despite the fact that the specific instructions on how to set this pin are both written down and given when clients arrive for collection. Consequently, Bank Asia needs to come up with a different solution for these clients. They could even establish a different phone number specifically for using this service, or they may return to the old technique of issuing pins, which involved writing the information on a chit inside the card envelope. However, that approach might not be secure in the current scenario.
- According to what I've learned about Bank Asia's marketing strategies, most of its branches do not strictly adhere to the tradition of giving elegant and pricey gifts to their esteemed clientele. While its corporate branch adheres to this policy, the others do not follow it as strictly. Furthermore, Bank Asia doesn't have a large social media following. Its official website is linked to its Facebook page. In my view, Bank Asia is

a little behind when it comes to its social media presence, despite the fact that this is considered the modern way to connect with more people.

- Another problem I have observed at Bank Asia's Elephant Road location is the dearth of bank officers relative to the percentage of their clientele. The branch is located in a residential and business area, indicating a high volume of patronage. As a result, the three officials at the General Banking Department occasionally find it extremely difficult to manage the throng.

- Lastly, for the clients, the management may additionally implement token system services. Coming to the branch, clients will receive a token for the banking service they want and then wait for their serial number to be assigned. All bank employees will be able to fairly divide the workload of serving clients in this way, and the crowd will also be better controlled.

Chapter 3: Project Part

3.1. Introduction

3.1.1. Literature Review/ Background

About 2000 BC, Assyria, India, and Sumer were the birthplaces of banks, which are essential foundations of any economy. Banks, which were initially founded to serve the requirements of traders and merchants, have developed into essential components of economic expansion. As financial conduits that facilitate the inflow and outflow of funds from a nation's economy, banks play a vital role in the effective management of resources, the flow of funds in expanding economies, and the advancement of commerce and infrastructure. The banking sector has changed over time, encompassing foreign, Islamic, central, and specialized banks as well as commercial banks (Hossain, 2023). Commercial banks carry out a variety of tasks like lending, deposit-taking, remittances, and securities trading, whilst central banks control the money supply. This emphasizes how important it is for the banking industry to support government programs aimed at reducing inflation and promoting economic growth.

3.1.1.1. What is the CAMELS rating system?

The CAMELS approach, which has the Bangladesh Bank's recommendation, is frequently used to assess the financial soundness of a country's financial institutions by their regulatory agencies. According to Wirnkar and Tanko (2008), CAMELS stands for Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity, and is widely recognized for its ability to evaluate and assess the credibility of financial institutions. Each component of the CAMELS framework is essential to provide a thorough assessment of the advantages and disadvantages that financial institutions might face.

When monitoring banking industry reforms and evaluating the overall performance of banks, CAMELS is an invaluable instrument. Research by Gowri & Ramya (2015) and others have used measures including asset ratio, liquidity ratio, cost/income ratio, and profitability to analyze every aspect of the CAMELS system (Harahap, 2018; Ibrahim, 2020; Hanif et al., 2012). Strong CAMELS ratings and high efficiency scores are correlated, indicating the critical

interdependence of CAMELS aspects (Sarkar, 2005). The importance of management in a bank's CAMELS rating success is highlighted by Zedan and Daas (2017).

3.1.1.2. What are the classes of the CAMELS rating system?

A bank with a score of 1 has the best financial standing, while a bank with a score of 5 is the worst and should be avoided. The rating is based on a five-point scale. The CAMELS rating and related explanations are displayed in the table below.

Table 5: Scale of the CAMELS rating system

Score	Explanation	Class of Bank
1	This suggests the banking organization maintains a regular risk management procedure and has attained a strong financial performance.	A
2	This suggests that even though the bank is solvent, supervision is still necessary. As such, its performance is considered adequate .	B
3	This implies that the bank's vulnerabilities may get worse if a few of these flaws are not properly watched over. Its performance is therefore regarded as only fair .	C
4	Weak managerial practices brought on by somewhat inadequate financial success may present hazards in the future. It is therefore given a 4—a marginal rating.	D

5	The bank is given a score of 5, which represents the lowest performance, and is therefore classified as unsatisfactory .	E
---	---	---

Although the CAMELS rating method is used worldwide, not much research has been done in Bangladesh. The model was used in the banking industry of Bangladesh by Shar, Shah, and Jamali (2011). Although the majority of banks' financial performance is directly impacted by CAMEL components, there are some restrictions, such as a bank's limited earning potential (Nyugen et al., 2020). Studies on the relationship between earning capacity, capital strength, and bank revenue by Ping and Kusairi (2020) and Saha and Bishwas (2021) revealed differing conclusions about the elements influencing a bank's return on assets (ROA). Private banks in Bangladesh appear to perform better than state banks in terms of capital ratio, asset quality, and bank size, according to research by Robin et al. (2018) and Yesmine and Bhuiyah (2015). Thus, the CAMELS rating system has proved to be effective globally, and in Bangladesh, it is now time that financial institutions rigorously follow this system for their betterment nationally, and perhaps even for global recognition.

3.1.2. Objective

The report's third chapter, which offers a thorough analysis and significant findings, is where much of the focus is located. This section explores the CAMELS rating, explaining its significance and raising its level of worldwide relevance. It describes the elements of the CAMELS rating system and shows how the several indicators that make up CAMELS are calculated. Thus, the objective of Chapter 3 is to offer a thorough comparison between the three financial institutions, and provide the regulators of banks, potential investors, and consumers with insightful information that would be useful to them in both regulating these institutions, if needed, and also for making lucrative investment decisions.

3.1.3. Significance

My ability to do effective research and have a deeper comprehension of the CAMELS rating structure was greatly enhanced by the critical research part, Chapter 3. It required calculating Bank Asia Limited, BRAC Bank Limited, and Eastern Bank Limited's CAMELS ratings in order to enable a comparison of their financial standings during the previous three years within Bangladesh's banking industry. In order to help with well-informed investment decisions, this report is valuable to relevant management bodies, customers, and potential investors.

3.2. Methodology

The financial information used to calculate the CAMELS ratings have been taken from secondary sources, i.e., the banks' Annual Reports for the years 2020, 2021, and 2022. These computations were carried out using Microsoft Excel, and the program's charting feature was developed to improve the data users' visual comprehension. Hence, the information gathered in this chapter are mostly quantitative in nature.

Each component of the CAMELS rating system has been carefully analyzed and calculated. The components are explained in detail below.

As the name suggests, **Capital Adequacy** evaluates a bank's level of capital compliance. For a number of reasons, many of which are related to one another, such as bank expansion, investor attraction, and improved lending capabilities, this is essential. Key ratios used to assess capital sufficiency include the following ones:

- **Capital Adequacy Ratio (CAR):** The bank's ability to absorb losses resulting from its business activities is assessed by the Capital Adequacy Ratio (CAR).
- **Debt-Equity Ratio (D/E):** By determining the percentage of equity that is financed by debt, this ratio determines the bank's leverage.
- **Advance to Assets Ratio:** A measure of a bank's willingness to lend to borrowers in an effort to boost profitability is the advance to assets ratio. But it also makes defaults more likely, particularly when it comes to sub-prime loans.
- **Government Securities to Total Investments Ratio:** Reliability and willingness to take on investment risks are gauged by this ratio, which compares government securities to

total investments made by the bank. High returns on significant investments are typically the goal of banks, and vice versa.

As its name suggests, **Assets Quality** evaluates a bank's assets, especially its loans, for soundness. The quality of assets declines as their value does, and this is particularly true if there is a large default risk. Thus, keeping a positive CAMELS rating requires regular Assets Quality assessments.

- Net Non-Performing Assets (NPAs) to Total Assets: This measure assesses the efficiency with which banks assess credit risk and recover non-performing assets. Indicating the bank's effectiveness in credit risk management, it does this.
- Net Non-Performing Assets (NPAs) to Net Advance: This indicator sheds light on the loans' perceived credibility by showing the percentage of the bank's total advances that are unlikely to be recouped. It emphasizes how far advancements could be recovered.
- Gross NPA to Total Advance: This ratio shows how quickly the bank's gross non-performing loans are growing. The bank may be lending more to sub-prime borrowers without placing enough attention on on-time payments if there is a larger frequency of increases. Improved circumstances are indicated by a reduced Gross NPA to Total Advances ratio.
- Advance Yield Ratio: This ratio evaluates the efficiency with which the bank's loans cause borrowers to pay regular interest, or yield. Greater yields are a sign of high-quality assets, meaning the bank's loans are earning interest at a satisfactory rate.

At every organization, but especially in the banking industry, effective **Management** is essential to success. To guarantee efficient administration within a banking organization, both internal and external control measures must be implemented. Internal controls include information systems that are maintained and governed, internal audits, careful documentation procedures, among other things. Furthermore, included in this evaluation are several management efficiency ratios.

- Total Advance to Total Deposit: This ratio illustrates how much money a bank uses from deposits to fund its loans. A lower percentage indicates that the bank is investing in capital and secondary markets to create income rather than depending as much on deposits to fund loans.

- Profit per Employee: Following tax deductions, this measure determines the profit made per employee. An increased ratio denotes increased managerial effectiveness inside the organization.
- Return on Equity (ROE) is a metric used to quantify the profits made from equity investments. Banks often prefer higher ROE values since they indicate larger returns on invested equity.

Bank **Earnings** are related to their ability to make money on their investments. Several financial ratios are used to evaluate this.

- Operating Profit to Total Assets: It measures how much a bank has been able to make by using its entire assets.
- Return on Assets (ROA): This refers to the net profit that a bank makes from using all of its assets, and it gives an indication of how well the bank generates returns.
- Interest Income to Total Income: A bank's ability to generate interest income in relation to its entire income is assessed by this ratio, which takes into account the fact that interest income makes up a sizable segment of its revenue.

The **Liquidity** component is essential for a bank to grow and survive. In the persistent classified loan crises in the banking sector, liquidity is necessary for banks to get new borrowers and depositors. The two ratios used to calculate liquidity are:

- The Liquid Assets to Total Assets assesses how much of a bank's total assets are liquid, thereby showing how solvent the bank is to cover its current liabilities with the available liquid assets.
- Liquid Assets to Total Deposits: The amounts of deposits kept as liquid assets is indicated by the Liquid Assets to Total Deposits ratio. Kept to tackle the short-term liability needs of the bank, this ratio, if low, is also suggestive of the immediate need for the bank for improvement for better liquidity stance.

When assessing the potential effects that exposure to particular risks may have on the organization as a whole, **Sensitivity** is an important consideration. A detailed analysis of credit concentrations is done to determine an institution's susceptibility to market risk. This analysis aids in determining the potential impact of financing to specific industries on the organization. Sensitivity, thus, is essentially a gauge of a bank's susceptibility to particular risks, such interest rates, foreign exchange rates, stock prices, and commodities prices. It offers perceptions into

how these risks could impact the productivity, profits, and financial stability of a bank. Interestingly, because interest rates are determined by the market, banks are frequently extremely exposed to them, and this vulnerability can have a big influence on their lending activities.

3.3. Findings and Analysis

3.3.1. Calculations of the CAMELS Rate

3.3.1.1. Capital Adequacy

i. Capital Adequacy ratio (CAR)

Table 6

Banks	2020	2021	2022	Average	Rank
BBL	15.13%	20.42%	19.37%	18.31%	1
EBL	15.23%	14.08%	14.61%	14.64%	3
BAL	17.16%	15.72%	17.70%	16.86%	2

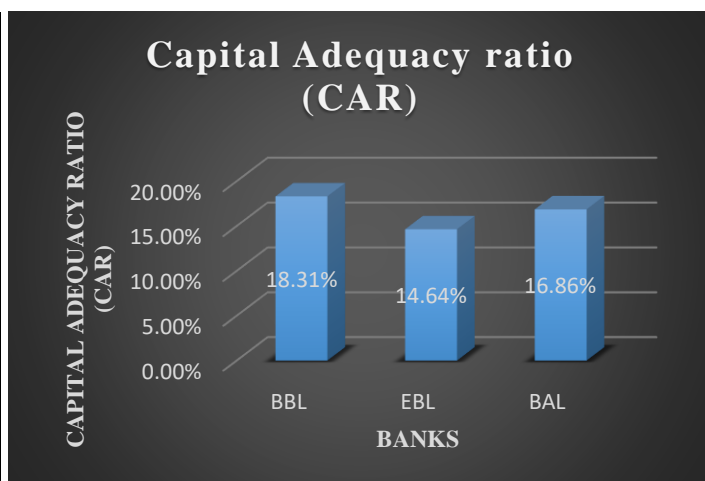


Figure 9

ii. Debt/ Equity ratio (D/E)

Table 7

Banks	2020	2021	2022	Average	Rank
BBL	120.23 times	161.18 times	399.61 times	227.0 times	3
EBL	10.53 times	11.40 times	11.86 times	11.26 times	1
BAL	14.11 times	15.21 times	15.54 times	14.95 times	2

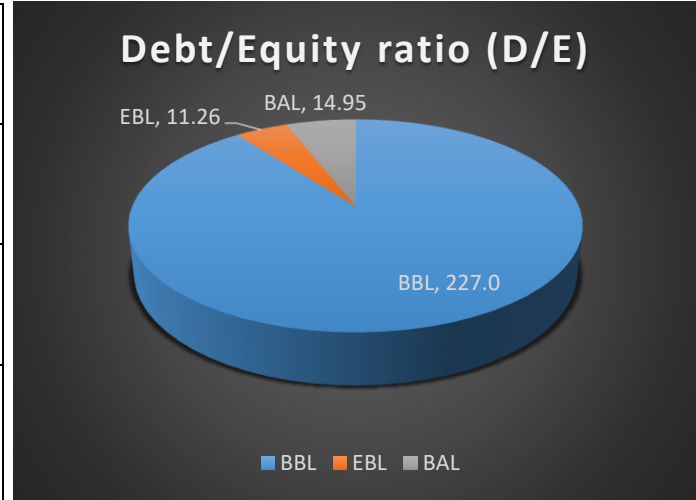


Figure 10

iii. Advance to Assets ratio

Table 8

Banks	2020	2021	2022	Average	Rank
BBL	76.40%	83.61%	93.58%	84.53%	1
EBL	67.91%	69.25%	67.65%	68.27%	2
BAL	60.17%	60.09%	59.61%	59.96%	3

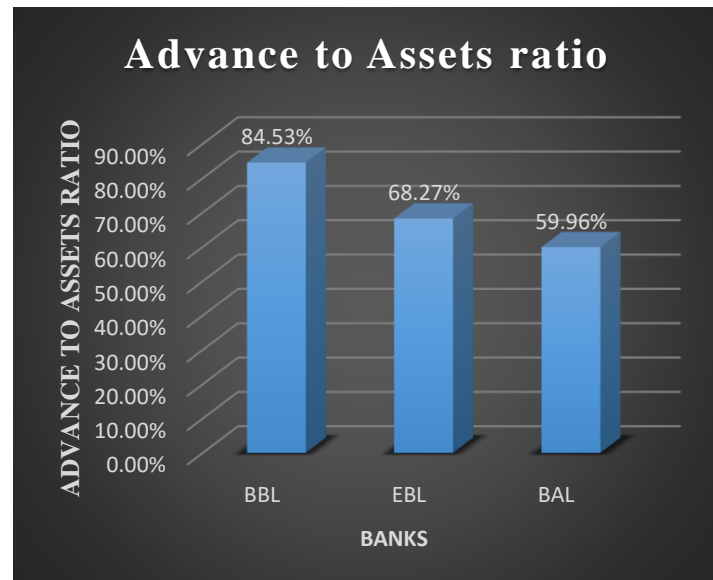
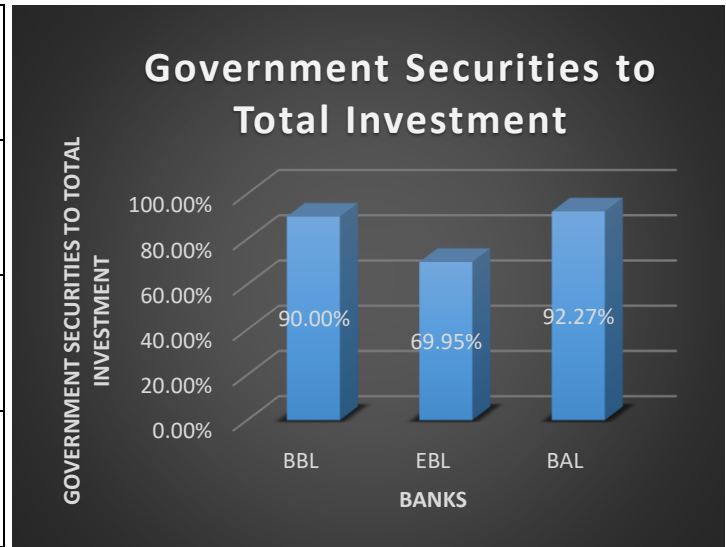


Figure 11

iv. Government Securities to Total Investment

Table 9

Banks	2020	2021	2022	Average	Rank
BBL	90.86%	87.06%	92.08%	90.00%	2
EBL	76.52%	61.86%	71.46%	69.95%	3
BAL	94.87%	90.69%	91.24%	92.27%	1

**Figure 12**

Composite Capital Adequacy

Table 10

Bank s	CAR		D/E		ADV/ASSETS		Govt. sec/ Total Invst		Group Rank	
	%	Rank	Times	Rank	%	Rank	%	Rank	AVG	Rank
BBL	18.31 %	1	227.0	3	84.53%	1	90.00%	2	1.75	1
EBL	14.64 %	3	11.26	1	68.27%	2	69.95%	3	2.25	3
BAL	16.86 %	2	14.95	2	59.96%	3	92.27%	1	2	2

Interpretation

With major metrics' performance from 2020 to 2022 presented, the provided table provides a succinct summary of composite capital adequacy. Of note, BBL had the highest financial liquidity of all the institutions and a strong capacity to manage financial uncertainties when its Capital Adequacy Ratio (CAR) reached its maximum. Next, BAL took the lead, and EBL, ranking third on CAR, followed in that order.

