

# sustainability report 2015



STRATOSPHERE  
17-50 km

Ozone layer  
20-30 km

TROPOSPHERE  
0-12 km

unlocking human dimensions

let us  
prevent  
O<sub>3</sub> layer  
depletion

zero



oxygen



ozone



 Bank Asia



# Sustainability Report 2015

Ozone (O<sub>3</sub>) is a colorless gas, which is found in the stratosphere level of our upper atmosphere. The ozone layer is a belt of Ozone gas that sits 20 to 30 kilometers above earth and serves as a shield from the harmful ultraviolet radiation emitted by the sun. Ozone layer may be depleted by natural causes like Sun Spots, stratospheric winds and volcanic eruptions etc. But man-made causes are responsible for over 90% destruction of O<sub>3</sub> gas that creates Ozone hole; those are low temperatures, increase in the level of chlorine and bromine gases in the upper stratosphere by the way of excessive release of CFCs, HCFCs, halons, methyl chloroform and methyl bromide from cleaning agents, coolants in refrigerators, packing materials, air conditioning, aerosol spray cans etc.

Ozone layer depletion leads to decrease of O<sub>3</sub> gas in the stratosphere and increase of presence in the lower atmosphere. Presence of O<sub>3</sub> gas in the lower atmosphere is considered as a pollutant and greenhouse gas that contributes to global warming and climate change. It can be said that the depletion of ozone layer has trickle down effects in the form of global warming that is also causing sea level rise. According to World Bank, Bangladesh will be among the most affected countries in South Asia by an expected 2°C rise in world's average temperature in next decades with rising sea level and other global warming effect, e.g. extreme river floods, more intense tropical cyclones and very high temperatures.

An essential property of Ozone molecule is its ability to block solar radiation. It also absorbs ultraviolet radiations that are dangerous for most living beings and can destroy life on earth. UV radiation could destroy the organic matter. Plants and plankton cannot thrive, both act as food for land and sea animals respectively. UV rays also have adverse effect on the marine ecosystem. For humans, excessive exposure to UV radiation leads to higher risk of skin cancer, malignant cancers, cataracts or eye damage, damage to immune system, aging of skin, difficulty of breathing, chest pain, and lung infection.

Ozone layer depletion is a global problem. To limit the O<sub>3</sub> gas depletion world require common consensus, international agreements to reduce Ozone depleting substances (ODS) and volatile organic compounds (VOC). At individual level everyone should try to contribute towards reducing ozone layer depletion by way of buying and using recycled products, saving of energy, using public transport etc. But the most important thing is that we can do is spreading awareness. And that was the main intention behind choosing O<sub>3</sub> gas as our sustainability report 2015 theme for creating awareness among our stakeholders. Let us prevent O<sub>3</sub> layer depletion.

**Let us  
Prevent  
O<sub>3</sub> Layer  
Depletion**

 **Bank Asia**

For A Better Tomorrow



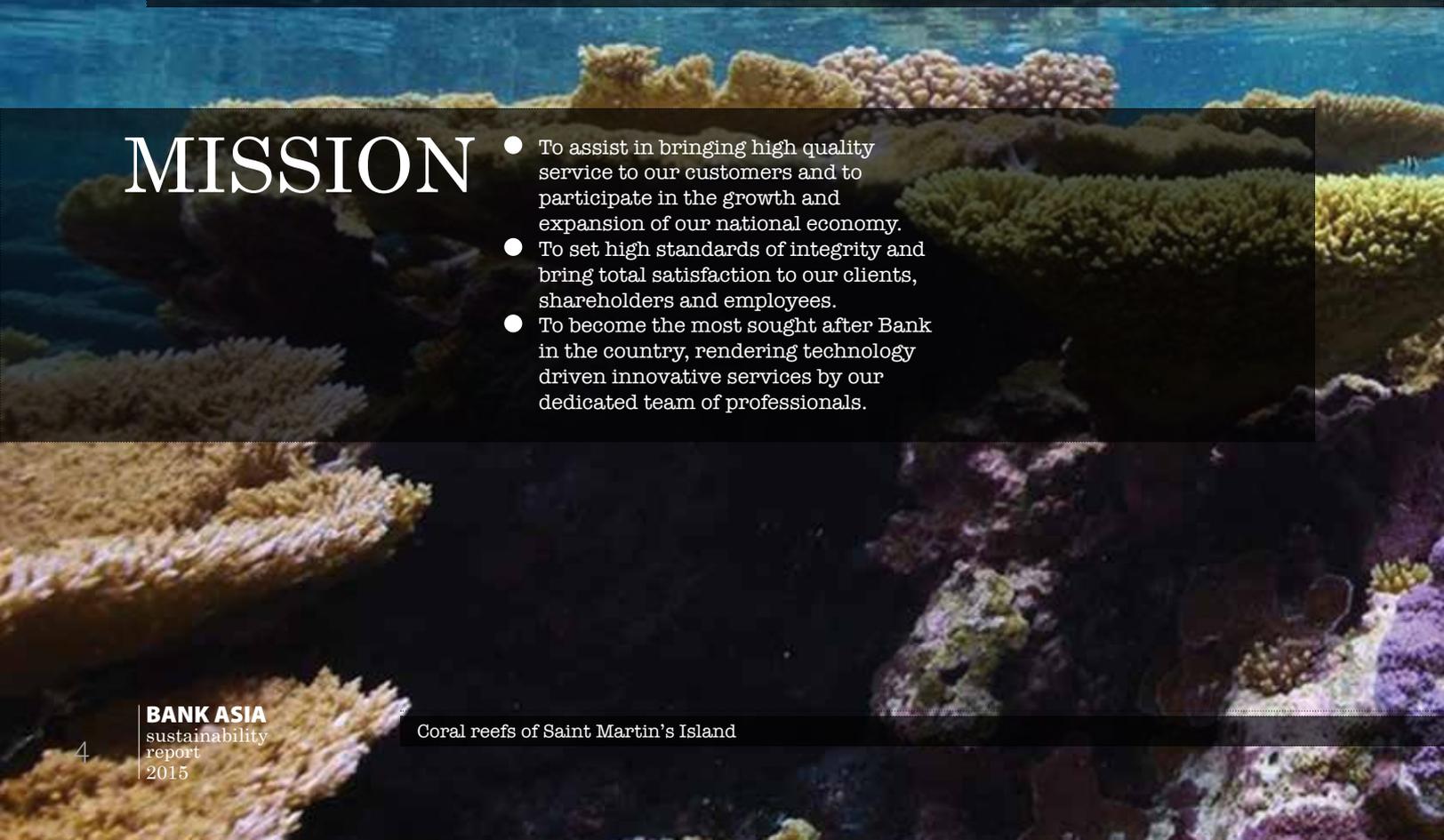
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# VISION

Bank Asia's vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream. Our vision is to build a society where human dignity and human rights receive the highest consideration along with reduction of poverty.



# MISSION

- To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy.
- To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees.
- To become the most sought after Bank in the country, rendering technology driven innovative services by our dedicated team of professionals.

# CORE VALUES

- Place customer interest and satisfaction as first priority and provide customized banking products and services.
- Value addition to the stakeholders through attaining excellence in banking operation.
- Maintain high ethical standard and transparency in dealings.
- Be a compliant institution through adhering to all regulatory requirements.
- Contribute significantly for the betterment of society.
- Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance.
- Committed to protect the environment and go green.

# CODE OF CONDUCT

- Employees must be open and loyal to the Bank and Bank's interest.
- Employees must keep confidential all bank and other matters that could provide other third parties unauthorized access to confidential information.
- Employees must observe the Bank's security requirements concerning access to electronic resources and documents.
- All information and communication with the media, the public and financial markets shall be reliable and correct, maintain high professional and ethical standards and in accordance with established guidelines and regulations.
- Customers shall be met with insight, respect, and understanding. Employees must always try to fulfill the needs of the customer in the best possible manner, within the guidelines for corporate ethics that apply to business.
- Under no circumstances, employees shall or be a part of any activity that prohibits open and fair competition of Bank Asia in breach of relevant business laws.
- Employees shall never offer or accept illegal or inappropriate gifts or other remuneration in order to achieve business or personal advantages.
- Employee's engagement in external duties must not affect his/her working relationship with Bank Asia or come into conflict with Bank Asia's business interest.
- Should an employee become aware of an infringement of Bank Asia's rules and guidelines, he/she should blow whistle raising the issue to the line management or to Human Resource Department.

# REPORT PARAMETER

Since 2012 Bank Asia has been publishing annual sustainability report based on GRI guidelines. 2015 report is the second time we are reporting by following G4 guidelines with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects including both positive and negative contribution.

## Reporting Scope

(G4-22, G4-23)

This report intends to touch upon all significant environmental, economic and social impacts resulting from Bank Asia's activities in the financial year 2015. This is our fourth sustainability report, and there is no significant changes regarding scope, boundary, or measurement methods and explanation of the effect of any restatement of information comparing to the previous report. The sustainability report will be prepared once in a year describing activities and achievements through-out the year.

## In Accordance Option and External Assurance

In Sustainability Report 2015, we have reported in accordance with the latest G4 Reporting Initiative (GRI) - 'In Accordance' Option: Core. As there is no external assurance service available in our country, our report could not be verified by external assurance. The sustainability report will be prepared once in a year describing activities and achievements throughout the year.

## Boundary of the Report

(G4-17)

The report boundary of the year 2015 covers only banks operation run by corporate office, its branches, SME service centers and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report.

Bank Asia has three subsidiary companies, one in Bangladesh and others in UK and USA, but no joint venture. As owner the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS).

BA Exchange Company (UK) Ltd. a wholly owned subsidiary is incorporated in UK and primary responsibility is remittance channeling to Bangladesh from UK market. Financial statements of BA Exchange Company (UK) Ltd. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities. From 2014 the Bank launched its 2nd overseas 100% subsidiary company, BA Express USA Inc. at NY, USA & started its operation. The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the USA (US GAAP).

## Feedback

We welcome any feedback on our sustainability reporting. For further information and comments, please contact Sustainability Reporting Team of the Bank led by Mr. Imran Ahmed FCA, CISA, CSRS, Chief Financial Officer, Mr. Md. Bashir Uddin Ahmed, CSRS, Assistant Vice President, Group Finance, Mr. Md. Shamim Hasnat, Senior Executive Officer, Group Finance and Ms. Nahid Tania Khan, Senior Officer, Group Finance. They may be reached through

e-mail: [sustainability.ba@bankasia-bd.com](mailto:sustainability.ba@bankasia-bd.com)

## Bank Asia Limited

Corporate Office | Rangs Tower | 68, Purana Paltan, Dhaka-1000 | Bangladesh  
Tel: +88 - 02- 7110062 | Fax: +88 - 02- 9577841 | Web: [www.bankasia-bd.com](http://www.bankasia-bd.com)

# STRATEGIC FOCUS FOR SUSTAINABILITY

## **Promoting Financial Inclusion**

One of the strategic priorities of Bank Asia is to promote financial inclusion for combating poverty which the Bank firmly believes to achieve by its deposit services, agricultural credit program, small enterprise financing for productive new off farm employment of 'missing middle', Solar home system projects with NGO-MFI partners, foreign remittance of poor migrant workers channeling through partner MFIs, domestic remittance distribution through bank led as well as mobile operation led mobile banking.

## **Giving Back**

Bank Asia believes in giving back to the community and it will continue to promote education, fulfill its commitment to community health, disaster management, clean environment, sports, art and culture.

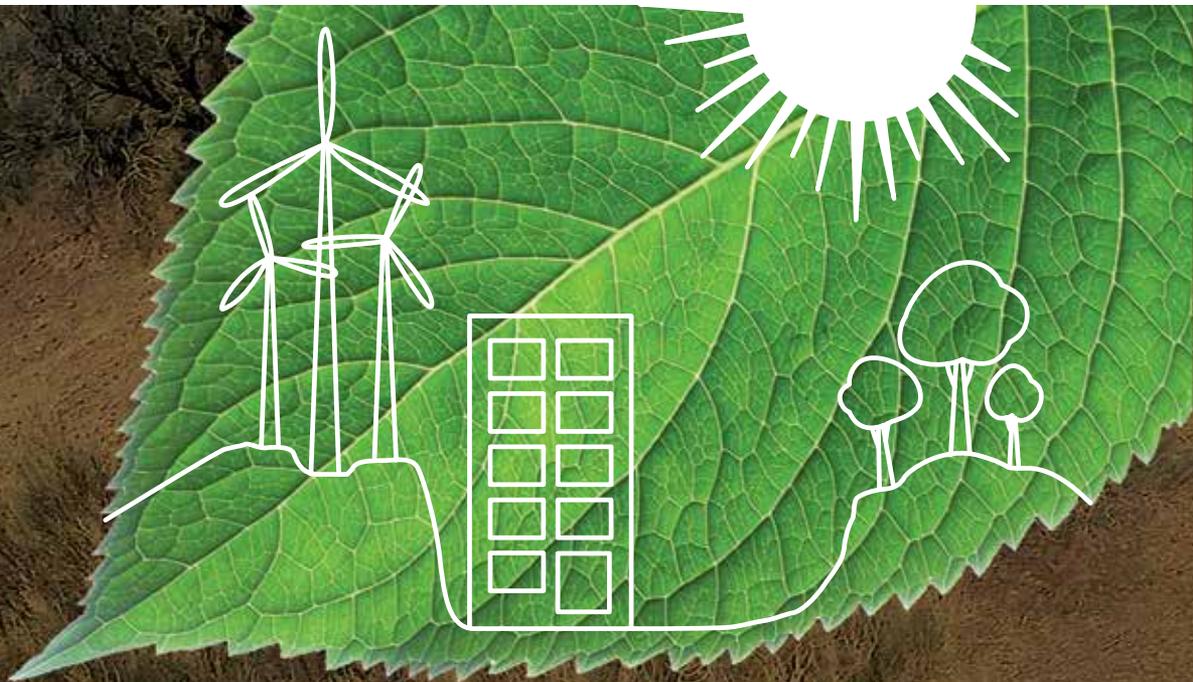
## **Customer Satisfaction**

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs, personalizing banking, creating brand ambassadors, Online product innovation, measure and reduce customer effort, creating differentiated customer value proposition.

## **Going Green in the Future of Banking**

Bank Asia firmly promotes green banking to reach its long term strategic objective to be a green, triple bottom line bank where every decision will be taken with both financial and environmental considerations in mind. The Bank's green banking initiatives includes Online & paperless banking, reduction of green house gas emission, mapping bank's carbon foot print, efficient energy use, environment friendly projects, plant nursery and horticulture projects etc.

# TRIPLE BOTTOM LINE



**People** Bank Asia always plays a very dynamic role in contributing to the society through its CSR program, which are thoroughly illustrated in Building the Community section. In the context of value creation model for its employees, the bank has made footprints by achieving: Operating profit and Net profit per employee was Tk. 3.27 million and Tk.1.40 million respectively during 2015.

52,232 man-hours training have been provided to 3,185 employees in the year 2015. Bank Asia works with a wide range of suppliers, vendors, agents and others. Bank Asia works with them to create value through collaboration by applying its own policy and practice for selecting these suppliers and others

**Planet** As one of the strategic focuses of Bank Asia, 'going green' movement includes efficient energy consumption, paperless office, financing renewable energy etc. Bank Asia's achievements in green initiatives are detailed out in other parts of the report. As greening of mind, Bank Asia provided 4 trainings on green banking under foundation trainings course where 108 staffs participated. Besides this, 3 external trainings were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking Activities, Financial Inclusion, CSR & Green Banking.