BAL and BBL were rated second and third, respectively, in terms of the Debt/Equity ratio, with EBL taking the lead. Comparatively speaking to EBL, this suggests that a large amount

of BBL's equity was financed by debt. Since it indicates a lessened reliance on debt to increase equity, a lower debt-to-equity ratio is typically regarded as positive. For this reason, EBL is in a good position in this ratio.

In terms of the Advance to Assets ratio, BBL had the greatest ratio, EBL had a moderate ratio, and BAL had the lowest. This shows the unique lending patterns of each bank, such as their propensity to lend to riskier borrowers—even subprime ones—in order to increase profits. Furthermore, BAL came in first, followed by BBL and EBL, when examining the Government securities to Total Investment ratio. Considering that treasury and government assets have no risk attached to them, BAL's increased investment in government securities indicates comparatively lesser risk.

As the thorough examination of many capital adequacy ratios demonstrates, BBL has better capital adequacy than EBL and BAL.

3.3.1.2. Assets Quality

i. Net Non-Performing Assets (NPAs) to Total Assets

Table 11

Banks	2020	2021	2022	Average	Rank
BBL	23.47%	33.28%	31.24%	29.33%	3
EBL	1.59%	2.25%	1.55%	1.80%	1
BAL	1.49%	2.68%	2.65%	2.27%	2

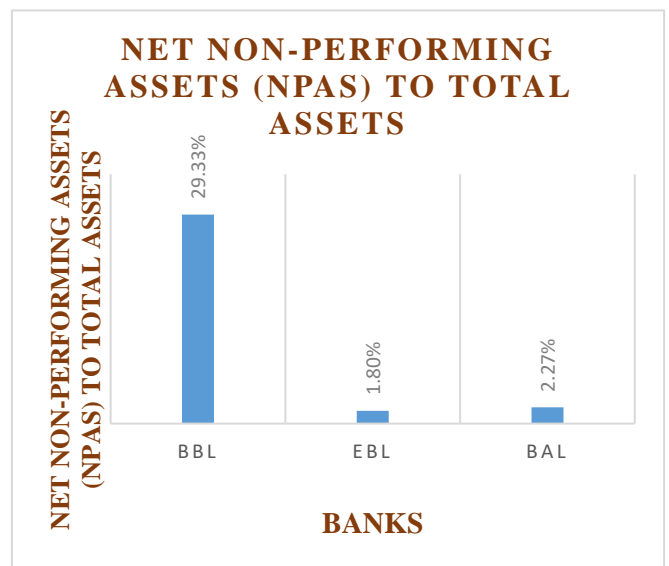


Figure 13

ii. Net Non-Performing Assets (NPAs) to Net Advance

Table 12

Banks	2020	2021	2022	Average	Rank
BBL	71.30%	40.91%	33.66%	48.62%	3
EBL	2.35%	3.28%	2.30%	2.64%	1
BAL	2.49%	4.53%	4.52%	3.85%	2

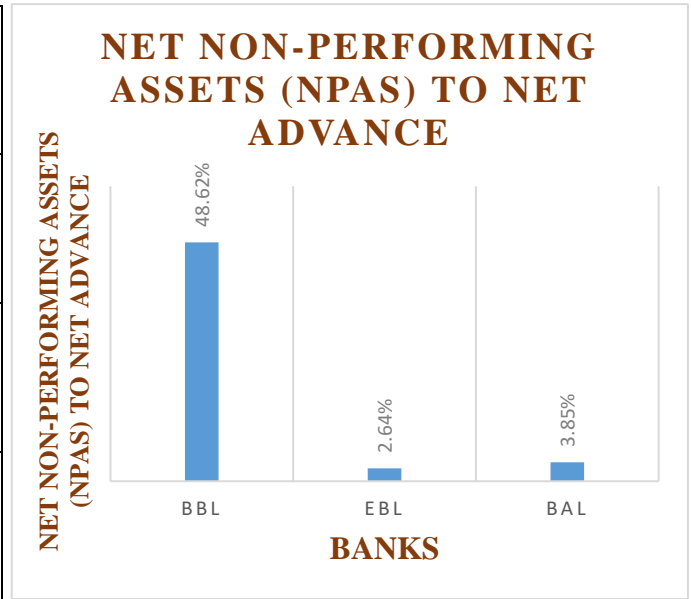


Figure 14

iii. Gross NPA to Total Advance

Table 13

Banks	2020	2021	2022	Average	Rank
BBL	30.01%	10.33%	11.90%	17.41%	3
EBL	-0.05%	0.83%	0.17%	0.32%	1
BAL	0.81%	1.71%	0.70%	1.07%	2

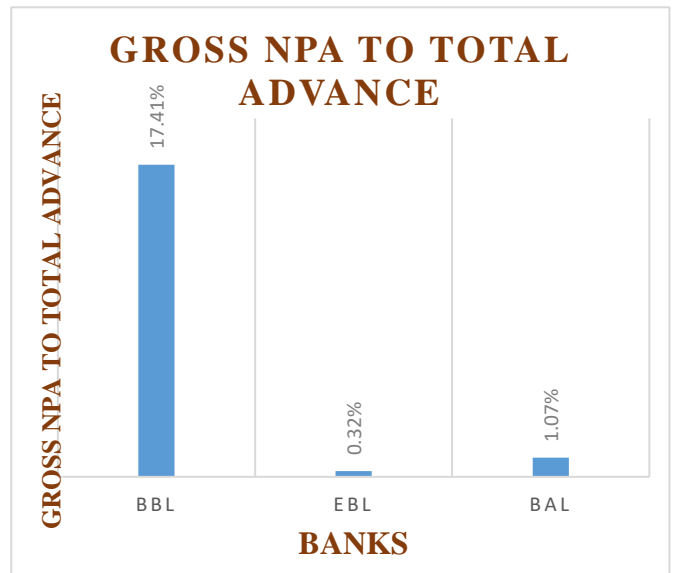
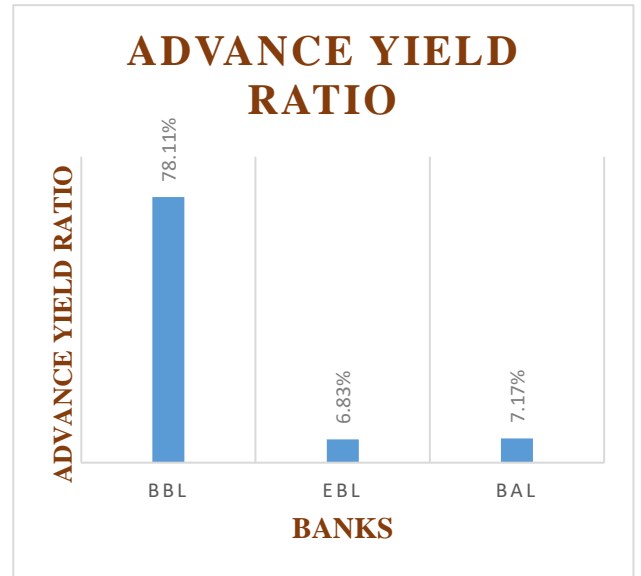


Figure 15

iv. Advance Yield Ratio

Table 14

Banks	2020	2021	2022	Average	Rank
BBL	115.79%	62.69%	55.85%	78.11%	1
EBL	8.34%	5.94%	6.23%	6.83%	3
BAL	7.32%	6.92%	7.28%	7.17%	2

**Figure 16**

Composite Assets Quality

Table 15

Banks	Net NPA/ TA		Net NPA/ Net Adv		Gross NPA/ Total Adv		Adv. Yield ratio		Group Rank	
	%	Rank	%	Rank	%	Rank	%	Rank	AVG	Rank
BBL	29.33%	3	48.62%	3	17.41%	3	78.11%	3	3	3
EBL	1.80%	1	2.64%	1	0.32%	1	6.83%	1	1	1
BAL	2.27%	2	3.85%	2	1.07%	2	7.17%	2	2	2

One key metric for evaluating asset quality is the ratio of Net Non-Performing Assets (NPAs) to Total Assets. An indication of reduced credit risk default for a bank is a lower ratio in this statistic. With a significantly lower ratio than BBL and BAL in this perspective, EBL stands out. In order to lessen the proportion of non-performing assets (loans) compared to its total assets, BBL, which has the largest percentage, must decrease this ratio.

Regarding the Net Non-Performing Assets (NPAs) to Net Advance ratio, EBL has the lowest ratio, which means that only 2.64% of its total advances are considered unrecoverable. Even

though BBL has a far larger ratio than BAL, which requires measures to improve asset quality, BBL nonetheless maintains a comparatively low percentage of classified loans.

The ratio of gross non-performing assets to total advances is another essential measure of asset quality. A lower ratio is ideal, and EBL shows a good position in accordance with the previously specified measures. The Gross NPA to Total Advance ratio of 0.32% for EBL indicates cautious lending policies that reduce default risk. While BBL's ratio is still high and calls for a reduction to improve asset quality, BAL also exhibits a good ratio.

Compared to other ratios, BBL's Advance Yield Ratio is good because of its broad lending, which includes subprime customers. But, as this might not be a sign of a permanent advance yield, caution is necessary. Over time, BBL's profitability may significantly decrease due to the possibility of subprime borrower defaults. Though they have lower Advance Yields, BAL and EBL are thought to be more sustainable in the long run.

To summarize, EBL surpasses both BBL and BAL in several critical criteria, establishing itself as the leader in asset quality.

3.3.1.3. Management Efficiency

i. Total Advance to Total Deposits

Table 16

Banks	2020	2021	2022	Average	Rank
BBL	81.96%	88.42%	92.18%	87.52%	2
EBL	95.54%	101.55%	98.34%	98.48%	1
BAL	81.49%	83.22%	83.05%	82.59%	3

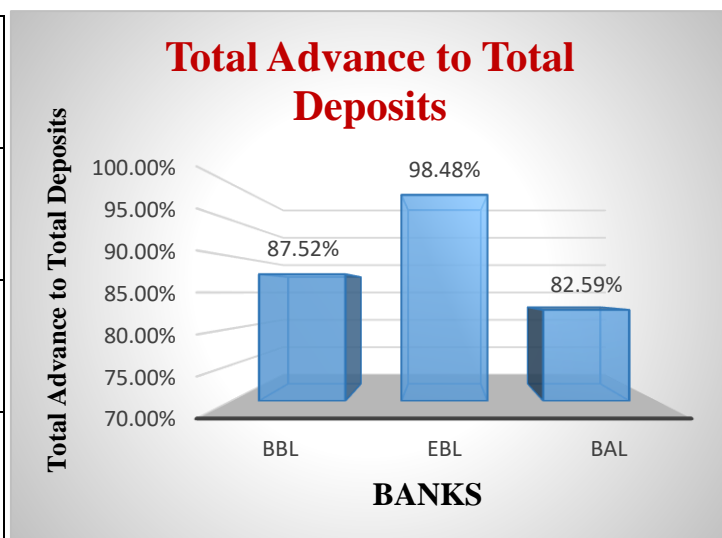


Figure 17

ii. Profit per employee

Table 17

Banks	2020	2021	2022	Average	Rank
BBL	520216.83	610657.61	778583	636486	3
EBL	2124177	2430493	2325425	2293365	1
BAL	821960	1071170	1065386	986172	2

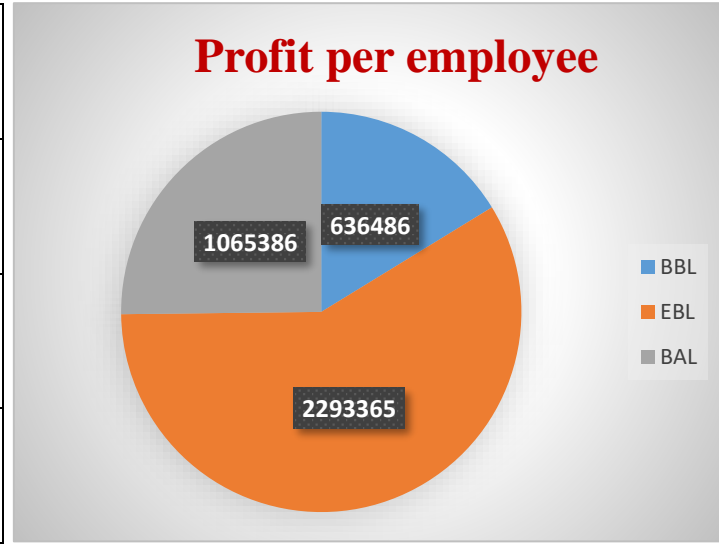


Figure 18

iii. Return on Equity (ROE)

Table 18

Banks	2020	2021	2022	Average	Rank
BBL	7.43%	8.14%	10.01%	8.53%	3
EBL	14.20%	15.17%	14.32%	14.56%	1
BAL	7.44%	10.03%	10.72%	9.40%	2

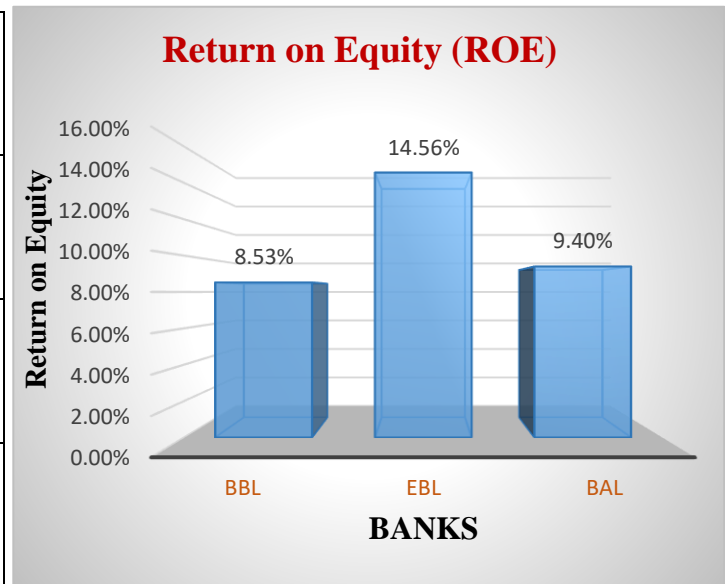


Figure 19

Composite Management Efficiency

Table 19

Bank s	Total Adv/ Total Deposits		Profit per employee		ROE		Group Rank	
	%	Rank	Amount	Rank	%	Ran k	AVG	Rank
BBL	87.52%	2	636486	3	8.53%	3	2.67	3
EBL	98.48%	1	2293365	1	14.56 %	1	1	1
BAL	82.59%	3	986172	2	9.40%	2	2.33	2

Since EBL heavily depends on deposits for loan funding, it stands out as having the greatest Total Advance to Total Deposit Management Efficiency ratio. Since it indicates varied investments beyond only deposits, a lower to moderate ratio is preferred. High ratios for BBL and BAL trail those of EBL, indicating that these banks' portfolios need to be more diversified.