**Profit** During 2015, Bank Asia generated economic profit of Tk. 171 million in the form of economic value addition.

# SUSTAINABLE BANKING OPERATIONS

KEY HIGHLIGHTS 2015

33

Districts covered 95 agent outlets for expanding Agent Banking in most geographically dispersed poor segment

610

Students received (in 2015) support for education under BA's higher studies scholarship amounting to Tk. 17.37 million. Total beneficiary so far 1,103

52,232

Man Hours of training for development of our human capital

1,147,125

Unbanked villagers of 21,816 villages came under Bank Asia's banking service network through EBEEK project for poverty alleviation

Tk.  
30,000

Disbursed for home solar system

302,732

E-statements delivered to customer

63%

Cash transactions done through ATM

173,985

Households of rural and semi-urban areas received remittance of Tk. 4,528.96 million through our MFIs network business

92,760

Farmers and rural people benefited financially through our agricultural/rural credit

# CHAIRMAN'S MESSAGE

Seventeen years ago Bank Asia started its journey with a vision to help building a poverty free Bangladesh (economic aspect) paying highest consideration to human dignity and human rights (social aspect) by way of rendering high quality technology driven innovative services (environmental aspect) to our customers. Since then the bank has pursued its business priorities and strategies in such a way that ensures positive impacts or limits negative impacts towards economy, environment and society.



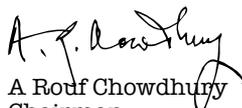
Bank Asia believes in giving back to the community and it will continue to promote education, health, disaster management, clean environment, sports, art and culture. As part of the process Bank Asia always tries to engage in visible CSR activities. Some milestone CSR activities of the bank are ophthalmological operation of cataract affected born blind children, computer learning center for rural schools, Higher study scholarship program for rural poor but meritorious students, scholarship for graduate nurses of the Bangabandhu Sheikh Mujib Medical University (BSMMU), financial support for construction of 40,000 square feet nursing hostel at BSMMU, financial support for construction of 20,000 square feet outdoor patient department (OPD) building for Holy Family Red Crescent Medical College. Since 2005 around 1,164 born blind children have been able to see the light of the world through ophthalmological operation financed by Bank Asia Ltd. and become part of the mainstream society. Since 2005 a total number of 1,103 students have received higher education scholarship through Bank Asia's rural branches throughout the country. From 2006 to 2013 more than 3,500 students were imparted ICT training through 25 computer learning centers set up in rural areas of the country.

In recent years Bank Asia focused more on financial inclusion of underprivileged and ultra-poor rural unbanked people to bring them under banking network. With this view in mind Bank Asia has been associated with the renowned Government project Ektee Bari Ektee Khamar (one house one farm) since the project's inception in 2012. By the end of year 2015 number of beneficiaries of EBK project through Bank Asia stood 1,320,600 dispersed in 21,816 villages of 35 districts in Bangladesh and disbursed Tk. 8,824.02 million Government grants and small loans of Tk. 1.03 million to them. In 2015 the number of beneficiaries increased by 123,416 and grant disbursed Tk. 2,196 million.

With the success of EBK social project Bank Asia pioneered in Agent Banking operation in Bangladesh in 2013 to enhance the financial inclusion further i.e. bringing unbanked ultra-poor population under banking service channel. By the end of 2015, the number of total agent outlets stood at 95 through which 50,960 accounts were opened where deposit collected Tk. 373.59 million. Through those agent outlets 371 number of loans disbursed for amount of Tk. 83.83 million. We believe that our agent banking service will rapidly increase in coming years.

Apart from financial inclusion, Bank Asia continued to flourish its CSR activities. During 2015 total aggregated amount of CSR expense was Tk. 65.92 million mainly in the field of education (26.35%), health (27.69%), disaster management (14.83%), art and sport (10%).

I take this opportunity to extend my thanks to the members of management for their untiring efforts of making our institution a more socially responsible institution by way of extending extensive inclusive banking service through alternate banking channels and helping the society extending various social services under active guidance of the Board. I also extend my thanks to the Sustainability Reporting Team for their sincere efforts of presenting the Bank's activities under the framework of Sustainability Reporting.

  
A Rolf Chowdhury  
Chairman

# MESSAGE FROM THE PRESIDENT AND MANAGING DIRECTOR

Sustainability to us is not a generosity but an accountability to develop our communities. By using our position as a growing banking institution, we are committed to promoting positive social, economic, environmental development in the communities by following triple bottom line –people, planet and profit in our business operation.

Bank Asia is publishing the 4th Sustainability Report that is another official milestone. Our first two reports were based on G3/G3.1 guidelines. But from the year 2014, we have been preparing our report based on G4 guidelines with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social impacts including both positive and negative contribution. Our report intends to touch upon all material environmental, economic and social impacts resulting from Bank Asia's activities in the year under report.



Over the past years, the Bank has strengthened its reputation as a socially responsible corporate citizen. Our ambition is to be the best banking institution by being financially steady, continuously improving our governance and grabbing the opportunities accessible by our markets to provide and promote sustainable economic growth by focusing on three key priorities: contributing to sustainable economic growth, responsible to environmental effects and investing in communities.

We have in place targets for the advancement of balanced growth in all the segments of the economy. We have introduced Agent Banking services as the pioneer in Bangladesh with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. Focusing poverty eradication and reduction of poverty level, we are the lead partner Bank in implementing Ektee Bari Ektee Khamar (EBEK), a government project for the ultra-poor people of our country. Bank Asia is now operating EBK Banking services to 35 districts having 252 Upazillas and more than 1,147,125 beneficiaries are getting the services under this project. This operation is spread over 21,816 villages of 2,424 unions. Bank Asia Limited has introduced Agent Banking Services in the year 2014. Currently our agent banking is covering 33 districts and 67 Upazillas with its 95 agent outlets. We are already working for the advancement of women in leadership positions and empowering women entrepreneurs through our SME finance program by distributing Tk.144 million during this year.

We also promote the growth of MSME, which are vital for the emerging economic community. Under MSME service, we have financed in Agri/rural sector to create enormous employment opportunities in farms; especially in the fields of crops & fisheries as well as to help sequestration of carbon and till now 441,234 number of farmers received the benefit from our bank. Under the Special Finance Program of MSME, we are also providing financial support to the farmers at 4% concessional rate for cultivating pulse, spice, oilseed & maize for which Bangladesh has to spend a lot of foreign currency to import these items. Besides, realizing the importance of producing bio energy, we have financed in biogas producing project at interest rate of 9%. Currently 9 farmers are getting this benefit. Bank Asia has been providing financial service to account holders of 10 taka under refinance scheme @ 9.50% interest rate. Currently the total disbursed amount is Tk. 22.90 million and 504 poor people are availing this service.

To familiarize young generation with banking transactions and create social awareness of savings habit among the children, Bank Asia is promoting school banking services. We have introduced Payza & Payoneer Inc. to develop e-Commerce to make service export related payment easier and cheaper.

We provide our employees with opportunities for personal development and professional advancement through extensive training and other personal development programs. In that respect, Bank Asia conducted 52,232 man hours of training involving 3,185 participants. The current gender mix is female 28% and male 72%. Our 83.9% of staff members are aged below 40 years which denotes that Bank Asia is in young, dynamic and capable hands. Bank Asia has introduced Grievance Handling Policy and Female Anti Harassment Policy for betterment of our employees.

Towards commitment of social and environmental well being and strive to ensure sustainable balanced growth in economic, social and ecological arena, Bank Asia has spent Tk. 65.92 million for CSR purpose. In 2015, one of our priorities was education; we have been supporting poor meritorious students by providing scholarships since the inception of our CSR activities. In the year 2015, Bank Asia disbursed around

Tk. 17.37 million to 610 students as the Higher Study Scholarship program to rural poor and meritorious students who will become human capital of our country. Our Bank also extended support to individuals and institutions as a part of its CSR activities. Bank Asia donated Tk. 0.93 million for medical treatment. With a view to mitigate acute accommodation problem of all graduate nursing students of BSMMU, Bank Asia completed construction of 37,647 square feet 'Nursing Student Hostel' with a spending of Tk. 95.87 million. The building can be further constructed up to 9th floor. To contribute further to the health sector to ensure a healthy community the bank also completed construction of 17,810 square feet Outdoor Patient Department (OPD) building for Holy Family Red Crescent Medical College & Hospital with a spending of Tk. 53.59 million. The OPD can also be raised up to 9th floor. We donated Tk. 9.70 million to support cold hit people. We are also supporting Badhan and Sandhani, volunteer blood donor organizations for promoting their services. Bank Asia always supports promotion of art & culture and sports. The Bank sponsored Tk. 2.12 million for various arts and cultural program and Tk. 4.5 million to Bangladesh Football Federation through Bangladesh Association of Banks (BAB). As Bangladesh is a natural disaster prone country, the Bank contributed Tk. 9.78 million for disaster management. In addition Bank Asia donated Tk. 13.85 million on the occasion of social projects including Bangladesh Science Fiction Society, Bangladesh Mathematical Society Prime Minister Relief and Welfare Fund, Zilla Muktijoddha Complex Bhaban, Brahmanbaria and others.

Towards commitment of green economy by using energy efficient HHK/Tunnel Kiln technology which is for better energy efficiency and lower emissions of carbons to the environment Bank Asia financed Tk. 467.25 million to "Eta & Tiles". For better energy efficiency and lower emissions, Bank Asia financed Tk. 47.20 million in 8 projects to set up Zigzag chimney and Tk. 2.3 million for biogas plant in 2015. Moreover, Bank Asia financed Tk. 200.00 million to Saiham Knit Composite Ltd. (USGBC Certified LEED Certificate) for reducing carbon footprint through established environment friendly composite knit industry.

We are committed to enlighten every rural home with green electricity. Till now 6,502 families are brought under solar home system and 11 branches of Bank Asia installed solar panel.

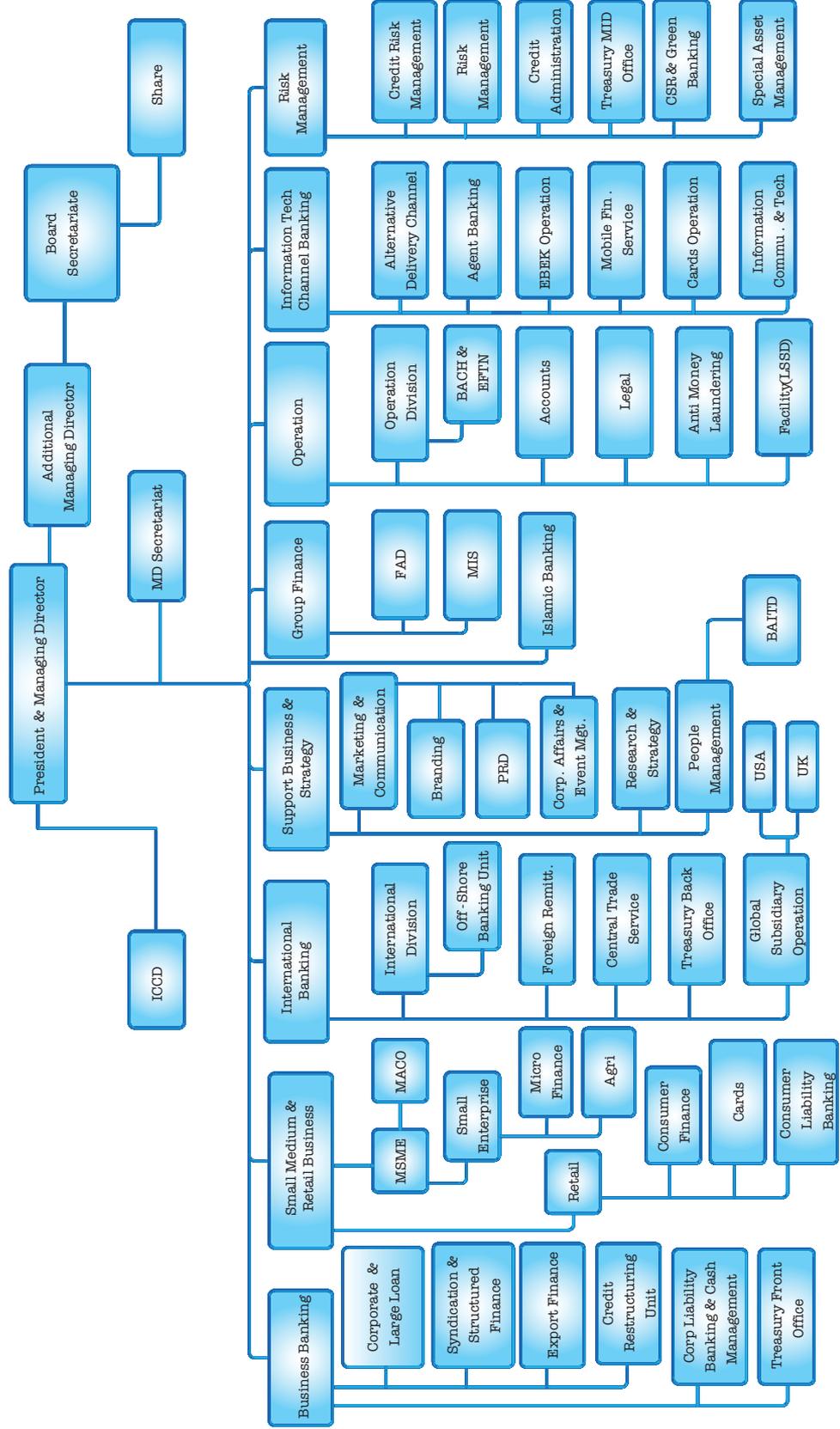
Bank Asia achieved Best Sustainability Reporting Award 2015, Runner up I in Overseas Category for Sustainability Report 2014 by NCSR (National Centre for Sustainability Reporting). It is the 3rd time in a row that our sustainability reports have achieved awards by NCSR at different category.

In the end I express my sincere thanks and gratitude to all stakeholders and sincerely acknowledge their active engagement towards Bank Asia's dream as well as vision for a poverty free Bangladesh by ensuring sustainable business of Bank Asia in economic, social and environmental respects.



Md. Mehmood Husain  
President and Managing Director

G4-17  
**CORPORATE ORGANOGRAM**



# AWARDS AND RECOGNITION

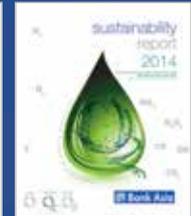
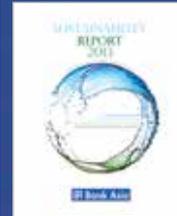
## 2015

- Bank Asia secured 1st Runner up position in the Private Sector Banks (including co-operative Bank) from SAFA (South Asian Federation of Accountants) for Best Presented Annual Report Awards and SAARC Anniversary Award for Corporate Governance Disclosures 2014.
- Bank Asia was awarded second prize from the Institute of Chartered Accountants of Bangladesh (ICAB) for Best Presented Annual Reports (BPAR) 2014 among all the private sector banks in Bangladesh.
- Bank Asia achieved Best Sustainability Reporting Award 2015, Runner Up 1 in Overseas Category for Sustainability Report 2014 by NCSR (National Centre for Sustainability Reporting) Jakarta, Indonesia.
- Bank Asia has achieved Award of Excellence on Banking Fair Bangladesh 2015 as a top performer bank for Customer service, Discipline & Branding organized by Bangladesh Bank.
- Bank Asia, the only Bank in Bangladesh was awarded as 'Best Trade Partner in South Asia' by IFC (International Finance Corporation) for 2015

## 2014

- Bank Asia garnered second position from ICAB for Best Presented Annual Reports-2013 among all the private sector banks (including cooperative banks) in Bangladesh.
- Bank Asia achieved Certificate of Merit from SAFA for Best Presented Annual Report Awards and SAARC Anniversary Awards for Corporate Governance Disclosures 2013.
- Bank Asia achieved Certificate of Merit from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for Best Corporate Award-2013.
- Sustainability Reporting Award 2014 (SRA 14) was awarded for Most Impressive Report 2013 by NCSR Jakarta, Indonesia for Sustainability Report 2013 of Bank Asia.