BAL, BBL, and EBL are the top three in terms of profit per employee. A retention and incentive plan for the banks can involve increasing employee profits.

Furthermore, another important measure of management efficiency is return on equity, or ROE. Due to its management's skill in making significant profits from equity, EBL has the best ROE trailed by BBL, BAL has a respectable ROE.

These evaluations lead us to the conclusion that EBL exhibits higher Management Efficiency than BBL and BAL.

3.3.1.4. Earnings

i. Operating Profit to Total Assets

Table 20

Banks	2020	2021	2022	Average	Rank
BBL	1.79%	1.91%	1.74%	1.82%	3
EBL	2.33%	2.77%	2.27%	2.46%	1
BAL	1.49%	2.17%	2.31%	1.99%	2

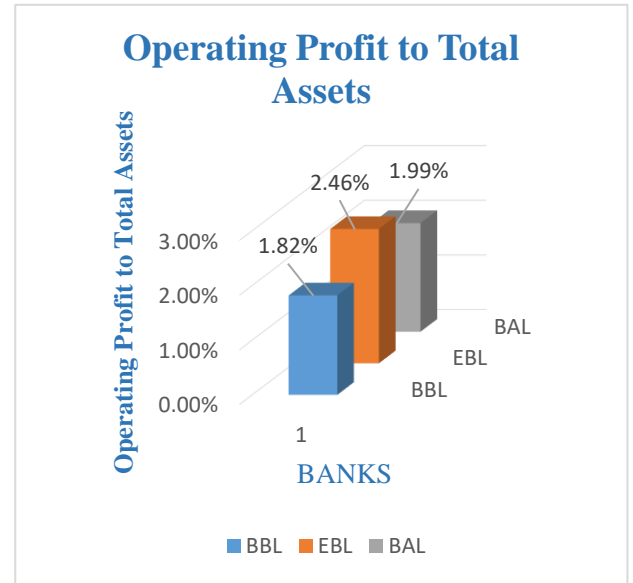


Figure 20

ii. Return on Assets (ROA)

Table 21

Banks	2020	2021	2022	Average	Rank
BBL	0.88%	0.88%	0.93%	0.90%	2
EBL	1.23%	1.22%	1.11%	1.19%	1
BAL	0.50%	0.62%	0.65%	0.59%	3

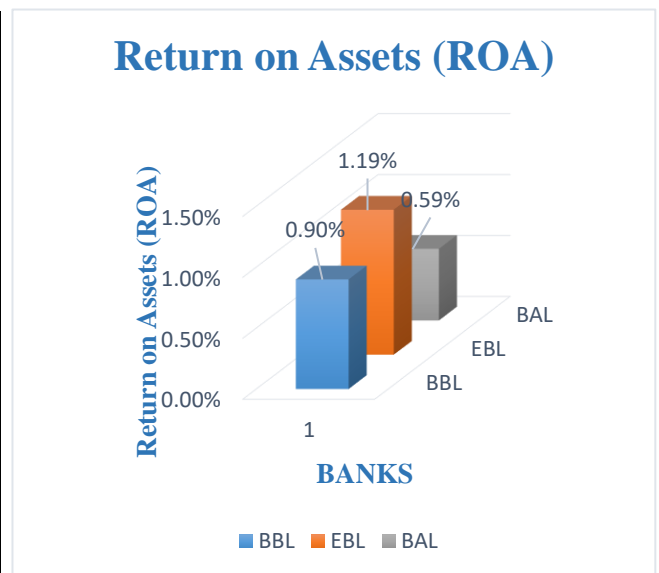


Figure 21

iii. Interest Income to Total Income/Deposits

Table 22

Banks	2020	2021	2022	Average	Rank
BBL	4.05%	0.45%	4.12%	2.87%	1
EBL	2.51%	2.97%	2.17%	2.55%	2
BAL	1.05%	1.79%	1.64%	1.49%	3

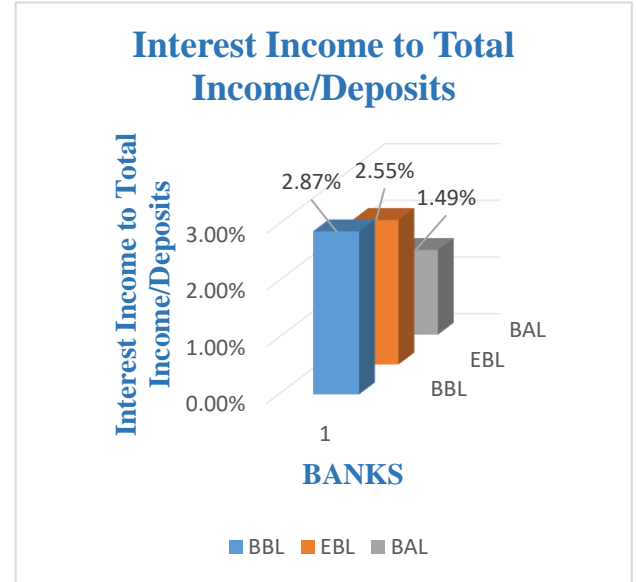


Figure 22

Composite Earnings

Table 23

Banks	Op. Profit/ Total Assets		ROA		Int. Inc/Total Inc.		Group Rank	
	%	Rank	%	Rank	%	Rank	AVG	Rank
BBL	1.82%	3	0.90%	2	2.87%	1	2	2
EBL	2.46%	1	1.19%	1	2.55%	2	1.33333	1
BAL	1.99%	2	0.59%	3	1.49%	3	2.66667	3

Greater efficiency in using assets to generate profit is indicated by a greater Operating Profit to Total Asset ratio. EBL has outdone BBL and BAL in Operating Profit to Total Asset ratio, implying BAL and BBL must improve their asset utilization to lower expenses. Likewise, in terms of Return on Assets (ROA), EBL has a better efficiency in generating profits. On the other hand, BBL outperformed the rest where the Intern Income to Total Income ratio is concerned, highlighting its efficiency in generating income from its lending.

In conclusion, EBL outperforms BBL and BAL in terms of overall earnings, as seen by its better results in the composite earnings measures.

3.3.1.5. Liquidity

i. Liquid Assets to Total Assets

Table 24

Banks	2020	2021	2022	Average	Rank
BBL	13.72%	19.93%	13.97%	15.87%	1
EBL	8.59%	9.47%	8.74%	8.93%	3
BAL	12.17%	18.38%	14.77%	15.10%	2

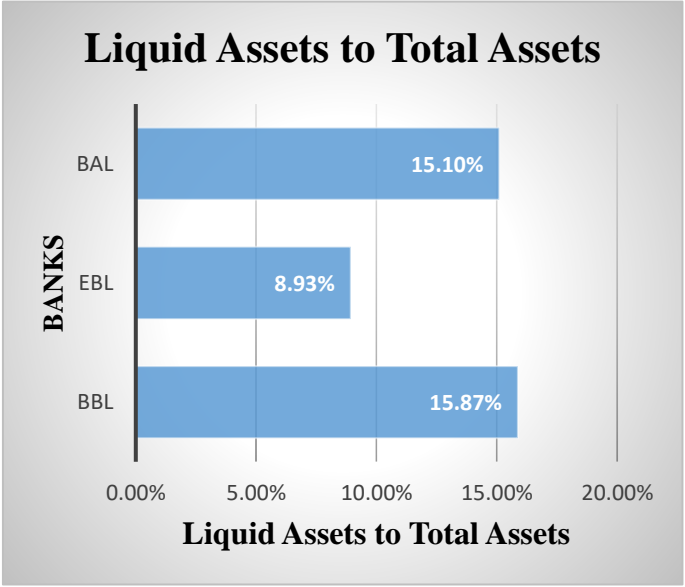


Figure 23

ii. **Liquid Assets to Total Deposits**

Table 25

Banks	2020	2021	2022	Average	Rank
BBL	18.78%	28.88%	20.50%	22.72%	1
EBL	12.08%	13.88%	12.71%	12.89%	3
BAL	16.48%	25.45%	20.58%	20.84%	2

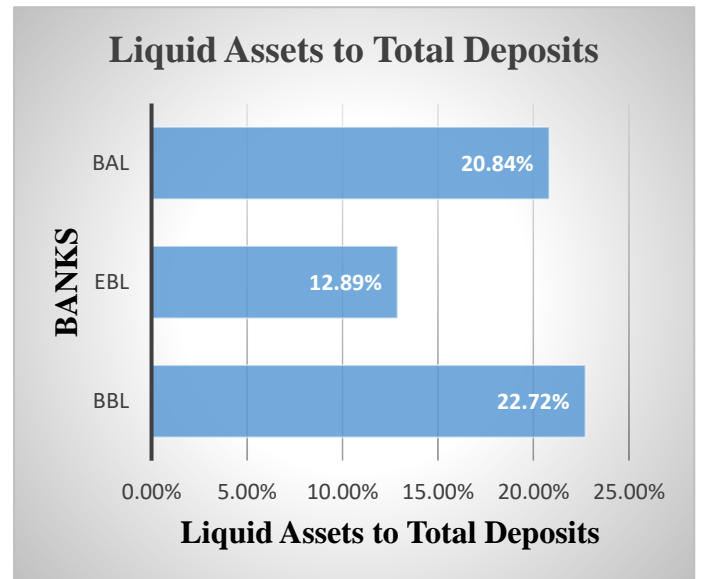


Figure 24

Composite Liquidity

Table 26

Banks	L.A/ T.A		L.A/ T. Deposits		Group Rank	
	%	Rank	%	Rank	AVG	Rank
BBL	15.87%	1	22.72%	1	1	1
EBL	8.93%	3	12.89%	3	3	3
BAL	15.10%	2	20.84%	2	2	2

With a high ratio of liquid assets to total deposits as well as a high ratio of liquid assets to total assets, BBL exhibits increased liquidity. As a result, BBL is able to immediately cover its current liabilities since it continuously maintains high asset liquidity. Notably strong in terms of liquidity is BAL, which follows closely. To sum up, BBL has a better liquidity position relative to BAL and EBL.

3.3.1.6. Sensitivity

In the ever-changing financial landscape, financial institutions' vulnerability to shifts in the macroeconomic factors—such as fluctuations in interest rates, inflationary pressures, foreign exchange rate fluctuations, economic growth, or even a recession—is referred to as sensitivity. For instance, changes in interest rates is one such factor affecting the sensitivity of banking institutions. Higher interest rates, for example, decrease consumer expenditures and increase more savings, which in turn decreases intake of loans, leading to a dive of a bank's interest income. However, more savings by consumers mean higher interest on savings and deposits. This accounts for a fall in overall interest income during a net increase in interest rate.

Market swings in exchange rates on foreign currency loans affects credit worthiness of consumers. This in turn enhances a bank's credit risk due to a heavy decline in local currency value making it difficult for loan acceptors to repay their debts. However, the three major banks included in this research deal less with the lending of oversea currencies thereby exhibiting a decreased credit risk but in doing this, the risk of default rises when dealing with the lending of local currency.

Moreover, a bank's operation is affected by a nation's political and economic climate. Political and economic unpredictability heavily influences the volatility in exchange rates, thereby, putting the operations of global banks at risk. This brings about the differentiation between EBL and BBL where EBL has less economic and national danger due to its lack of international outlet whereas, BBL has a higher danger to political and economic changes due to it having 400 global correspondent partnerships worldwide to maintain import and export transactions. On the other hand, BAL only has one international outlet. Due to BBL's wide range of global partnerships, it deals in ten different currencies while also keeping 26 international Nostro accounts active.

Therefore, considering the above factors, since BBL is the largest bank in terms in capital adequacy and size relative to EBL and BAL, it is more sensitive to changes in interest rates and foreign exchange rates, followed by EBL and then BAL. The credit risk is theoretically low for all three of the banks.

3.3.2. Overall Composite Performance Ranking

Table 27

Banks	C	A	M	E	L	AVG	RANK
BRAC Bank Limited (BBL)	1.75	3	2.67	2	1	2.08	2
Eastern Bank Limited (EBL)	2.25	1	1	1.33	3	1.72	1
Bank Asia Limited (BAL)	2	2	2.33	2.67	2	2.2	3

The table above shows the overall composite performance of EBL, BBL and BAL over the years 2020, 2021 and 2022, measured by using financial information from their respective annual reports.

EBL has scored the highest point (1.72) in CAMEL, followed by BBL that ranked second with a point of 2.08, and then stood BAL in the third position with a score of 2.2. EBL, therefore, showcased a stronger financial stability over the others in all these years.

3.4. Summary and Conclusions

The role of CAMELS in assessing the credibility of banking institutions is crucial in an economy. It is used by the management and CEOs of the banks to analyze the bank's performance, gauge its sustainability, retain existing and attract potential investors and customers, while also avoiding potential bank run situations. Consumers, who are crucial assets for banks, look for CAMELS data to understand bank liquidity and profitability because they know that greater capital adequacy increases credibility, which draws in more depositors and loan applicants. In a similar vein, investors profit from high returns and the avoidance of possible bank run situations when they make well-informed, reliable, and sustainable investing decisions. Furthermore, the goodwill of a bank is enhanced by its affiliation with reliable investors, highlighting the significance of preserving investor confidence in bank investments.

In conclusion, banks throughout the world have adopted the CAMELS methodology for evaluating employee performance. Previous research has examined some factors separately,

but there is a need in a thorough examination that takes into account all the components as a whole in the local context of Bangladesh, with a special emphasis on Bank Asia Limited. By carefully analyzing and evaluating every parameter along with the bank's overall economic performance and making comparisons with other banks across the nation, this research seeks to close this gap.

3.5. Recommendations/ Implications

- By raising capital, making investments in treasury bonds and stock markets, or lowering the proportion of risk-weighted assets relative to their size, Bank Asia can increase the adequacy of its capital. Bank Asia needs to reduce its reliance on loans to finance its equity in order to further reduce its debt-to-equity ratio, even if it is still far lower than BBL's. In the long run, sustainability and profitability will increase with decreasing debt levels.
- Furthermore, despite the potential to boost earnings in the short term through interest payments, a high advance to asset ratio eventually raises the risk of default, endangering the bank's liquidity situation. Hence, advance to assets ratio, in my opinion, must be kept on a moderate level. Therefore, improving the above ratios will improve the overall capital adequacy of Bank Asia Limited.
- Improving this component requires lowering the primary indicators of assets quality, namely NPA to total assets and net assets as well as gross NPA to total assets. Being non-recoverable loans, the non-performing assets (NPA) should be kept to a minimum. Accordingly, Bank Asia's bad debts decrease as the NPA does. In contrast, BBL engages in aggressive lending, notably to subprime borrowers, which will ultimately jeopardize the bank's viability. In the long run, however, the advance to yield ratio of the bank is moderate and sustainable.
- To improve management efficiency, it is essential that Bank Asia maintains a low to moderate Total Advance (loans) to Total Deposits ratio because a high ratio would mean more liabilities relative to assets for the bank, which is not favorable. The Profit

per employee is quite good, yet could be improved with further monitoring on the administrative expenses of the bank, and more financial incentives to the employees.

- The ROE of Bank Asia is not significantly apart from the others, but has scope for improvement. It is also important to note that a high ROE does not necessarily mean the bank is sustainable, especially if it is financing its return by selling its assets or taking debts. In general, the ROE can be improved by utilizing the bank's equity effectively via additional stock investments or reinvestment of net incomes.
- Earnings ratios of Bank Asia also have to improve. The Operating Profit to Total Assets ratio can be increased by lowering its operational costs like salaries, rent, utilities, etc., compared to its assets used to fund these costs. The ROA can be improved by making the effective use of its current assets, mainly cash, and ensuring no excess money is sitting idle. Moreover, Bank Asia must try and increase its interest income on deposits, while maintaining competitive rivalry with others to retain its existing customers.
- Lastly, one of the most crucial components of the CAMELS rating system, Liquidity, must always be kept in check. This involves Bank Asia keeping sufficient current assets in hand by controlling its overheads and debt obligations, while holding the capability to repay its short-term obligations properly. Similarly, the liquid assets to total deposits (liabilities) should also be raised to maintain the financial stability of Bank Asia Limited. Both of these ratios help improve liquidity for the bank.

References

- (n.d.). Retrieved from Bank Asia Limited: <https://www.bankasia-bd.com/>
- 6 Steps in the Lending Process*. (n.d.). Retrieved from iEduNote:
<https://www.iedunote.com/lending-process>
- Afroj, F. (2022). *Financial strength of banking sector in Bangladesh: a CAMEL framework analysis*. Khulna University, Economics. Khulna: emerald insight. Retrieved from <https://www.emerald.com/insight/content/doi/10.1108/AJEB-12-2021-0135/full/html>
- Functions of Commercial Banks*. (n.d.). Retrieved from toppr:
<https://www.toppr.com/guides/general-awareness/banking/functions-of-commercial-banks/>
- Gobat, J. (n.d.). *BANKS: AT THE HEART OF THE MATTER*. Retrieved from International Monetary Fund: <https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Banks>
- Gowri, M., & Ramya, G. (2015). An Empirical Study On Banking Sector With The Use Of CAMEL Model. Prin. LN Zedan, K. A., & Daas, G. (2017). Welingkar Institute of Management Development & Research, 74
- Harahap, I.M. (2018), "Impact of bank performance on profitability", *Scholars Journal of Economics, Business and Management*, Vol. 5No. 8, pp. 727-733, doi: 10.21276/sjebm.2018.5.8.3.
- Hossain, M. R. (2023, July 9). *How Many Commercial Banks are there In Bangladesh?* Retrieved from Swapnojatraa: <https://swapnojatraa.com/how-many-commercial-banks-are-there-in-bangladesh/>
- Kagan, J. (2023, June 9). *CAMELS Rating System: What It Is, How It Is Calculated*. Retrieved from Investopedia: <https://www.investopedia.com/terms/c/camelrating.asp>

- Limited, B. A. (2020). *Annual Integrated Report - Digital coverage of banking service for better inclusive economy*. Retrieved from https://www.bankasia-bd.com/assets/reports/annual/Annual_Report_2020.pdf
- Limited, B. A. (2021). *Annual Integrated Report - Committed to serve the nation for a better tomorrow*. Retrieved from https://www.bankasia-bd.com/assets/reports/annual/AIR_2021_Bank_Asia.pdf
- Limited, B. A. (2022). *Annual Integrated Report - Secure your financial future with your reliable bank*. Retrieved from https://www.bankasia-bd.com/assets/reports/annual/Annual_Report_2022.pdf
- Limited, B. B. (2020). *Annual Integrated Report - Leading the change*. Retrieved from https://www.bracbank.com/financialstatement/BRAC_AR_2020.pdf
- Limited, B. B. (2021). *Annual Integrated Report - Transforming banking, Transforming lives*. Retrieved from https://www.bracbank.com/financialstatement/BRAC_Annual_Report_2021.pdf
- Limited, B. B. (2022). *Annual Integrated Report - Value based banking*. Retrieved from https://www.bracbank.com/financialstatement/BBL_Annual_Report_2022.pdf
- Limited, E. B. (2020). *Annual Report - Rediscovering the value of relationship*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/ANNUAL-REPORT-2020.pdf>
- Limited, E. B. (2021). *Annual Report - Caring for people*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/EBL-Annual-Report-2021.pdf>
- Limited, E. B. (2022). *Annual Report - Stability is our strength*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/EBL-ANNUAL-REPORT-2022.pdf>
- Nguyen, A.H., Nguyen, H.T. and Pham, H.T. (2020), “Applying the CAMEL model to assess performance of commercial banks: empirical evidence from Vietnam”, *Banks and Bank Systems*, Vol. 15 No. 2, pp. 177-186, doi: 10.21511/bbs.15(2).2020.16.
- Ping, K.G. and Kusairi, S. (2020), “Analysis of CAMEL components and commercial bank performance: panel data analysis”, *Jurnal Organisasi Dan Manajemen*, Vol. 16 No. 1, pp. 1-10, doi: 10.33830/jom.v16i1.835.2020

Saha, N.K. and Bishwas, P.C. (2021), “Determinants of financial performance of commercial banks in Bangladesh: an empirical study on private commercial banks”, *Global Journal of Management And Business Research*, Vol. 21 No. 2, pp. 23-32.

Saiful Islam, Md., & Abu Sufian, M. (2019), “An Application of CAMELS Model for Measuring Financial Performance of Commercial Banks in Bangladesh”, *Journal of Business Studies*, Pabna University of Science and Technology, ISSN 2410-8170, Volume 2, Issue 1.

Sarker, A. (2005). CAMELS rating system in the context of Islamic banking: A proposed ‘S’ for Shariah framework. *Journal of Islamic Economics and Finance*, 1(1), 78-84.

Shar, A. H., Shah, M. A., & Jamali, H. (2011). Performance evaluation of pre-and postnationalization of the banking sector in Pakistan: An application of CAMEL model. *African Journal of Business Management*, 5(3), 747-761.

Stackhouse, J. L. (2019, January 23). *CAMELS Ratings: Sensitivity to Market Risk*. Retrieved from Federal Reserve Bank of ST. Louis : <https://www.stlouisfed.org/on-the-economy/2019/january/camels-ratings-sensitivity-market-risk>

STEPS OF THE COMMERCIAL AND CONSUMER LENDING PROCESS YOU CAN AND SHOULD AUTOMATE IN 2024. (2023, September 23). Retrieved from TurnKey Lender: <https://www.turnkey-lender.com/blog/steps-of-the-lending-process-you-should-automate/>

Team, C. (n.d.). *CAMELS Rating System*. Retrieved from CFI: <https://corporatefinanceinstitute.com/resources/wealth-management/camels-rating-system/>

Wirnkar, A., & Tanko, M. (2008). CAMELS and banks performance evaluation: The way forward. Available at SSRN, 1150968.

Yesmine, S. and Bhuiyah, M.S.U. (2015), “Determinants of banks' financial performance: a comparative study between nationalized and local private commercial banks of Bangladesh”, *International Journal of Business and Management Invention*, Vol. 4 No. 9, pp. 33-39.

Zedan, K. A., & Daas, G. (2017). Palestinian Banks Analysis Using CAMEL Model. *International Journal of Economics and Financial Issues*, 7(1)

Appendix A. (Bank Asia Limited)

Bank Asia Limited and its subsidiaries Consolidated Balance Sheet






as at 31 December 2020

	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(a)	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/AI-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

Consolidated Balance Sheet

	Notes	31 Dec 2020	31 Dec 2019
<i>Amount in Taka</i>			
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

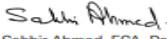
These Financial Statements should be read in conjunction with the annexed notes

 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: 2103250770AS857181


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

Basel III Pillar 3 Market Disclosure

Quantitative Disclosures			
<i>Million Taka</i>			
Sl.	Risk Category	Solo	Consolidated
Details of Risk Weighted Assets (RWA)			
a	Credit Risk		
a.1	On- Balance sheet	187,436	188,961
a.2	Off- Balance sheet	34,692	34,692
a.3	Total Credit Risk (a.1+a.2)	222,128	223,652
b	Market Risk	9,744	10,348
c	Operational Risk	23,034	23,404
	Total RWA (a.3+b+c)	254,905	257,404
Details of Risk wise Minimum Capital Requirement (MCR)			
a	Credit Risk		
a.1	On- Balance sheet	18,744	18,896
a.2	Off- Balanced sheet	3,469	3,469
a.3	Total Credit Risk (a.1+a.2)	22,213	22,365
b	Market Risk	974	1,035
c	Operational Risk	2,303	2,340
	Total Minimum Capital Requirement	25,491	25,740
	Total Maintained Capital	43,754	43,581
	Total Capital Surplus	18,263	17,840
Details of Tier wise Capital of the Bank			
1	Tier- 1 Capital	23,559	23,386
2	Tier- 2 Capital	20,195	20,195
3	Tier- 3 Capital	-	-
	Total Capital	43,754	43,581
	Total Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital / RWA)	17.16%	16.93%
	Tier 1 CRAR (Tier 1 Capital / RWA)	9.24%	9.09%
	Tier 2 CRAR (Tier 2 Capital / RWA)	7.92%	7.85%
	Capital Conservation Buffer (2.5% of RWA)	3.24%	3.09%



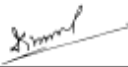


Bank Asia Limited and its subsidiaries

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)	18,117,563,686	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
Total operating income (A)		10,207,544,522	7,840,691,866
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
Provision for off-balance sheet items	13.2(a)	1,760,780,294	5,689,030,046
Provision for diminution in value of investments	13.3	43,349,415	(196,376,913)
Other provisions		180,000,000	(66,065,312)
		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

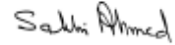
These Financial Statements should be read in conjunction with the annexed notes

 Chairman	 Director	 Director	 Director	 President and Managing Director
---	---	---	--	--

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


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


Bank Asia Limited and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 01 January 2019	11,103,874,860	8,268,333,179	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	836,466	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


Chairman


Director


Director


Director


President and Managing Director

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2021

		<i>Amount in Taka</i>	
	Notes	31 Dec 2021	31 Dec 2020
PROPERTY AND ASSETS			
Cash		33,365,082,062	17,902,027,343
In hand (including foreign currencies)	4.1(a)	3,609,634,979	2,965,195,036
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	29,755,447,083	14,936,832,307
Balance with other banks and financial institutions	5(a)	41,288,613,589	32,103,518,897
In Bangladesh		39,659,087,772	29,965,987,826
Outside Bangladesh		1,629,525,817	2,137,531,071
Money at call and on short notice	6(a)	6,400,000,000	-
Investments	7(a)	77,951,433,954	94,906,810,728
Government		70,690,287,923	90,042,129,622
Others		7,261,146,031	4,864,681,106
Loans and advances/investments	8(a)	264,999,483,971	247,331,848,282
Loans, cash credits, overdrafts, etc/investments		236,976,500,176	231,157,148,714
Bills purchased and discounted		28,022,983,795	16,174,699,568
Fixed assets including premises, furniture and fixtures	9(a)	6,145,270,470	6,814,103,400
Other assets	10(a)	10,876,307,392	11,994,598,408
Non - banking assets		-	-
Total assets		441,026,191,438	411,052,907,058
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	47,836,151,368	35,971,854,941
Subordinated non-convertible bonds	11(aa)	8,600,000,000	10,200,000,000
Deposits and other accounts	12(a)	318,424,929,865	303,493,914,448
Current/AI-wadeeah current accounts and other accounts		64,292,866,731	59,823,653,764
Bills payable		3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings bank deposits		79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits		170,941,701,491	175,755,144,727
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	38,961,364,845	34,178,739,042
Total liabilities		413,822,446,078	383,844,508,431
Capital/shareholders' equity			
Total shareholders' equity		27,203,745,360	27,208,398,627
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	10,725,443,940	9,844,096,744
General and other reserve	15.1(a)	8,317,091	8,166,144
Revaluation reserve	16(a)	2,159,144,877	3,777,946,202
Retained earnings	17(a)	2,650,999,337	1,918,254,038
Foreign currency translation reserve		761,241	856,701
Non-controlling interest	17(b)	10,274	10,198
Total liabilities and shareholders' equity		441,026,191,438	411,052,907,058

Consolidated Balance Sheet

Amount in Taka

	Notes	31 Dec 2021	31 Dec 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	170,920,906,518	118,277,542,242
Acceptances and endorsements		62,539,512,475	36,015,850,212
Letters of guarantee		37,395,583,594	36,612,599,301
Irrevocable letters of credit		46,608,780,719	29,751,789,131
Bills for collection		24,377,029,730	15,897,303,598
Other contingent liabilities		-	-
Other commitments		3,044,625,874	3,912,885,538
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		3,044,625,874	3,912,885,538
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		173,965,532,392	122,190,427,780

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616


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

Bank Asia Limited and its subsidiaries




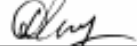

Consolidated Profit and Loss Account

for the year ended 31 December 2021

Amount in Taka

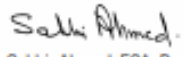
	Notes	31 Dec 2021	31 Dec 2020
OPERATING INCOME			
Interest income	20(a)	18,422,217,336	18,117,563,686
Interest paid on deposits and borrowings, etc	21(a)	12,727,962,811	14,926,706,536
Net interest income		5,694,254,525	3,190,857,150
Investment income	22(a)	6,848,834,433	6,484,398,100
Commission, exchange and brokerage	23(a)	3,562,596,602	2,653,972,061
Other operating income	24(a)	1,185,321,692	1,069,174,361
		11,596,752,727	10,207,544,522
Total operating income (A)		17,291,007,252	13,398,401,672
OPERATING EXPENSES			
Salaries and allowances	25(a)	3,995,021,349	3,638,898,248
Rent, taxes, insurance, electricity, etc	26(a)	505,031,922	463,933,944
Legal expenses	27(a)	17,558,765	13,751,716
Postage, stamp, telecommunication, etc	28(a)	121,249,030	128,312,780
Stationery, printing, advertisements, etc	29(a)	118,856,850	150,030,731
Managing Director's salary and fees	30	20,401,265	19,262,968
Directors' fees	31(a)	4,359,000	3,483,000
Auditors' fees	32(a)	3,397,350	2,978,246
Depreciation and repairs of Bank's assets	33(a)	888,405,435	875,119,333
Other expenses	34(a)	2,064,272,614	1,995,821,074
		7,738,553,580	7,291,592,040
Total operating expenses (B)		7,738,553,580	7,291,592,040
Profit before provision (C=A-B)		9,552,453,672	6,106,809,632
Provision for loans and advances/investments			
General provision		(1,112,892,000)	2,166,139,871
Specific provision		5,456,131,734	(405,359,577)
	13.2(a)	4,343,239,734	1,760,780,294
Provision for off-balance sheet items	13.3	485,000,000	43,349,415
Provision for diminution in value of investments		51,208,223	180,000,000
Other provisions		150,000,000	137,000,000
		5,029,447,957	2,121,129,709
Total provision (D)	34(c)	5,029,447,957	2,121,129,709
Total profit before tax (C-D)		4,523,005,715	3,985,679,923
Provision for taxation			
Current tax	13.5.1(a)	1,794,735,436	1,961,192,514
Deferred tax		-	-
		1,794,735,436	1,961,192,514
Net profit after tax		2,728,270,279	2,024,487,409
Appropriations			
Statutory reserve		881,347,196	791,541,337
General and other reserve		150,947	-
	15.1(a)	881,498,143	791,541,337
Retained surplus		1,846,772,136	1,232,946,072
Attributable to:			
Equity holders of Bank Asia Limited		1,846,772,060	1,232,946,070
Non-controlling interest		76	2
		1,846,772,136	1,232,946,072
Earnings Per Share (EPS)	37(a)	2.34	1.74

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
16 March 2022
DVC No: 2203210770AS787616


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

Bank Asia Limited and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 01 January 2020	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	27,208,388,428	10,198	27,208,398,627
Transferred during the year	-	881,347,196	-	-	-	(881,347,196)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	-	(1,565,086,073)	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(1,835,153)	(1,835,153)	-	(1,835,153)
Foreign currency translation for the year	-	-	-	-	(95,460)	-	(95,460)	-	(95,460)
Transferred to General and other reserve	-	-	-	150,947	-	(150,947)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,728,270,203	2,728,270,203	76	2,728,270,279
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360

These Financial Statements should be read in conjunction with the annual report notes