Mr. Md. Mehmood Husain, President and Managing Director of Bank Asia is receiving SRA 2015 runner up 1 trophy at Jakarta from Mr. Sarwono Kusumaatmadja, Former Minister of the Environment of the Republic of Indonesia.



Mr. Md. Mehmood Husain, President and Managing Director of Bank Asia, is receiving "The Best Partner Bank of International Finance Corporation (IFC) in South Asia Region" award from Mr. Anurag Mishra, Regional Head of Asia Pacific Region at Milan, Italy

# CORPORATE PROFILE

Bank Asia Limited was incorporated on September 28, 1999 as a private commercial bank with the aim of contributing for the development of the economy by bringing superior quality technology driven banking products and services.

In 2001 Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, SME financing & many more specialized services with its core banking activities. To excel in this new era of technological triumph, Bank Asia has successfully introduced mobile banking, cutting edge ICT, state of the art network solution, 24/7 ATM service & many other e-products. Bank Asia maintains an environment of strong corporate governance that helps to maintain its excellent brand image; reflected by consistent financial performance for its stakeholders. To attain sustainability we focus more on strategic priorities measured by quantitative and qualitative determinants. Besides maintaining a steady growth Bank Asia always prioritized in the structural and moral development of the society. From the very beginning it's started its Corporate Social Responsibility (CSR) activities for the development of our country's unprivileged segments in the areas of education, health environment, sports, arts & cultures and the likes.

## Nature of Ownership and Legal Form

Bank Asia Limited was formed as a public limited company under the Companies Act 1994, and governed by the Banking companies Act 1991. The Bank Obtained certificate of incorporation on September 28, 1999 and banking license on October 06, 1999. It went for public offering on September 23, 2003 when its share was listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

## Number of Countries where the Organization Operates

Bank Asia runs its operation only in Bangladesh. However, the Bank has two fully owned subsidiaries in overseas. Among these subsidiaries, 'BA Exchange Company (UK) Limited' and 'BA Express USA Inc.' facilitate as speedy and dependable medium for remitting the hard-earned money of expatriates back home. 'BA Exchange Company (UK) Limited' started its operation in London on May 16, 2011. The 3rd subsidiary of Bank Asia 'BA Express USA Inc.' started its operation on June 1, 2014 in New York. It has also opened its 2 new branches in Jamaica and Brooklyn for remittance channeling to Bangladesh.

## Scale of the Reporting Organization

As of the end of 2015, our Bank's operating profit is Tk. 6, 005 million and total assets are Tk. 224,347 million. The Bank's Capital to Risk weighted Assets Ratio (CRAR) is 12.46 %.

Number of employees	1,874 (1,839 of Bank and 35 of Subsidiaries)
Number of branches	104 ( 94 branches, 4 SME/Agri branch and 6 SME service centers)
Total operating income	Tk. 10,326.92 million
Total debt & equity	Tk. 205,368 million & Tk. 18,979 million
Number of ATMs	108 own & 5,500+ shared
Number of credit cards	33,585
Number of VISA debit cards	300,000

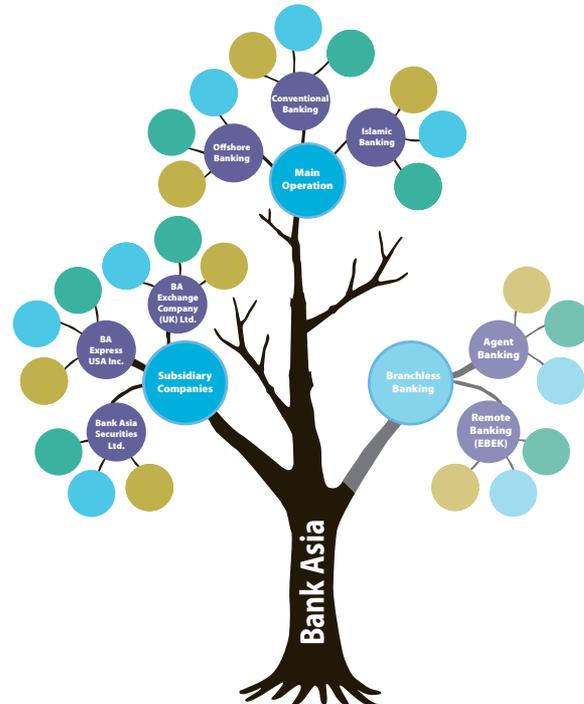
## Branch Network

Currently we have 104 branches and SME service centers across the country spread over different zones that includes 94 branches, 4 SME agricultural branch and 6 SME service centers. Geographically 56 are placed in capital Dhaka, 30 in Chittagong the 2<sup>nd</sup> largest commercial hub after Dhaka, 7 in Sylhet zone one of the leading remittance flow area, 4 in Khulna zone the 2<sup>nd</sup> international port city and adjacent to world's largest mangrove forest, 4 in Rajshahi the silk city and world's finest mango production area, 2 in Rangpur famous for one of the oldest (1916) and best reputed college, Charmichael College and 1 in Barisal the main rice producing center of Bangladesh. All these branches and SME centers are efficiently supervised and monitored by 5 cluster mentors who take care of their overall performance indicators on a regular basis. Every year on an average 7 new branches are added to our branch network.

## Membership with Associations

- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Associations of Banks (BAB)
- Association of Bankers Bangladesh (ABB)
- The Institute of Bankers Bangladesh (IBB)
- The American Chamber of Commerce in Bangladesh (Am Cham)
- Bangladesh Foreign Exchange Dealers Association (BAFEDA)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Money Market Dealers' Association
- Metropolitan Chamber of Commerce and Industry
- Islamic Banks Consultative Forum (IBCF)
- Central Shariah Board for Islamic Banks of Bangladesh (CSBIB)

## Branches Network



G4-18, G4-25

# STAKEHOLDERS' ENGAGEMENT

Bank Asia believes in proper stakeholders' engagement in every aspect of its banking activities. They identify their stakeholders conducting through impact analyses in respect of

- Responsibility: Bank Asia has direct legal responsibility to regulators, tax authority etc.
- Influence: Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.
- Proximity: The local community that influence heavily their daily operation.
- Dependency: Those who are dependent on their operational performance, e.g. business partners, and those whom we are dependent, e.g. customers.
- Representation: Those who represent Bank Asia to the outside world, e.g. employees, board and those whom we face for various decision making purposes. e.g. business association leaders, local community leaders .

Impact analyses from the aspects of governance, economic, environment and social influences help the bank recognize and respond to emerging risks and opportunities and meet the expectations of those who shape the operating environment. Continuous engagement with stakeholders is integral to the success of their business.

Bank Asia prioritizes stakeholders' issues based on materiality mapping determining the level of relevance and significance on economic, environmental, social and financial impacts.