A. T. Hossain

Chairman

Amirul Karim

Director

M. Kamruzzaman

Director

Abul Kalam

Director

S. M. M. Hossain

President and Managing Director

Bank Asia Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

Amount in Taka

	Notes	31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS			
Cash		25,797,237,229	33,365,082,062
In hand (including foreign currencies)	4.1(a)	4,087,822,688	3,609,634,979
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	21,709,414,541	29,755,447,083
Balance with other banks and financial institutions	5(a)	39,983,468,523	41,288,613,589
In Bangladesh		37,345,770,086	39,659,087,772
Outside Bangladesh		2,637,698,437	1,629,525,817
Money at call and on short notice	6(a)	3,750,000,000	6,400,000,000
Investments	7(a)	103,838,255,588	77,951,433,954
Government		94,746,403,719	70,690,287,923
Others		9,091,851,869	7,261,146,031
Loans and advances/investments	8(a)	280,591,467,444	264,999,483,971
Loans, cash credits, overdrafts, etc/investments		257,223,892,759	236,976,500,176
Bills purchased and discounted		23,367,574,685	28,022,983,795
Fixed assets including premises, furniture and fixtures	9(a)	5,704,012,877	6,145,270,470
Other assets	10(a)	11,057,689,200	10,876,307,392
Non - banking assets		-	-
Total assets		470,722,130,861	441,026,191,438
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	51,024,080,743	47,836,151,368
Subordinated non-convertible and perpetual bonds	11(aa)	9,340,000,000	8,600,000,000
Deposits and other accounts	12(a)	337,853,124,886	318,424,929,865
Current/AI-wadeeah current accounts and other accounts		68,534,148,051	64,292,866,731
Bills payable		4,167,914,951	3,978,312,853
Savings bank/Mudaraba savings bank deposits		78,812,880,761	79,212,048,790
Fixed deposits/Mudaraba fixed deposits		186,338,181,123	170,941,701,491
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	44,041,087,583	38,961,364,845
Total liabilities		442,258,293,212	413,822,446,078
Capital/shareholders' equity			
Total shareholders' equity		28,463,837,649	27,203,745,360
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	10,725,443,940
General and other reserve	15.1(a)	9,926,531	8,317,091
Revaluation reserve	16(a)	2,117,047,124	2,159,144,877
Retained earnings	17(a)	2,957,002,831	2,650,999,337
Foreign currency translation reserve		(29,217,722)	761,241
Non-controlling interest	17(b)	10,285	10,274
Total liabilities and shareholders' equity		470,722,130,861	441,026,191,438

Consolidated Balance Sheet

Amount in Taka

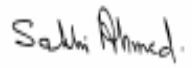
	Notes	31 Dec 2022	31 Dec 2021
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	151,805,089,469	170,920,906,518
Acceptances and endorsements		57,460,996,543	62,539,512,475
Letters of guarantee		38,212,129,085	37,395,583,594
Irrevocable letters of credit		28,775,250,089	46,608,780,719
Bills for collection		27,356,713,752	24,377,029,730
Other contingent liabilities		-	-
Other commitments		1,758,182,995	3,044,625,874
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		1,758,182,995	3,044,625,874
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		153,563,272,464	173,965,532,392

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488


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


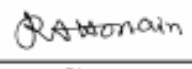

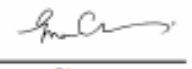
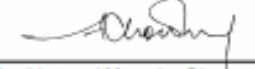
Bank Asia Limited and its subsidiaries Consolidated Profit and Loss Account

for the year ended 31 December 2022

Amount in Taka


	Notes	31 Dec 2022	31 Dec 2021
OPERATING INCOME			
Interest income	20(a)	20,484,449,300	18,422,217,336
Interest paid on deposits and borrowings, etc	21(a)	14,937,341,626	12,727,962,811
Net interest income		5,547,107,674	5,694,254,525
Investment income	22(a)	6,270,764,596	6,848,834,433
Commission, exchange and brokerage	23(a)	7,655,343,919	3,562,596,602
Other operating income	24(a)	1,217,933,416	1,185,321,692
Total operating income (A)		15,144,041,931	11,596,752,727
OPERATING EXPENSES			
Salaries and allowances	25(a)	5,180,307,624	3,995,021,349
Rent, taxes, insurance, electricity, etc	26(a)	606,906,079	505,031,922
Legal expenses	27(a)	26,343,367	17,558,765
Postage, stamp, telecommunication, etc	28(a)	157,490,802	121,249,030
Stationery, printing, advertisements, etc	29(a)	177,671,713	118,856,850
Managing Director's salary and fees	30	18,854,125	20,401,265
Directors' fees	31(a)	3,464,000	4,359,000
Auditors' fees	32(a)	3,639,789	3,397,350
Depreciation and repairs of Bank's assets	33(a)	979,550,708	888,405,435
Other expenses	34(a)	2,667,684,970	2,064,272,614
Total operating expenses (B)		9,821,913,177	7,738,553,580
Profit before provision (C=A-B)		10,869,236,428	9,552,453,672
Provision for loans and advances/investments			
General provision		2,467,292,000	(1,112,892,000)
Specific provision		1,826,641,239	5,456,131,734
Provision for off-balance sheet items	13.2(a)	4,293,933,239	4,343,239,734
Provision for diminution in value of investments	13.3	(295,000,000)	485,000,000
Other provisions		250,000,000	150,000,000
Total provision (D)	34(c)	4,248,933,239	5,029,447,957
Total profit before tax (C-D)		6,620,303,189	4,523,005,715
Provision for taxation			
Current tax	13.5.1(a)	3,567,972,708	1,794,735,436
Deferred tax		-	-
Net profit after tax		3,567,972,708	1,794,735,436
Appropriations			
Statutory reserve		1,024,556,060	881,347,196
Coupon/dividend on perpetual bond		25,016,438	-
General and other reserve		1,609,440	150,947
Retained surplus	15.1(a)	1,051,181,938	881,498,143
Attributable to:			
Equity holders of Bank Asia Limited		2,001,148,532	1,846,772,060
Non-controlling interest		11	76
Earnings Per Share (EPS)	37(a)	2.62	2.34

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

				
Chairman	Director	Director	Director	President and Managing Director

See our annexed report of even date

Dhaka, Dated
18 March 2023
DVC No: 2303200770AS558488


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

Bank Asia Limited and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

Amount in Taka

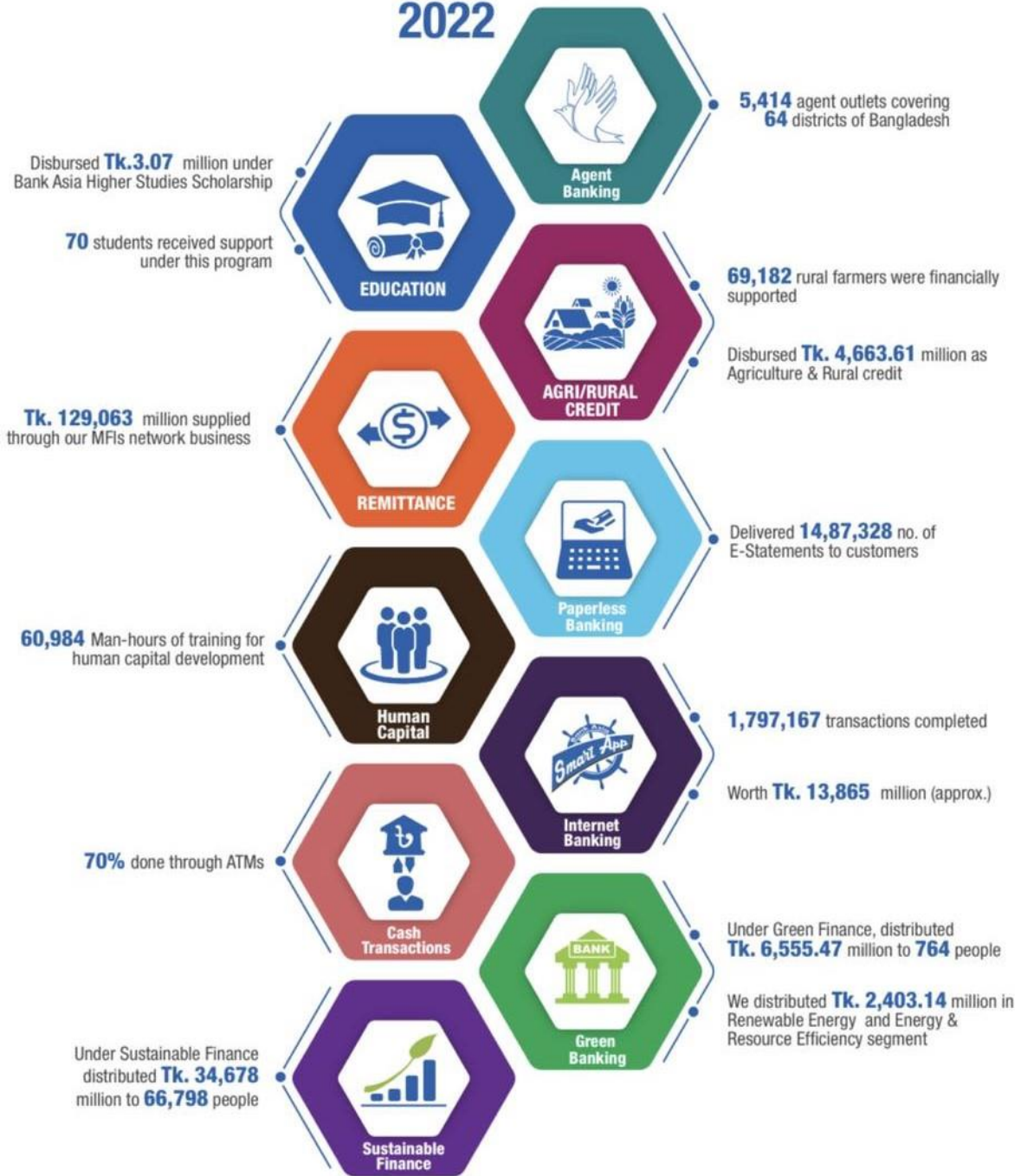
Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	General and other Reserve	Foreign currency translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance as at 01 January 2021	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	856,701	1,918,254,038	27,208,388,428	10,198	27,208,398,627
Transferred during the year	-	881,347,196	-	-	-	(881,347,196)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,066,073)	-	-	-	(1,565,066,073)	-	(1,565,066,073)
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(1,835,153)	(1,835,153)	-	(1,835,153)
Foreign currency translation for the year	-	-	-	-	(95,460)	-	(95,460)	-	(95,460)
Transferred to General and other reserve	-	-	-	150,947	-	(150,947)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,728,270,203	2,728,270,203	76	2,728,270,279
Balance as at 31 December 2021	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360
Transferred during the year	-	1,024,566,060	-	-	-	(1,024,566,060)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,489	-	-	-	11,617,489	-	11,617,489
Transferred to retained earnings	-	-	(53,715,252)	-	(29,978,963)	53,715,252	(29,978,963)	-	(29,978,963)
Foreign currency translation for the year	-	-	-	-	-	(1,609,440)	-	-	-
Transferred to General and other reserve	-	-	-	1,609,440	-	(1,609,440)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(25,016,438)	(25,016,438)	-	(25,016,438)
Net profit for the year	-	-	-	-	-	3,052,330,470	3,052,330,470	11	3,052,330,481
Balance as at 31 December 2022	11,659,068,600	11,750,000,000	2,117,047,124	9,926,531	(29,217,722)	2,957,002,831	28,463,827,363	10,285	28,463,837,649

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

 Chairman
 Director
 Director
 Director
 President and Managing Director

Sustainable Banking Operations

Key Highlights 2022



Environmental Performance

Bank Asia is very much aware regarding environmental protection, by minimizing environmental damages and by developing, promoting and utilizing environment friendly technology. Through adoption of various green banking practices such as online loan processing, virtual company meetings, reducing paper and water wastage, etc.



ENERGY

Energy Savings

To achieve long-term sustainable development, Bank Asia plays an active role for making 'low carbon economy'. Since 2011, Bank Asia has worked toward more energy efficient operations throughout its network of banking centers, reducing costs by millions of dollars and drastically reducing its emissions, consumption, and waste in the process.

- More than 30% electricity is saved every year using the day light inside corporate office;
- Energy savings bulbs being used in the office
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation
- Loan sanctions have been uploaded in the MISDB in pdf format instead of hard copies
- For branding & marketing communication purpose, Bank is more focusing on Face book, Websites & other online platforms.



Spectra Solar Park financed by Bank Asia Ltd.

Carbon offset projects

- We have disbursed Tk. 7416.94 million to 91,408 rural farmers where approving Tk. 903.52 million to 15,424 farmers through Online Credit Approval System (OCAS).

Reducing Energy & Resource Consumption

- New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as saved 450,000 pages and 90,000 courier service delivery cost.



- The Green Banking initiatives taken by Cards Division includes E-Statement, SMS Banking, E Mail corresponding etc during 2022 amounted towards net savings worth Tk. 10.04 million

Financing Renewable Energy and Energy & Resource Efficiency

- In 2022, we have disbursed Tk.2,027.30 million in Renewable Energy and Tk.375.84 million in Energy & Resource Efficiency under Green Finance. This will enable the business entities to improve their Energy & Resource Efficiency and will reduce their operating cost to a great extent through using renewable energy without any adverse effect on the environment.
- Apart from financing to Renewable Energy, Bank Asia is also cautious about its own use of renewable energy. Solar panels are already installed in 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME Service Centre, Bank Asia Bhaban & Nimtoia Branch

Financial Inclusion at a glance

Being the pioneer of financial inclusion, Bank Asia has already completed 9 years of journey for agent banking operations in Bangladesh. With the experience from Agent Banking operation and ABAK (formerly known as EBK), Bank Asia has become capable enough to provide services to all Government Social Safety Net Programs. Over the time, we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow, Disabled & other beneficiaries.

Services covered under this program

- Old aged allowances
- Widow, deserted & destitute women allowances
- Bedye allowances
- Stipend for Bedye Community
- Lifestyle development of Unprivileged Community
- Stipend for unprivileged Community
- Disable allowances
- Stipend for disable allowances
- Hijra allowances
- Stipend for Hijra Community
- Lifestyle development of Tea Worker Community
- Rohingya Caregiver
- Maternity & Lactating Mother allowances
- Vulnerable Group Development (VGD) Program
- National Payment Service Program

At a Glance Report of Bank Asia Social Payment is given below

Particulars	Social Safety net	Women's Affairs Programs	National Service	Others
District	17	55	09	56
Upazilas	65	341	09	186
UDC	655	2,550	91	1,372
Beneficiaries	1,596,986	1,089,755	4,219	212,352
Deposit (Tk. in Million)	1,267.33	1,350.28	105.39	97.58
Male Beneficiaries	642,387	-	1,855	107,522
Male Deposit (Tk. in Million)	552.76	-	46.25	52.72
Female Beneficiaries	954,599	1,089,755	2,364	103,595
Female Deposit (Tk. in Million)	714.57	1,350.28	59.14	44.86

To support the government's poverty alleviation efforts through creation of sustainable employment in agriculture and non-agriculture sectors, 220 upazilas of 48 districts of 08 divisions of the country "Rural Livelihood Project- 3rd Phase" is included in the annual development program of the government. Bank Asia Limited expressed its interest in disbursing the Rural livelihood program 3rd phase loan program under Bangladesh Rural Development Board (BRDB) to genuine beneficiaries through banking channels. In continuation of this, a MoU was signed with BRDB on April 11, 2022.



A beneficiary received loan of RLP 3rd phase from BRDB officer

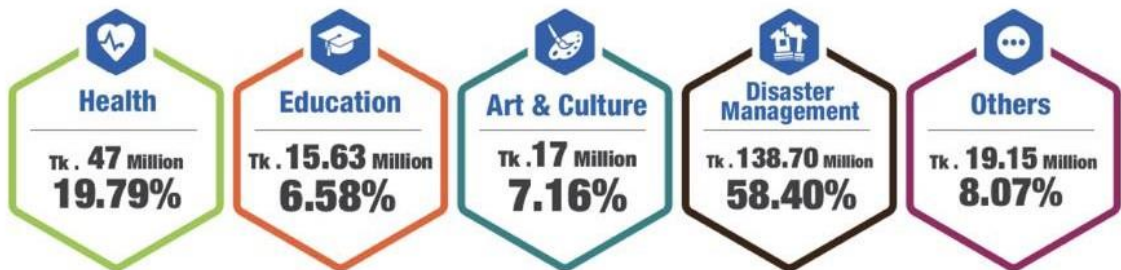
Corporate Social Responsibility (CSR)

CSR is both short and long term time bound strategy to achieve a balance of economic, environmental and social imperatives (Triple Bottom Line Approach). CSR is not only philanthropy but also does it address the key sustainable development challenges through actionable programs and community investments to a considerable extent. CSR is to reduce all forms of poverty, inequality, social exclusion, improve the quality of food and healthcare availability and living standards of vulnerable groups of the society for sustainable and equitable development of the country.

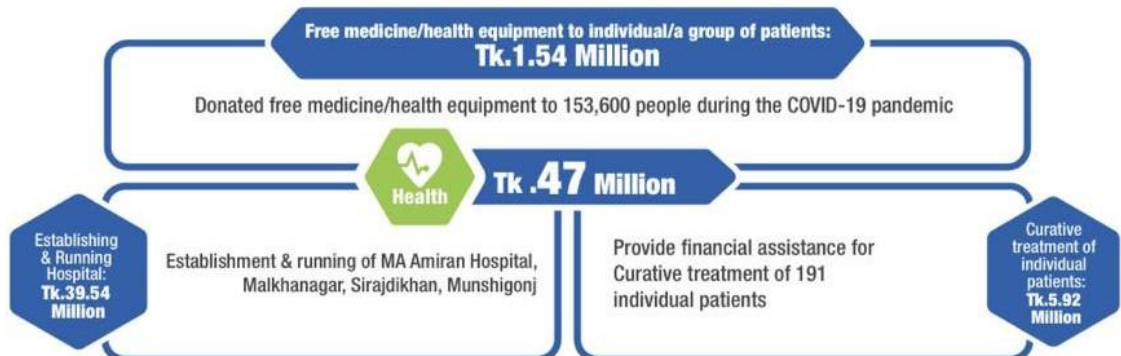
Bank Asia following the Bangladesh Bank principles, prioritizes in social and environmental values which will benefit the people of the country.



Donation for Societal Improvement by CSR in matrix



Bank Asia donated blanket to Prime Minister Office



Appendix B. (BRAC Bank Limited)

BRAC Bank Limited and its subsidiaries			
CONSOLIDATED BALANCE SHEET			
As at 31 December 2020			
Particulars	Note	2020 Taka	2019 Taka
PROPERTY AND ASSETS			
Cash	3	19,987,803,891	23,066,672,434
Cash in hand (Including foreign currency)		7,836,614,607	6,963,607,535
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		12,151,189,284	16,103,064,899
Balance with other banks and financial institutions	4	42,650,004,620	46,597,711,756
Inside Bangladesh		35,478,313,372	43,826,875,635
Outside Bangladesh		7,171,691,248	2,770,836,121
Money at call on short notice	5	-	-
Investments	6	94,094,812,131	55,951,591,605
Government		85,498,396,233	47,735,405,086
Others		8,596,415,898	8,216,186,519
Loans and advances	7	273,438,940,961	264,870,263,857
Loans, cash credit, overdrafts etc.		136,750,360,676	146,383,712,944
Small and medium enterprises		134,621,356,804	115,109,495,430
Bills purchased and discounted		2,067,223,481	3,377,055,483
Fixed assets including premises, furniture and fixtures	8	11,067,096,465	10,873,480,720
Other assets	9	13,862,504,994	12,001,435,386
Non-banking assets	10	66,471,775	66,471,775
Goodwill	11	1,427,468,911	1,427,468,911
Total property and assets		456,595,103,748	414,855,096,444
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	12,572,789,394	23,461,531,027
Borrowings from Bangladesh Bank	13	23,370,068,779	12,487,885,372
Money at call on short notice	14	84,801,100	1,273,500,000
Deposits and other accounts	15	333,615,619,705	297,754,929,671
Current accounts and other accounts		141,841,491,410	101,846,330,888
Bills payable		1,797,962,669	1,911,038,678
Savings deposits		57,230,594,232	44,538,393,041
Fixed deposits		130,608,019,962	147,365,718,274
Other deposits		2,137,551,432	2,093,448,790
Other liabilities	16	32,773,722,525	33,213,605,195
Total liabilities		402,417,001,503	368,191,451,265
Capital and shareholders' equity			
Paid up capital	17.2	13,258,784,760	12,333,753,270
Share premium	17.7	3,853,767,032	3,853,767,032
Statutory reserve	18	9,405,017,728	8,129,149,416
Dividend equalization fund	19	355,218,455	355,218,455
Revaluation reserve on govt. securities	20.1	4,805,926,053	98,965,051
Assets revaluation reserve	20.2	478,558,600	478,558,600
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve		(14,777,280)	23,670,247
Surplus in profit and loss account/Retained earnings	21.1	16,346,550,011	15,230,405,214
Total shareholders' equity		48,567,965,432	40,582,407,358
Non controlling interest	21.2	5,610,136,813	6,081,237,821
Total equity		54,178,102,245	46,663,645,179
Total liabilities and equity		456,595,103,748	414,855,096,444

BRAC Bank Limited and its subsidiaries

CONSOLIDATED BALANCE SHEET

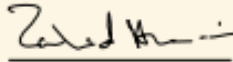
As at 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	22	27,887,446,334	27,669,571,296
Irrevocable letters of credit	22	15,550,643,171	12,226,956,921
Letter of guarantees	22.2	10,831,198,204	13,089,590,151
Bills for collection	22.3	12,320,479,990	20,918,191,150
		66,589,767,699	73,904,309,518
Other commitments			
Swap deals with banks and customers	22.4	18,307,971,009	23,391,560,275
Spot and forward deals with banks and customers	22.4	8,682,289,771	2,841,289,906
		26,990,260,781	26,232,850,181
Total off balance sheet items including contingent liabilities		93,580,028,480	100,137,159,699
Net asset value (NAV) per share	45	36.63	30.61

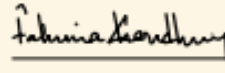
The notes 1 to 47 and annexures A to L form an integral part of these financial statements.



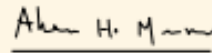
Managing Director and CEO



Director



Director



Chairman

As per our report of same date.



Auditor

Ali Ashfaq, Partner,
Enrolment no: 509
Rahman Rahman Huq,
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2104120509AS804856

Dhaka, 12 April 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Interest income	24	27,079,940,016	32,622,685,991
Interest paid on deposits and borrowing etc.	25	13,551,857,896	14,697,927,471
Net interest income		13,528,082,120	17,924,758,520
Investment income	26	8,182,278,016	3,057,465,086
Commission, exchange and brokerage	27	6,846,329,406	6,599,171,455
Other operating income	28	170,205,482	238,083,987
Total operating income (a)		28,726,895,024	27,819,479,048
Salaries and allowances	29	9,043,103,741	7,869,286,126
Rent, taxes, insurance, electricity etc.	30	792,562,400	824,047,162
Legal expenses		53,059,777	57,680,540
Postage, stamps, telecommunication etc.	31	301,320,117	313,422,992
Stationery, printing, advertisement etc.	32	2,842,951,296	2,496,364,990
Chief Executive's salary and fees	33	18,775,000	18,775,000
Directors' fees	34	3,304,211	3,005,897
Auditors' fees	35	7,895,608	7,624,501
Depreciation and repair of the bank's assets	36	3,912,968,349	3,501,473,890
Other expenses	37	3,557,193,500	3,767,683,277
Total operating expenses (b)		20,533,133,999	18,859,364,375
Operating profit (c = a-b)		8,193,761,025	8,960,114,673
Share of profit/(loss) of associates	38	-	(3,564,399)
Gain/(loss) on disposal of subsidiaries/associates		-	5,001,679
Profit/(loss) before provisions (d)		8,193,761,025	8,961,551,953
Provision for loans/investments:			
Loans and advances		2,365,157,113	1,096,128,805
Diminution in value of investments		(563,219,881)	534,400,000
Off balance sheet items		63,083,635	(192,000,000)
Other provisions		7,481,732	22,481,808
Total provision (e)	39	1,872,502,599	1,461,010,613
Total profit/(loss) before taxes (f= d-e)		6,321,258,426	7,500,541,340
Provision for taxation:			
Current tax expense		2,840,345,166	3,993,350,029
Deferred tax expense / (income)		(545,564,997)	(1,075,395,289)
Total provision for taxation (g)	40	2,294,780,169	2,917,954,740
Net profit/(loss) after taxation (f-g)		4,026,478,257	4,582,586,600
Attributable to:			
Equity holders of BRAC Bank Limited		4,413,384,107	4,951,010,844
Non controlling interest	21.2.1	(386,905,850)	(368,424,244)
		4,026,478,257	4,582,586,600

BRAC Bank Limited and its subsidiaries

CONSOLIDATED PROFIT AND LOSS ACCOUNT

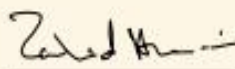
For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
Retained earnings brought forward from previous year		15,230,405,214	13,342,589,185
Net profit attributable to the equity holders of the Bank		4,413,384,107	4,951,010,844
Net effect of all items directly recognised in Equity-retained earnings	21.1.1	(171,308,013)	246,616,935
Profit available for appropriation		19,472,481,308	18,540,216,964
Appropriations:			
Statutory reserve		1,275,868,312	1,701,061,330
General reserve		-	-
Dividend		1,850,062,985	1,608,750,420
		3,125,931,297	3,309,811,750
Retained surplus		16,346,550,011	15,230,405,214
Earnings Per Share (EPS) [previous year's figure restated]	41	3.33	3.73

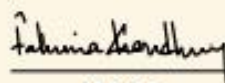
The notes 1 to 47 and annexures A to L form an integral part of these financial statements.



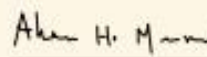
Managing Director and CEO



Director



Director



Chairman

As per our report of same date.



Auditor

Ali Ashfaq, Partner,
Enrolment no: 509
Rahman Rahman Huq,
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2104120509AS804856

Dhaka, 12 April 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	78,920,073	23,670,247	15,200,405,214	6,081,237,821	46,663,645,179
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	4,706,961,002	-	-	-	-	-	4,706,961,002
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Share premium against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	(38,447,527)	-	1,702,755	(36,744,772)
Fair value reserve	-	-	-	-	-	-	-	-	-	-	-
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	-	(171,308,013)	(81,712,541)	(253,020,554)
Effect of change in preference share of tKash	-	-	-	-	-	-	-	-	-	-	-
Net gains and losses not recognised in the income statement	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	4,805,926,053	478,558,600	78,920,073	(14,777,280)	15,059,097,201	6,001,228,035	51,080,840,855
Net profit for the year	-	-	-	-	-	-	-	-	4,413,384,107	(386,905,850)	4,026,478,257
<u>Dividend for the year 2019:</u>											
Stock dividend	925,031,490	-	-	-	-	-	-	-	(925,031,490)	-	-
Cash dividend	-	-	-	-	-	-	-	-	(925,031,495)	(4,185,372)	(929,216,867)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	1,275,868,312	-	-	-	-	-	(1,275,868,312)	-	-
Balance as at 31 December 2020	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	78,920,073	(14,777,280)	16,346,550,011	5,610,136,813	54,178,102,245

BRAC Bank Limited and its subsidiaries

Consolidated Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash	3	23,459,424,430	19,987,803,891
Cash in hand (Including foreign currency)		9,207,161,626	7,836,614,607
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		14,252,262,804	12,151,189,284
Balance with other banks and financial institutions	4	78,261,312,910	42,650,004,620
Inside Bangladesh		70,561,465,538	35,478,313,372
Outside Bangladesh		7,699,847,372	7,171,691,248
Money at call on short notice	5	3,500,000,000	-
Investments	6	70,068,593,304	94,094,812,131
Government		60,998,642,835	85,498,396,233
Others		9,069,950,469	8,596,415,898
Loans and advances	7	322,135,188,439	273,438,940,961
Loans, cash credit, overdrafts etc.		169,128,372,833	136,750,360,676
Small and medium enterprises		150,749,009,625	134,621,356,804
Bills purchased and discounted		2,257,805,981	2,067,223,481
Fixed assets including premises, furniture and fixtures	8	12,834,169,424	10,605,635,911
Other assets	9	16,222,224,464	13,862,504,994
Non-banking assets	10	4,541,700	66,471,775
Goodwill	11	1,427,468,911	1,427,468,911
Total property and assets		527,912,923,582	456,133,643,194
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	24,150,953,707	12,572,789,394
Borrowings from central bank & government agencies	13	23,175,903,824	23,370,068,779
Money at call on short notice	14	-	84,801,100
Deposits and other accounts	15	364,337,612,226	333,615,619,705
Current accounts and other accounts		164,425,455,280	143,332,071,057
Bills payable		2,367,889,416	1,797,962,669
Savings deposits		68,334,576,200	57,230,594,232
Term deposits		127,956,809,129	130,608,019,962
Other deposits		1,252,882,201	646,971,785
Other liabilities	16	39,300,363,327	32,731,812,776
Total liabilities		450,964,833,084	402,375,091,754
Capital and shareholders' equity			
Paid up capital	17.2	13,921,723,990	13,258,784,760
Share premium	17.7	3,853,767,032	3,853,767,032
Statutory reserve	18	10,067,956,958	9,405,017,728
Dividend equalization fund	19	355,218,455	355,218,455
Revaluation reserve on govt. securities	20	2,490,292,927	4,805,926,053
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve		16,632,383	(15,052,339)
Surplus in profit and loss account/Retained earnings	22.1	26,402,962,532	16,368,391,545
Total shareholders' equity		57,187,474,350	48,110,973,307
Non controlling interest	22.2	19,760,616,148	5,647,578,133
Total equity		76,948,090,498	53,758,551,440
Total liabilities and equity		527,912,923,582	456,133,643,194

BRAC Bank Limited and its subsidiaries

Consolidated Balance Sheet

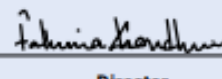
As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	23	50,478,536,940	27,887,446,334
Irrevocable letters of credit	23	26,598,203,443	15,550,643,171
Letter of gurantees	23.2	11,793,414,671	10,831,198,204
Bills for collection	23.3	16,438,866,245	12,320,479,990
		105,309,021,299	66,589,767,699
Other commitments			
Swap deals with banks and customers	23.4	20,452,606,603	18,307,971,009
Spot and forward deals with banks and customers	23.4	18,161,597,791	8,682,289,771
		38,614,204,394	26,990,260,781
Total off balance sheet items		143,923,225,693	93,580,028,480
Net asset value (NAV) per share	46	41.08	34.56

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



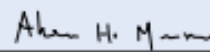
Managing Director and CEO



Director

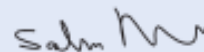


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

BRAC Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Interest income	25	24,225,217,948	27,079,940,016
Interest paid on deposits and borrowing etc.	26	7,912,883,508	13,724,700,661
Net interest income		16,312,334,440	13,355,239,355
Investment income	27	7,142,434,925	8,182,278,016
Commission, exchange and brokerage	28	7,992,853,236	6,846,329,406
Other operating income	29	175,087,450	170,205,482
Total operating income (a)		31,622,710,051	28,554,052,259
Salaries and allowances	30	9,890,092,832	9,043,103,741
Rent, taxes, insurance, electricity etc.	31	645,414,492	619,719,635
Legal expenses		62,840,810	67,443,988
Postage, stamps, telecommunication etc.	32	317,984,231	301,320,117
Stationery, printing, advertisement etc.	33	2,608,773,879	2,842,951,296
Chief Executive's salary and fees	34	18,424,250	18,775,000
Directors' fees	35	4,572,209	3,304,211
Auditors' fees	36	7,125,166	7,895,608
Depreciation and repair of the bank's assets	37	4,577,170,806	3,898,055,827
Other expenses	38	3,383,027,192	3,542,809,289
Total operating expenses (b)		21,515,425,868	20,345,378,712
Profit before provisions (c = a-b)		10,107,284,183	8,208,673,547
Share of profit of associates	39	3,742,052	-
Gain on disposal of associates		17,373,182	-
Profit/(loss) before provisions (d)		10,128,399,417	8,208,673,547
Provision for loans/investments:			
Loans and advances		2,971,016,470	2,365,157,113
Diminution in value of investments		(74,000,000)	(563,219,881)
Off balance sheet items		251,500,000	63,083,635
Other provisions		70,093,002	7,481,732
Total provisions (e)	40	3,218,609,472	1,872,502,599
Total profit/(loss) before taxes (f= d-e)		6,909,789,945	6,336,170,948
Provision for taxation:			
Current tax expense		3,737,018,428	2,840,345,166
Deferred tax expense / (income)		(1,479,828,777)	(545,564,997)
Total provision for taxation (g)	41	2,257,189,651	2,294,780,169
Net profit/(loss) after taxation (f-g)		4,652,600,294	4,041,390,779
Attributable to:			
Equity holders of BRAC Bank Limited		5,464,672,680	4,418,312,022
Non controlling interest	22.2.1	(812,072,386)	(376,921,243)
		4,652,600,294	4,041,390,779
Retained earnings brought forward from previous year		16,368,391,545	15,247,318,833
Net profit attributable to the equity holders of the Bank		5,464,672,680	4,418,312,022
Net effect of all items directly recognised in equity-retained earnings	22.1.1	7,322,532,868	(171,308,013)
Profit available for appropriation		29,155,597,093	19,494,322,842