G4-24

G4-26

G4-27

Our Stakeholders	Ways of Inclusion	Their Priorities	Our Response
Customers	<ul style="list-style-type: none"> <li>■ Customer relationship management</li> <li>■ Complaints and customer satisfaction survey</li> <li>■ Customers Acceptance Policy</li> <li>■ Customer feedback management</li> <li>■ Ongoing market research and product innovation</li> </ul>	<ul style="list-style-type: none"> <li>○ Good return from deposits</li> <li>○ Fast services delivery with excellence</li> <li>○ Preferential pricing, charges and commission</li> <li>○ Strict Shariah compliance in Islamic products and services</li> <li>○ Product varieties catering market demand</li> <li>○ Online banking solutions with secured transactions, privacy and confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>○ ALCO sits every month to decide pricing and rates based on market analyses</li> <li>○ All network nodes are run by online core banking system (CBS)</li> <li>○ E-products like mobile banking, internet banking, tele banking, electronic fund transfer, etc. ensures hi-tech banking needs</li> <li>○ Separate online CBS for Islamic products</li> <li>○ Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship</li> <li>○ Proper actions are taken of customers complaints if any service goes against the customer service policy of the Bank.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ Business conferences, teleconferences, video conference etc. Training, workshops and orientation Program, Internal meeting, Group emails, intranet circulation</li> </ul>	<ul style="list-style-type: none"> <li>○ Talents and performances development</li> <li>○ Regular training</li> <li>○ Inflation adjustment in pay package planning</li> <li>○ Periodical salary review to adjust with cost of living index</li> <li>○ Proper job description setting as per individual skill</li> <li>○ Performance driven career progression</li> <li>○ Healthy working environment and workplace safety</li> <li>○ Transport facilities for female employees</li> <li>○ Group Health Insurance</li> <li>○ Policy formulation for safe working atmosphere</li> </ul>	<ul style="list-style-type: none"> <li>○ Salary package adjusted in line with market competitiveness and inflation</li> <li>○ 52,232 man hours training for human capital in 2015</li> <li>○ Well set KPIs for performance and inherent quality analysis</li> <li>○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise</li> <li>○ Ensure continuous learning and application ground for career build-up</li> <li>○ 266 Claims of insurance received of Tk. 11.09 million in 2015</li> <li>○ 108 female employees availing pick and drop facilities among 309 non executive female employees in Dhaka region</li> <li>○ Formulation of Female anti harassment policy and Grievance handling policy to resolve complaints in a fair manner</li> </ul>
Subsidiaries	<ul style="list-style-type: none"> <li>■ Policies formulation</li> <li>■ Agreed upon strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>○ Goals &amp; Strategic focuses are based on local environment analyses &amp; regulatory preview</li> </ul>	<ul style="list-style-type: none"> <li>○ Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries</li> </ul>

G4-24

G4-26

G4-27

Our Stakeholders	Ways of Inclusion	Their Priorities	Our Response
Local Communities	<ul style="list-style-type: none"> <li>■ Promoting financial inclusion both banked and unbanked people</li> <li>■ CSR contribution Scholarship</li> </ul>	<ul style="list-style-type: none"> <li>○ Compensation for adverse direct or indirect impact for bank's activities</li> <li>○ Support to under privileged people</li> <li>○ Provide banking facility to geographically dispersed poor segment of the society</li> <li>○ Support to basic need for living</li> </ul>	<ul style="list-style-type: none"> <li>○ Strongly consider environmental and social impact and restrain from adverse impact upon society</li> <li>○ Target segment is underdeveloped and under privileged people</li> <li>○ Significant contribution to education, health, disaster management, art &amp; culture and environmental sector</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>■ Annual general meeting (AGM), extraordinary general meeting (EGM), annual &amp; semiannual report, publishing quarterly financials, Credit rating and price sensitive information (PSI) in newspapers</li> </ul>	<ul style="list-style-type: none"> <li>○ Healthy return on investments and stable dividend policy</li> <li>○ Growing earnings</li> <li>○ Sound governance and risk management Ratings of the bank based on overall financial performances</li> </ul>	<ul style="list-style-type: none"> <li>○ Maintained attractive plough back ratio</li> <li>○ Timely repayment of debt with stated return</li> <li>○ Established superior risk management culture</li> <li>○ Transparency and integrity in financial reporting</li> <li>○ Maintained consistent ratings through financial commitments</li> <li>○ Investors each queries meet up through our share department efficiently and fairly</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>■ Procurement management, training and communication</li> </ul>	<ul style="list-style-type: none"> <li>○ Fair trade, fair enlistment,</li> <li>○ Sustainable and stable growth of the bank</li> </ul>	<ul style="list-style-type: none"> <li>○ Free from any bias or coercion from influencing quarters</li> <li>○ Ensure fair play and competition to award work order</li> <li>○ Timely payment to vendors</li> </ul>
Board & Management	<ul style="list-style-type: none"> <li>■ Decisions are taken based on financial and business delegation of different levels Any major decisions must be placed to board for approval</li> </ul>	<ul style="list-style-type: none"> <li>○ Governance principles, policies &amp; procedures formulation</li> <li>○ Strategic focus &amp; value creation</li> </ul>	<ul style="list-style-type: none"> <li>○ At least one board meeting in every month, executive committee meeting, audit committee meeting, board members meet with management on various occasions like annual &amp; semi-annual business conferences, bank's anniversary celebration</li> </ul>
Government & Regulatory Authority	<ul style="list-style-type: none"> <li>■ Strict ethics &amp; compliance with applicable laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>○ Proper compliance with laws &amp; regulations</li> <li>○ Timely reporting as per requirement</li> <li>○ Timely payment of right amount income tax and VAT</li> </ul>	<ul style="list-style-type: none"> <li>○ We ensure proper compliance and timely reporting to government bodies and regulators</li> </ul>

G4-18, G4-20, G4-21

# MATERIAL ASPECTS AND BOUNDARIES

Material Aspect	Boundaries inside the organization	Boundaries outside the organization
Financial Inclusion	Client base of the organization increases with diversity, tapping business opportunities, increase of revenue generation.	The community including the overall economy benefited from reduction of poverty through augmenting economic activities in the geographically dispersed areas.
Energy Consumption	Efficient use of scarce resources.	Sequestration of carbon emission and the national GHG inventory will be reduced.
Human Capital & Talent Management	Enhancement of operational level efficiency. Attaining cost savings through reducing time requirement. Customer retention rate will be higher.	The clients will be benefited from customer friendly efficient services and more loyalty will be ensured.
Agricultural Credit	Product diversification and attachment to mainstream of the economic activity of the country.	As an agricultural country, share croppers and marginal farmers will be benefited by lower interest rate and their poverty level will be improved.
Environment friendly Investment	As a responsible corporate entity, the Bank believes in doing business without compromising with the eco system. It emphasizes conserving scarce resources for next generation.	Public awareness as well as regulatory requirement enforced the organization to increase environment friendly investment gradually.
Building the Community	Discharging our responsibility towards society to ensure sustainable balanced growth in economic, social and ecological arena.	Overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.

# STAKEHOLDERS RELATIONSHIP/ GRIEVANCE REDRESSAL

Bank Asia strongly believes in maintaining smooth and interactive relationship with the stakeholders. We pursue high quality stakeholders redressal policy proactively to handle all types of grievance, complaints in an effective and fair manner.

PROCESS	REDRESSAL	CHECKLIST	Yes	No
queries/ complaints/ grievance lodged by shareholder		Shareholders are properly communicated for collection warrants which have been refunded for non-delivery by the courier	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review all logs objectively and fairly and give solution within a short time frame		Dividend warrants Revalidate the upon demand	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Send intimation to concerned shareholder after redressal by share department		Bank account information are corrected while sending dividend through BEFTN system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Dividend warrants are reissued in case of failure to send dividend through BEFTN system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Issue shareholding certificate, dividend certificate as and when required	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		e-TIN number is collected in case of cash dividend	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Bank's Viewpoint

Bank Asia strongly believes in equitable treatment to every shareholder. We are committed to address any sort of grievance or complaints of our stakeholders which includes general shareholders, customers, vendors and employees etc. We have a separate department in our corporate office to resolve queries and complaints of general shareholders on priority basis within shortest possible time.