BRAC Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

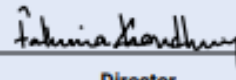
For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Appropriations:			
Statutory reserve		662,939,230	1,275,868,312
General reserve		-	-
Dividend		1,988,817,706	1,850,062,985
Start-up Fund		100,877,625	-
		2,752,634,561	3,125,931,297
Retained surplus		26,402,962,532	16,368,391,545
Earnings Per Share (EPS) [previous year's figure restated]	42	3.93	3.17

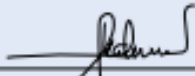
The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



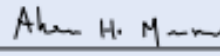
Managing Director and CEO



Director

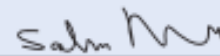


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	-	78,920,073	(15,052,340)	16,368,391,545	5,647,578,133	53,758,551,440
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	-	-	(2,315,633,126)
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	31,684,722	-	771,145	32,455,867
Fair value reserve	-	-	-	-	-	-	-	-	(122,766,336)	39,418,996	(83,347,340)
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	-	7,445,299,204	14,884,920,260	22,330,219,464
Effect of issuance of preference share by BKash	-	-	-	-	-	-	-	-	-	-	-
Sub total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	2,490,292,927	-	78,920,073	16,632,382	23,690,324,413	20,572,688,534	73,722,246,305
Net profit for the year	-	-	-	-	-	-	-	-	5,464,672,680	(812,072,386)	4,652,600,294
Dividend for the year 2020:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	662,939,230	-	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Indings change	-	-	-	-	-	-	-	-	(100,877,625)	-	(100,877,625)
Start-up Fund	-	-	662,939,230	-	-	-	-	-	(662,939,230)	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	-	78,920,073	16,632,382	26,402,962,532	19,760,616,148	76,948,090,498

BRAC Bank Limited and its subsidiaries


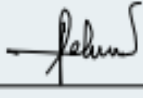
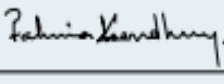
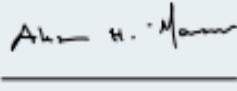
Consolidated Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	4	31,871,593,250	23,459,424,430
Cash in hand (Including foreign currency)		11,918,067,777	9,207,161,626
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions	5	52,951,344,277	78,261,312,910
Inside Bangladesh		47,797,240,230	70,561,465,538
Outside Bangladesh		5,154,104,047	7,699,847,372
Money at call on short notice	6	6,826,376,000	3,500,000,000
Investments	7	116,551,993,858	70,068,593,304
Government		107,319,008,486	60,998,642,835
Others		9,232,985,372	9,069,950,469
Loans and advances	8	412,084,750,584	322,135,188,439
Loans, cash credit, overdrafts etc.		222,711,877,598	169,128,372,833
Small and medium enterprises		187,247,111,913	150,749,009,625
Bills purchased and discounted		2,125,761,073	2,257,805,981
Fixed assets including premises, furniture and fixtures	9	13,463,514,348	12,834,169,424
Other assets	10	20,803,842,677	16,222,224,464
Non-banking assets	11	11,341,700	4,541,700
Goodwill	12	1,372,563,393	1,427,468,911
Total property and assets		655,937,320,087	527,912,923,582
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	13	38,908,810,526	24,150,953,707
Borrowings from central bank & government agencies	14	42,184,501,809	23,175,903,824
Affordable housing bond	15	4,751,000,000	-
Money at call on short notice		-	-
Deposits and other accounts	16	447,058,816,329	364,329,900,482
Current accounts and other accounts		187,855,608,325	164,417,743,536
Bills payable		1,739,503,614	2,367,889,416
Savings deposits		71,890,957,598	68,334,576,200
Term deposits		182,973,780,522	127,956,809,129
Other deposits		2,598,966,270	1,252,882,201
Other liabilities	17	42,004,580,813	39,308,075,071
Total liabilities		574,907,709,477	450,964,833,084
Capital and shareholders' equity			
Paid up capital	18.2	14,965,853,280	13,921,723,990
Share premium	18.7	3,853,767,032	3,853,767,032
Statutory reserve	19	11,148,169,834	10,067,956,958
Dividend equalization fund	20	355,218,455	355,218,455
Revaluation reserve on govt. securities	21	1,337,245,165	2,490,292,927
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	23	328,402,260	16,632,383
Surplus in profit and loss account/Retained earnings	24.1	29,086,051,630	26,402,962,532
Total shareholders' equity		61,153,627,729	57,187,474,350

Particulars	Note	2022 Taka	2021 Taka
Non-controlling interest	24.2	19,875,982,881	19,760,616,148
Total equity		81,029,610,610	76,948,090,498
Total liabilities and equity		655,937,320,087	527,912,923,582
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	25	83,028,540,659	50,478,536,940
Irrevocable letters of credit	25	27,451,963,219	26,598,203,443
Letter of guarantees	25.2	18,607,062,875	11,793,414,671
Bills for collection	25.3	21,612,714,770	16,438,866,245
		150,700,281,523	105,309,021,299
Other commitments			
Swap deals with banks and customers	25.4	13,070,011,143	10,726,189,903
Spot and forward deals with banks and customers	25.4	2,074,308,915	18,161,597,791
		15,144,320,058	28,887,787,694
Total off balance sheet items		165,844,601,581	134,196,808,993
Net asset value (NAV) per share	49	40.86	38.21

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

			
Managing Director and CEO	Director	Director	Chairman

As per our report of same date.

Dhaka, 11 April 2023

DVC No: 2304100770AS807408



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

BRAC Bank Limited and its subsidiaries


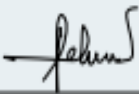
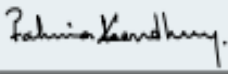
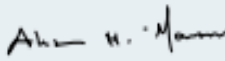
Consolidated Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	27	31,365,476,735	24,225,217,948
Interest paid on deposits and borrowing etc.	28	12,953,873,731	7,912,883,508
Net interest income		18,411,603,004	16,312,334,440
Investment income	29	7,585,930,404	7,142,434,925
Commission, exchange and brokerage	30	11,522,088,039	7,992,853,236
Other operating income	31	313,551,635	175,087,450
Total operating income (a)		37,833,173,082	31,622,710,051
Salaries and allowances		12,044,197,172	9,889,092,833
Rent, taxes, insurance, electricity etc.	32	697,538,365	645,414,492
Legal expenses		62,177,773	62,840,810
Postage, stamps, telecommunication etc.	33	411,043,177	317,984,231
Stationery, printing, advertisement etc.	34	3,223,940,283	2,608,773,879
Chief Executive's salary and fees	35	24,471,250	19,424,250
Directors' fees	36	4,534,312	4,572,209
Auditors' fees	37	8,469,389	7,125,166
Impairment of goodwill	38	54,905,518	-
Depreciation and repair of the bank's assets	39	5,382,602,590	4,577,170,806
Other expenses	40	4,474,735,716	3,383,027,192
Total operating expenses (b)		26,388,615,545	21,515,425,868
Profit before provisions (c = a-b)		11,444,557,537	10,107,284,183
Share of profit of associates	41	4,860,182	3,742,052
Gain on disposal of associates		2,049,419	17,373,182
Profit/(loss) before provisions (d)		11,451,467,138	10,128,399,417
Provision for loans/investments:			
Loans and advances		1,938,266,664	2,971,016,470
Diminution in value of investments		20,539,430	(74,000,000)
Off balance sheet items		204,740,420	251,500,000
Other provisions		23,870,068	70,093,002
Total provisions (e)	42	2,187,416,582	3,218,609,472
Total profit/(loss) before taxes (f= d-e)		9,264,050,556	6,909,789,945
Provision for taxation:			
Current tax expense		4,280,691,722	3,737,018,428
Deferred tax expense/(income)		(1,138,637,890)	(1,479,828,777)
Total provision for taxation (g)	43	3,142,053,832	2,257,189,651
Net profit/(loss) after taxation (f-g)		6,121,996,724	4,652,600,294
Attributable to:			
Equity holders of BRAC Bank Limited		6,013,972,880	5,464,672,680
Non controlling interest	24.2.1	108,023,844	(812,072,386)
		6,121,996,724	4,652,600,294

Particulars	Note	2022 Taka	2021 Taka
Retained earnings brought forward from previous year		26,402,962,532	16,368,391,545
Net profit attributable to the equity holders of the Bank		6,013,972,880	5,464,672,680
Net effect of all items directly recognised in equity/retained earnings	24.1.1	(104,780,581)	7,322,532,868
Profit available for appropriation		32,312,154,831	29,155,597,093
Appropriations:			
Statutory reserve		1,080,212,876	662,939,230
General reserve		-	-
Dividend		2,088,258,589	1,988,817,706
Start-up Fund		57,631,736	100,877,625
		3,226,103,201	2,752,634,561
Retained surplus		29,086,051,630	26,402,962,532
Earnings per share (EPS) [previous year's figure restated]	48	4.02	3.65

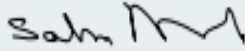
The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

			
_____ Managing Director and CEO	_____ Director	_____ Director	_____ Chairman

As per our report of same date.

Dhaka, 11 April 2023

DVC No: 2304100770AS807408



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

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Amount in Taka									
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,074	16,632,382	26,402,962,532	19,760,616,148	76,948,090,498
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(11,53,047,762)	-	-	-	-	(1,153,047,762)
Changes in foreign currency translation reserve	-	-	-	-	-	-	311,769,877	-	249,129	312,019,006
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(102,93,5836)	2,059,119	(100,876,717)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	-	-	-
Sub total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	78,920,074	328,402,259	26,300,026,696	19,762,924,396	76,006,185,025
Net profit for the year	-	-	-	-	-	-	-	6,013,972,880	108,023,844	6,121,996,724
Dividend for the year 2021:										
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	(1,844,745)	5,034,641	3,189,896
Start-up Fund	-	-	-	-	-	-	-	(57,631,736)	-	(57,631,736)
Statutory reserve	-	-	1,08,02,12,876	-	-	-	-	(1,08,02,12,876)	-	-
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,074	328,402,259	29,086,051,630	19,87,5982,881	81,029,610,610

Appendix C. (Eastern Bank Limited)

Financial Reports

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2021

Amount in BDT

Particulars	Notes	2021	2020
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	3,710,909,855	3,218,511,774
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,957,829,541	12,480,410,176
		18,668,739,396	15,698,921,950
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	15,358,095,560	12,728,955,558
Outside Bangladesh	4.2	1,527,361,769	664,331,925
		16,885,457,329	13,393,287,483
Money at call and short notice	5	1,573,200,000	60,000,000
Investments	6		
Government	6.1	41,229,430,813	50,517,783,114
Others	6.2	27,671,579,018	15,498,577,951
		68,901,009,831	66,016,361,065
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	231,099,397,244	212,083,018,369
Bills discounted and purchased	7.2	40,502,266,414	18,462,037,803
		271,601,663,658	230,545,056,172
Fixed assets including land, building, furniture and fixtures	8	7,668,010,751	7,772,646,971
Other assets	9	6,889,182,751	5,916,516,734
Non banking assets	10	-	105,576,495
TOTAL ASSETS		392,187,263,713	339,508,366,870
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1 a	5,500,000,000	6,000,000,000
Borrowing from other Banks, FIs, Agents etc.		59,796,372,676	40,281,080,617
		65,296,372,676	46,281,080,617
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	32,298,170,288	27,698,304,935
Bills payable	12.2	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,168	111,289,608,129
Other deposits- special notice (SND) account		61,982,493,378	37,030,361,579
Bearer certificates of deposits	12.5	-	-
		267,447,600,226	241,295,379,865
Other liabilities	13	27,804,365,660	22,482,811,084
TOTAL LIABILITIES		360,548,338,562	310,059,271,566
SHAREHOLDERS' EQUITY			
Paid-up capital	14	9,538,644,670	8,117,995,470
Statutory reserve	15	9,538,644,670	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Land and other assets)	17	2,501,893,279	3,492,079,880
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(406,049,063)	(209,986,563)
Foreign currency translation gain/(loss)	19	1,996,272	2,405,658
Surplus in profit and loss account	20	9,504,261,953	8,969,072,019
TOTAL SHAREHOLDERS' EQUITY		31,638,925,150	29,449,095,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		392,187,263,713	339,508,366,870

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2021

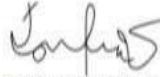
Amount in BDT

Particulars	Notes	2021	2020
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21		
	21.1	93,047,505,500	42,593,186,478
Letters of guarantees	21.2	31,749,649,918	27,229,615,956
Irrevocable letters of credit	21.3	46,268,850,715	26,084,696,594
Bills for collection	21.4	10,647,181,021	8,032,352,776
Other liabilities		-	-
		141,713,187,154	103,939,849,804
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	118,101,190	120,428,481
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		118,101,190	120,428,481
TOTAL OFF-BALANCE SHEET ITEMS		141,831,288,344	104,060,278,285

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



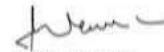
Ali Reza Iftakhar
Managing Director & CEO



Dr. Toufic Ahmad Choudhury
Director



Salina Ali
Director



Mir Nasir Hossain
Director

Dhaka,
31 March 2022

Signed as per our annexed report:
Howliadar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 05 April 2022
DVC No: 2204050860ASS16571

Eastern Bank Limited and its subsidiaries


Consolidated Profit and Loss Account

for the year ended 31 December 2021

Amount in BDT

Particulars	Notes	2021	2020
Interest income	22	16,535,769,415	20,011,368,328
Interest paid on deposits and borrowings	23	(8,601,126,650)	(13,959,493,914)
Net interest income		7,934,642,765	6,051,874,414
Income from investments	24	5,996,842,333	5,101,545,522
Fees, commission and brokerage	25	3,623,741,723	3,067,368,036
Other operating income	26	287,206,430	345,885,248
		9,907,790,486	8,514,798,806
Total operating income		17,842,433,251	14,566,673,219
Salary & allowances (excluding those of MD)	27	4,263,549,170	4,073,299,850
Rent, taxes, insurance, utilities etc.	28	427,243,019	440,047,713
Legal & professional expenses	29	87,507,746	64,899,448
Postage, stamp, telecommunication etc.	30	155,475,165	138,968,011
Stationery, printing, advertisement, business promotion etc.	31	275,000,463	296,837,619
Managing Director's salary and allowances (Bank only)	32	28,441,208	26,328,372
Directors' fees & expenses	33	3,372,804	3,179,506
Audit fees	34	2,530,051	2,472,615
Depreciation and repair of bank's assets	35	1,044,994,764	1,010,715,838
Other operating expenses	36	688,797,665	614,810,771
Total operating expenses		6,976,912,056	6,671,559,741
Profit before provisions		10,865,521,195	7,895,113,478
Provision for loans and off-balance sheet exposures:	13.4.1		
Specific provision (net off w/o recovery)		1,733,791,900	928,245,166
General provision for loans & advances		475,235,139	(293,454,371)
Special general provision for Covid 19		152,926,606	602,388,520
General provision for off balance sheet exposures		368,073,261	19,415,553
		2,730,026,906	1,256,594,868
Other provision	37	(395,908,014)	(101,490,592)
Total provisions		2,334,118,892	1,155,104,276
Profit before tax for the year		8,531,402,303	6,740,009,203
Current tax expense for the year	13.3.1	4,021,028,809	2,709,205,926
Deferred tax income (net)	38	(289,850,900)	(149,577,739)
Total provision for taxation		3,731,177,909	2,559,628,187
Profit after tax for the year		4,800,224,394	4,180,381,016
Appropriation			
Statutory reserve	15	(1,420,649,200)	-
General reserve		-	-
		(1,420,649,200)	-
Retained earnings carried forward		3,379,575,194	4,180,381,016
Earnings per share (EPS) (restated 2020)	39	5.03	4.38

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

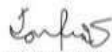


Ali Reza Iftekhar
Managing Director & CEO

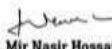


Salina Ali
Director

Dhaka,
31 March 2022

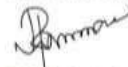


Dr. Toufic Ahmad Choudhury
Director



Mir Nasir Hossain
Director

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 05 April 2022
DVC No: 2204050860AS516571