### Shareholders' Perspective

Bank Asia redressal system covers the following issues:

- Receiving the complaints for non-receipt of dividend warrant, dividend intimation letter, cash dividend;
- Transfer of shares from suspense account to the shareholders BO account;
- Grievance for not receiving of Annual Integrated Report, half-yearly financial position timely;
- Concerns relating to share dematerialization (DEMAT)
- Queries about and clarification on recent or up coming price sensitive information over telephone, etc.

Any shareholder may lodge their queries, complaints to Bank through formal letter, e-mail ([bankasia@bankasia-bd.com](mailto:bankasia@bankasia-bd.com)) and phone call to the Company Secretary and/or Share Department. The management focuses on addressing those complaints within the shortest possible time.



## G4-24, G4-26, G4-27

### Redressal Statistics 2015

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> <li>■ Demat 17,679,771 shares</li> <li>■ 2,524,113 bonus shares credit among 279 shareholders from suspense account</li> <li>■ Re-issue 2(two) dividend warrants</li> <li>■ Issuance of 75 shareholdings certificate for income tax purpose</li> </ul>	<ul style="list-style-type: none"> <li>■ Demat confirmed 17,679,771 shares timely</li> <li>■ 279 request responded</li> <li>■ 2 (two) duplicate dividend warrants issued</li> <li>■ 75 shareholdings certificate were issued</li> </ul>

The bank continues to have regular communication with the shareholders through periodic updates of performance and at any time when it believes it to be in the best interest of shareholders generally.

### Customers' Perspective

Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). Like investors we also address up our customers' queries and complaints through our corresponding department, division or unit. All the complaints are centrally handled by BOD (Branch Operation Department). In 2015, the Bank received 54 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within 5 days (approx.) in which some complaints were met up within 24 hours.

### Employees' Perspective

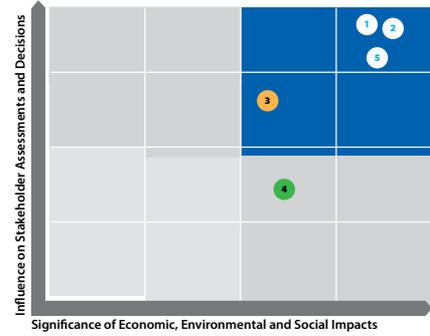
Employees are the main resource of the Bank, the human capital. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment we have separate Grievance Handling Policy and Female Anti-Harassment Policy. Our Human Resources department takes necessary measures to redress if any adverse situation arises. In 2015, we didn't receive any complaints related to our employees.



General Shareholders at 16th AGM

G4-19

# MATERIALITY MAPPING



Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L 1	M 2	M 3	M 4	H 5	
1	Financial inclusion						<ul style="list-style-type: none"> <li>1,320,600 beneficiaries of 21,816 villages under 35 districts came under Bank Asia's banking service network through EBK (one house one farm), a Government project of Bangladesh</li> <li>50,960 bank accounts opened in 33 districts through 95 agent outlets under the Agent Banking (started in 2013) of the Bank, an initiative to bring most geographically dispersed poor segment within banking channel</li> <li>Introduced School Banking through Agent Banking for building up future generation with savings habit and banking culture; already collected deposit of Tk. 603,225 by opening 443 accounts</li> </ul>
2	Human Capital and Talent Management						<ul style="list-style-type: none"> <li>52,232 man hours of training to 3,185 employees for skill development</li> <li>84% of staff members are aged below 40 years which signifies that Bank Asia is in young, dynamic and capable hands</li> <li>A 1,600 sq. ft. Gym with modern health equipment facilities opened in 2015 at the top of Corporate Office building</li> </ul>
3	Agricultural credit						<ul style="list-style-type: none"> <li>Freshly disbursed agricultural credit amounting to Tk. 2,158.60 million to 92,760 beneficiaries mainly through NGO channel during the year</li> <li>Achieved 110% of target set by Bangladesh Bank for agri/rural credit disbursement</li> </ul>
4	Building the Community						<ul style="list-style-type: none"> <li>During the year, Bank Asia spent an amount of Tk. 65.92 million as CSR for the overall betterment of the nation; however, the investment is lower than previous years due to consistent fall in interest rate spread, i.e. profitability</li> <li>Under CSR 610 students received higher study scholarship in 2015, total beneficiary so far 1,103</li> </ul>
5	Environment friendly Investment						<ul style="list-style-type: none"> <li>Financed Tk. 47.20 million in 8 projects to set up zigzag chimney for better energy efficiency and lower emissions</li> <li>Enlightened rural home with green electricity so far 6,502 families are brought under solar home system and 11 branches of the Bank installed solar panel</li> </ul>

# GOVERNANCE COMMITMENT AND STAKEHOLDERS

Subsistence of good corporate governance reduces risk, stimulates performance, improves access to capital markets, enhances the marketability of goods and services, improves leadership, demonstrate transparency and social accountability. We are committed to operating in accordance with best practice in business integrity and ethics and maintaining the highest standards of corporate governance.

## Corporate Governance

Bank Asia views corporate governance issue very seriously in every aspect of operation. Accordingly the bank has set its policies, procedures and processes establishing culture of accountability and transparency in dealing with responsibility and drive the bank to the right direction. The board of directors plays a key role in corporate governance whose responsibility to endorse the organization's strategy, develop directional policy, appoint and supervise senior executives and to ensure accountability of the organization to its owners and regulatory authorities.

Bank Asia Limited, as a publicly listed company, is a highly regulated company where Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) play a very significant role in establishment and adherence to norms and regulations. In this regard, BSEC's notification SEC/CMRRCD/2006- 158/134/ Admin/44 dated August 07, 2012 inserted many important issues like inclusion of independent directors in the board of directors and audit committee etc.

## Board of Director's Mechanism and Independence

Bank Asia complied with relevant guidelines of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission while forming its board of directors. The number of members in the board of Bank Asia is 15 (fifteen) excluding the managing director as of December 31, 2015. In the Board 6 (six) members are Independent Director and all of them are highly educated, esteemed professional and/or successful businessman with long experience in banking industry. The board approves the bank's budget and business plan and reviews those on quarterly basis so as to give directions as per changing economic and market environment. The board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. In 2015, 25 meetings held where 1,112 memos were presented.



Participation of Senior Management in a training of Corporate Governance

## Meeting held by board of directors

25

### Major agenda covered in 2015

- Compliance of “Guidelines for Customer Services and Complaint Management”
- Formation of R&S Department of the Bank
- Amendment of the Articles of Association of the Bank regarding the changes in the number of Independent directors
- Renaming of Impaired Assets Management Unit as Credit Restructuring Unit along with its objectives, framework and scope in Organogram of CACO(Corporate Asset & Client Origination)
- Revision of “Guidelines for Managing Core Risks in Banking: Internal Control and Compliance”
- Launching of new product named “Talent Learning and Earning” to promote online freelancers
- Restructuring the Governing Body of Bank Asia Foundation
- Certification on the effectiveness of Internal Control Policy, Practice and Procedure to the Board of Directors by Management Committee (MANCOM) for the year 2014
- Re-engineering the Corporate Organogram of Bank Asia Ltd.
- Inclusion of permanent support staff, their spouses and children under Group Health Insurance Scheme
- Launching of new products and Rebranding/Restructuring of existing products under Consumer Finance Centre
- Centralized CMSE (Cottage, Micro & Small Enterprise) Financing through Agent Points from the grant of UK Aid to back Business Finance for Poor in Bangladesh under Challenge Fund
- Changes in the existing SOD (Earnest Money) Policy
- Approval of “Shomvabona” Product Program Guide (PPG) for Cottage, Micro, Small Enterprise (CMSE) loan for new entrepreneur under refinance facility of Bangladesh Bank
- Draft Policy Guidelines-Credit Risk Management

## Executive Committee

The Executive Committee (EC) of the board of Bank Asia was first constituted in January 2010 to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions. The number of members in executive committee is 7 (Seven) nominated by the board from directors. The EC time to time reviews policies and guidelines issued by Bangladesh Bank regarding credit and other operations that are customized and adopted by the management after approval of the board of directors. EC approves credit proposals as per approved policy of the board. In 2015, 50 meetings held where 728 memos were presented.