Eastern Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial re-measurement (Loss)	Foreign currency translation difference	Surplus in profit and loss account	Total
Balance as on 1 January 2021	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,986,563)	2,405,658	8,969,072,019	29,449,095,304
Bonus share issued for 2020	1,420,649,200	-	-	-	-	-	-	(1,420,649,200)	-
Cash dividend paid for 2020	-	-	-	-	-	-	-	(1,420,649,200)	(1,420,649,200)
Profit after tax for the year	-	1,420,649,200	-	-	-	-	-	4,800,224,393	4,800,224,393
Transfer to statutory reserve	-	-	-	-	-	-	-	(1,420,649,200)	-
Adjustment of revaluation of treasury securities (HFT)	-	-	-	(817,134,941)	-	-	-	-	(817,134,941)
Reserve for amortisation of treasury securities (HTM)	-	-	-	9,039,202	-	-	-	-	9,039,202
Adjustment of reserved for non-banking assets	-	-	-	(93,231,165)	-	-	-	-	(93,231,165)
Re-measurement (loss) on defined benefit plans	-	-	-	(196,062,500)	-	-	-	-	(196,062,500)
Reserve for revaluation of land properties	-	-	-	(88,859,697)	-	-	-	-	(88,859,697)
Foreign currency translation difference	-	-	-	-	-	-	(409,387)	-	(409,387)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(3,086,859)	(3,086,859)
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,501,893,278	603,493,370	(406,049,063)	1,996,271	9,504,261,952	31,638,925,151
Balance as at 31 December 2020	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,986,563)	2,405,658	8,969,072,019	29,449,095,304

Amount in BDT

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


Ali Reza Iftikhar
Managing Director & CEO

Dhaka,
31 March 2022


Dr. Toufic Ahmad Choudhury
Director


Satina Ali
Director


Mir Nasir Hossain
Director

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

Particulars	Notes	Amount in BDT	
		2022	2021
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	4,716,684,227	3,710,909,855
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	16,438,906,912	14,957,829,541
		21,155,591,139	18,668,739,396
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	4,612,126,429	15,358,095,560
Outside Bangladesh	4.2	7,987,271,813	1,527,361,769
		12,599,398,242	16,885,457,329
Money at call and short notice	5	6,440,000,000	1,573,200,000
Investments	6		
Government	6.1	64,603,877,534	41,229,430,813
Others	6.2	28,428,309,602	27,671,579,018
		93,032,187,136	68,901,009,831
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	260,686,467,101	231,099,397,244
Bills discounted and purchased	7.2	50,398,266,460	40,502,266,414
		311,084,733,561	271,601,663,658
Fixed assets including land, building, furniture and fixtures	8	8,583,485,506	7,668,010,751
Other assets	9	6,973,051,006	6,889,182,751
Non banking assets	10	-	-
TOTAL ASSETS		459,868,446,589	392,187,263,713
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,950,000,000	5,500,000,000
Borrowing from other Banks, FIs, Agents etc.		72,647,428,423	59,796,372,676
		78,597,428,423	65,296,372,676
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	48,977,808,908	32,298,170,288
Bills payable	12.2	1,073,551,209	1,155,851,680
Savings bank deposits	12.3	75,127,325,490	70,403,378,712
Fixed deposits	12.4	130,692,541,410	101,607,706,168
Special notice deposit (SND) account		60,455,307,927	61,982,493,378
Bearer certificates of deposits		-	-
		316,326,534,944	267,447,600,227
Other liabilities	13	29,182,855,215	27,804,365,660
TOTAL LIABILITIES		424,106,818,582	360,548,338,563
SHAREHOLDERS' EQUITY			
Paid-up capital	14	10,730,975,250	9,538,644,670
Statutory reserve	15	10,730,975,250	9,538,644,670
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (land and other assets)	17	2,735,843,783	2,501,893,279
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(367,924,063)	(406,049,063)
Foreign currency translation gain/(loss)	19	(75,276,321)	1,996,270
Surplus in profit and loss account	20	11,047,500,739	9,504,261,953
TOTAL SHAREHOLDERS' EQUITY		35,761,628,008	31,638,925,150
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		459,868,446,589	392,187,263,713

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

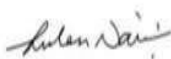
Amount in BDT

Particulars	Notes	2022	2021
OFF BALANCE SHEET ITEMS			
Contingent liabilities	21		
Acceptances and endorsements	21.1	61,495,322,122	53,047,505,500
Letters of guarantees	21.2	44,488,068,707	31,749,649,918
Irrevocable letters of credit	21.3	41,911,963,642	46,268,850,715
Bills for collection	21.4	15,298,846,071	10,647,181,021
Others		-	-
		163,194,200,541	141,713,187,154
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	501,704,953	118,101,190
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,400,000,000	-
		1,901,704,953	118,101,190
TOTAL OFF-BALANCE SHEET ITEMS		165,095,905,495	141,831,288,344
Net asset value (NAV) per share (restated 2021)	43	33.33	29.48

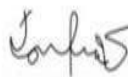
These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhar
Managing Director & CEO



Ruslan Nasir
Director



Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Dhaka,
05 April 2023

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

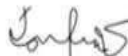
for the year ended 31 December 2022

Particulars	Notes	Amount in BDT	
		2022	2021
Interest income	22	19,886,875,220	16,535,769,415
Interest paid on deposits and borrowings	23	(13,027,089,532)	(8,601,126,650)
Net interest income		6,859,785,688	7,934,642,765
Income from investments	24	6,726,276,119	5,996,842,333
Fees, exchange and brokerage commission	25	4,572,566,473	3,623,741,723
Other operating income	26	294,007,985	287,206,430
		11,592,850,578	9,907,790,486
Total operating income		18,452,436,265	17,842,433,250
Salary & allowances (excluding those of MD)	27	5,019,551,691	4,263,549,170
Rent, taxes, insurance, utilities etc.	28	495,525,433	427,243,019
Legal & professional expenses	29	131,015,275	87,507,746
Postage, stamp, telecommunication etc.	30	174,916,178	155,475,166
Stationery, printing, advertisement, business promotion etc.	31	294,981,202	275,000,463
Managing Director's salary and allowances (Bank only)	32	30,470,876	28,441,208
Directors' fees & expenses	33	4,097,310	3,372,804
Audit fees	34	2,549,341	2,530,051
Depreciation and repair of bank's assets	35	1,231,346,824	1,044,994,764
Other operating expenses	36	620,037,663	688,797,665
		8,004,491,794	6,976,912,056
Profit before provisions		10,448,144,471	10,865,521,194
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net off w/o recovery)		1,281,382,932	1,733,791,900
General provision for loans & advances		344,986,171	475,235,139
Special general provision for COVID-19		(225,086,025)	152,926,606
General provision for off balance sheet exposures		119,471,033	368,073,261
		1,520,754,111	2,730,026,906
Other provision	37	678,719,960	(395,908,014)
Total provisions		2,199,474,071	2,334,118,892
Profit before tax for the year		8,248,670,400	8,531,402,303
Current tax expense for the year	13.3.1	3,178,751,532	4,021,028,809
Deferred tax income (net)	38	(50,667,813)	(289,850,900)
Total provision for taxation		3,128,083,720	3,731,177,909
Profit after tax for the year		5,120,586,681	4,800,224,394
Appropriation			
Statutory reserve	15	(1,192,330,580)	(1,420,649,200)
General reserve		-	-
		(1,192,330,580)	(1,420,649,200)
Retained earnings carried forward		3,928,256,101	3,379,575,194
Earnings per share (EPS) (restated 2021)	39	4.77	4.47

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



Ali Reza Iftekhar
Managing Director & CEO



Dr. Toufic Ahmad Choudhury
Director

Dhaka,
05 April 2023

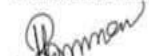


Ruslan Nasir
Director



Gazi Md. Shakhawat Hossain
Director

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited and its subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

Amount in BDT

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial remeasurement gain/(loss)	Foreign currency translation gain/(loss)	Surplus in profit and loss account	Total
Balance as on 1 January 2022	9,538,644,670	9,538,644,670	356,040,000	2,501,893,279	603,493,370	(406,049,063)	1,996,270	9,504,261,953	31,638,925,150
Bonus share issued for 2021	1,192,330,580	-	-	-	-	-	-	(1,192,330,580)	-
Cash dividend paid for 2021	-	-	-	-	-	-	-	(1,192,330,580)	(1,192,330,580)
Profit after tax for the year	-	-	-	-	-	-	-	5,120,586,681	5,120,586,681
Transfer to statutory reserve	-	1,192,330,580	-	-	-	-	-	(1,192,330,580)	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	180,117,148	-	-	-	-	180,117,148
Reserve for amortisation of treasury securities (HTM)	-	-	-	53,833,356	-	-	-	-	53,833,356
Adjustment of remeasurement (loss) on defined benefit plans	-	-	-	-	-	38,125,000	-	-	38,125,000
Foreign currency translation difference	-	-	-	-	-	-	(77,272,591)	-	(77,272,591)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(356,155)	(356,155)
Balance as at 31 December 2022	10,730,975,250	10,730,975,250	356,040,000	2,735,843,763	603,493,370	(367,924,063)	(75,276,321)	11,047,500,739	35,761,628,008
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,501,893,279	603,493,370	(406,049,063)	1,996,270	9,504,261,953	31,638,925,150

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


Ali Reza Iftekhar
Managing Director & CEO

Dhaka,
05 April 2023


Ruslan Nasir
Director


Dr. Toufic Ahmad Choudhury
Director


Gazi Md. Shakawat Hossain
Director

Appendix D. (Internship Proposal)



Internship Proposal

“Analysis of Bank Asia Limited, BRAC Bank Limited, and Eastern Bank Limited based on
CAMELS Rating”

Submitted by

Sajida Nizam (19304013)

Submitted to

Supervisor - Dr. Mohammad Mujibul Haque

(Professor of Finance & Associate Dean, BRAC Business School, BRAC University)

Co-Supervisor – Dr. Abu Saad Md. Masnun Al Mahi

(Assistant Professor of Finance, BRAC Business School, BRAC University)

Date of Submission: 5th November, 2023.

Problem Statement:

The situation surrounding classified loans is one of the major problems that Bangladesh's banking industry is now facing. Implementing the CAMELS rating system is important in order to efficiently handle such financial issues and keep them from having a detrimental influence on banks' liquidity position. Examining all facets of the CAMELS framework in detail is essential to averting future financial issues.

Objective:

This report will address the CAMELS rating system in general, while doing the CAMELS rating of Bank Asia Limited, BRAC Bank Limited and Eastern Bank Limited over the past 3 years. The results will then be compared with one another whilst putting equal emphasis on all components of CAMELS along with liquidity which is crucial for the survival of a financial institution. This is going to be useful for the users of CAMELS information, i.e., the bank regulators, potential and existing investors and the bank customers.

Background:

The history of banks, which are essential to every economy, began in Assyria, India, and Sumer circa 2000 BC when they were founded to meet the demands of traders and merchants. Central banks, commercial banks, specialized commercial banks, foreign banks, and Islamic banks are just a few of the different shapes that the banking industry has taken throughout the years (Hossain, 2023). Central banks oversee the money supply, whilst commercial banks carry out various functions like lending to individuals and businesses, accepting deposits, handling remittances, trading securities, and so forth. This demonstrates the banking sector's critical role in supporting government initiatives to limit inflation and foster economic expansion.

The financial stability of a nation's financial institutions can be assessed using the widely used CAMELS methodology. Capital adequacy, asset quality, management, earnings, liquidity, and sensitivity are the six main criteria that CAMELS uses to evaluate institutions. It is not only able to evaluate the banks' present financial standing but also forecast future breakdowns. For banks hoping to prosper over the long run in the economy, this emphasizes how crucial enhancements are. The interdependence of all the elements of CAMELS is important to

understand, even if sustainability and liquidity are frequently related (Kagan, 2023). Consequently, it is imperative that each of these elements be examined and improved; this paper will do just that while analyzing and assessing each one within Bangladesh's unique environment, predominantly focusing on Bank Asia Limited and drawing comparisons with that of other banks in the country.

Preliminary methodology:

Information pertaining to the report have been obtained from both primary and secondary sources.

- Primary source: This pertains to information obtained through personal experience and conversations with staff members in the General Banking department of Bank Asia Limited.
- Secondary source: This encompasses data derived from corporate websites, research platforms such as Google Scholar, internet articles, and predominantly the annual reports of Bank Asia Limited, BRAC Bank Limited and Eastern Bank Limited.

Significance of the issue:

Classified loans are high-risk loans, the scale of which is on the rise within the Bangladeshi economy. This situation is causing significant worry for financial entities, particularly banks since these loans cannot be recovered and will inevitably lead to a liquidity crisis in the banking sector, putting their continued existence at risk. Therefore, it's a substantial cause for concern and necessitates examination by the country's banking regulatory authorities.

Timeline:

The internship report predominantly focuses on the CAMELS rating performance of Bank Asia Limited, relative to BRAC Bank Limited and Eastern Bank Limited, over the past 3 years of its operation.

References

(n.d.). Retrieved from Bank Asia Limited: <https://www.bankasia-bd.com/>

6 Steps in the Lending Process. (n.d.). Retrieved from iEduNote: <https://www.iedunote.com/lending-process>

Functions of Commercial Banks. (n.d.). Retrieved from toppr: <https://www.toppr.com/guides/general-awareness/banking/functions-of-commercial-banks/>

Gobat, J. (n.d.). *BANKS: AT THE HEART OF THE MATTER.* Retrieved from International Monetary Fund: <https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Banks>

Hossain, M. R. (2023, July 9). *How Many Commercial Banks are there In Bangladesh?* Retrieved from Swapnojatraa: <https://swapnojatraa.com/how-many-commercial-banks-are-there-in-bangladesh/>

Kagan, J. (2023, June 9). *CAMELS Rating System: What It Is, How It Is Calculated.* Retrieved from Investopedia: <https://www.investopedia.com/terms/c/camelrating.asp>

Limited, B. A. (2020). *Annual Integrated Report - Digital coverage of banking service for better inclusive economy.* Retrieved from https://www.bankasia-bd.com/assets/reports/annual/Annual_Report_2020.pdf

Limited, B. A. (2021). *Annual Integrated Report - Committed to serve the nation for a better tomorrow.* Retrieved from https://www.bankasia-bd.com/assets/reports/annual/AIR_2021_Bank_Asia.pdf

Limited, B. A. (2022). *Annual Integrated Report - Secure your financial future with your reliable bank*. Retrieved from https://www.bankasia-bd.com/assets/reports/annual/Annual_Report_2022.pdf

Limited, B. B. (2020). *Annual Integrated Report - Leading the change*. Retrieved from https://www.bracbank.com/financialstatement/BRAC_AR_2020.pdf

Limited, B. B. (2021). *Annual Integrated Report - Transforming banking, Transforming lives*. Retrieved from https://www.bracbank.com/financialstatement/BRAC_Annual_Report_2021.pdf

Limited, B. B. (2022). *Annual Integrated Report - Value based banking*. Retrieved from https://www.bracbank.com/financialstatement/BBL_Annual_Report_2022.pdf

Limited, E. B. (2020). *Annual Report - Rediscovering the value of relationship*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/ANNUAL-REPORT-2020.pdf>

Limited, E. B. (2021). *Annual Report - Caring for people*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/EBL-Annual-Report-2021.pdf>

Limited, E. B. (2022). *Annual Report - Stability is our strength*. Retrieved from <https://www.ebl.com.bd/assets/reports/annual/EBL-ANNUAL-REPORT-2022.pdf>

Stackhouse, J. L. (2019, January 23). *CAMELS Ratings: Sensitivity to Market Risk*. Retrieved from Federal Reserve Bank of ST. Louis : <https://www.stlouisfed.org/on-the-economy/2019/january/camels-ratings-sensitivity-market-risk>

STEPS OF THE COMMERCIAL AND CONSUMER LENDING PROCESS YOU CAN AND SHOULD AUTOMATE IN 2024. (2023, September 23). Retrieved from TurnKey Lender: <https://www.turnkey-lender.com/blog/steps-of-the-lending-process-you-should-automate/>

Team, C. (n.d.). *CAMELS Rating System*. Retrieved from CFI:
<https://corporatefinanceinstitute.com/resources/wealth-management/camels-rating-system/>