## Meeting held by executive committee

50

### Loan approval in 2015

Million Taka

	No. of Memo	Funded	Non-funded
New sanction	303	31,904.90	19,624.90
Enhancement	79	2,511.70	5,479.30
Rescheduling	6	419.50	
Forced Loan	1	191.10	

## Audit Committee

The audit committee of the board of Bank Asia was first constituted in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no SEC/ CMRRC/2006-128/134/admin/44 dated 7, August 2012 Audit Committee must consists of at least 3 (three) members with 1(one) Independent director. All the members of Audit Committee should be selected from Directors and the chairman must be an independent Director. Bank Asia's Audit Committee consists of 5 (five) members. All of them are non executive Directors from whom 3 of them are independent Directors and the company secretary of the bank is the secretary of the audit committee. Mr. Mohammed Lakiotullah, the chairman of the audit committee is an Independent Director and from Business administration background and all the members are financially knowledgeable and have long experience in banking industry. More information is available in the Director's Profile at pages 23 to 25 and the 'Report on the activities of the Audit Committee' at page 181 in the Annual Integrated Report 2015. In 2015, 18 meetings held where 148 memos were presented.

### Meeting held by Audit Committee

18

#### Major agenda covered in 2015

- External Audit Report and the recommendations of the Bank
- Bangladesh Bank comprehensive inspection report and the recommendations
- Audit & Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance (ICC) Division of the Bank
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank
- The corrective measures taken by the Management in regard to the lapses pointed out by the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports
- Management Report on Accounts of the Bank for the year ended on 31.12.2015
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with the compliance
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs

## Capital Structure

December 31, 2015

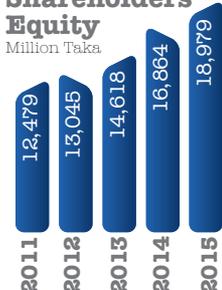
Million Taka

Particulars	Taka	USD
Paid up Capital	8,392.95	107.26
Statutory Reserve	5,876.25	75.10
Revaluation Reserve	2,549.63	32.58
General Reserve	8.17	0.10
Retained Earnings	2,152.23	27.50
Total Shareholders' Equity	18,979.33	242.55

Exchange rate is used 1 USD equivalent to Tk. 78.25

### Total Shareholders' Equity

Million Taka



## Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee will supervise whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risks. Currently 4 (four) members are in the Risk Management Committee. In 2015, 07 meetings held where 29 memos were presented.

### Meeting held by Risk Management Committee

07

#### Major agenda covered in 2015

- Memo on New Product “Forced Demand Loan” under PPF (Product Program Guideline) for identification of forced payment of non funded exposure
- Capital Management Function
- Review & expansion of scope and responsibilities of Risk Management Division (RMD)
- Core Risk Assessment (Internal) and Scope of development.
- Early Alert Process (EAP)
- Outcome of Stress Testing
- Memo on Risk Management Paper
- Monitoring Policy of Ship Breaking Customers of the Bank
- Risk Appetite and Management Action Trigger (MAT) of Bank Asia Ltd.
- Outcome of Additional Capital Assessment 2014
- Report on current and future compatibility of Core Banking System (CBS)
- Memo on outcome of Dialogue with Bangladesh Bank on Internal Capital Adequacy Assessment Process (ICAAP) for the year 2013
- Standard Operating Procedure (SOP) for Ship Breaking Industry
- Memo on Risk Management Structure of Bank Asia Ltd.

## Management Committee

The highest committee of Management is the Management Committee (MANCOM), which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. The MANCOM operates under delegated authority from the board and membership of the management committee consists of the President and Managing Director, Deputy Managing Directors, c-level executives and the heads of major operational departments. The current number of MANCOM members is 14. The name of the MANCOM members and their photos can be seen at pages 28 to 29 of the Annual Integrated Report 2015.

#### Meeting held by Management Committee

07

##### Major agenda covered in 2015

- Amendments of Credit Restructuring Unit under CACO
- Introduction of new projects, major procurement of ICT related equipments for those projects would be recommended by the IT Steering Committee to fulfill audit compliance
- Introduction of Unique Cheque Leaf Number and MICR Machine in the Bank
- Revision of Internal Control and Compliance (ICC) Guidelines
- Revision of Credit Policy
- Revision of RanksTel Phone Policy
- Different products of Consumer Credit Department were restructured and a few new products were developed
- Policy regarding deduction of Excise Duty
- BTB/EDF Liability Net-off Policy
- PPG of “Shomvabona” – product under CMSE loans for new entrepreneurs under refinance facility of Bangladesh Bank
- Policy for extending agri/rural credit through NGO/MFIs
- RTGS Risk Mitigation Policy – PSD(Payment Service Department)

**ALCO** The Asset Liability Committee (ALCO) comprising the senior management, take strategic decisions on fixation of asset liability pricing, on liquidity management in the context of changing market scenarios. The Member-Secretary of the ALCO will call for a meeting of the committee based on a regular schedule. When needed special ALCO meetings are held to respond to the unusual or seasonal market behavior or other volatile market scenarios. Proactive measures of ALCO kept the credit deposit ratio within a comfortable range that helped the bank to earn through foreign exchange and money market products of treasury line. In 2015, there are 9 members in ALCO. The committee may be reconstituted as and when deemed necessary.

#### Meeting held by ALCO

11

##### Major agenda covered in 2015

- Market scenario & economic outlook
- Projections on Exchange Rate and Interest rate
- Peer group analysis
- Fixation of asset liability pricing
- Ratio analysis
- Monthly trend and variance of Deposit Advance
- Balance Sheet Gap analysis as per time bucket
- Review of key ALM indicators and its impact
- FC Inflow-outflow & commitments scenario
- Re-pricing gap of Asset-Liability

## Credit Committee

Bank Asia's credit committee is formed with a group of highly knowledgeable senior management who are responsible for assessing the credit worthiness and ability to repay debt of prospective borrowers. As per complete and critical assessment, the committee recommends for approval or declines the credit proposal and put observations where necessary. Based on the recommendations, credit proposals are approved or declined by the Managing Director or executive committee of the board or the board as per delegation of authority.

Sanction type of credit committee	Number of proposal
<b>Credit proposals processed by credit committee during 2015</b>	
Enhancement	174
Modification	1,033
New	633
One-time	2,736
Renewal	604
Renewal with Enhancement	269
Renewal with Reduction	48
Renewal with Restructuring	9
Rescheduling	29
Restructuring	12
Regret	7
Reduction	17
Others	94
<b>Total</b>	<b>5,665</b>

## SRP Committee

The Supervisory Review Process (SRP) committee is formed under the second pillar of Basel II capital accord. Bank Asia has developed internal methodology to assess requirement of additional capital to address risks that have not been considered under minimum capital requirement (MCR), i.e. credit risk, operational risk and market risk. The SRP committee is a representation of senior management working under board. The committee consists of 9 (nine) members: President and managing director (chairman of the committee), DMD & Chief Risk Officer, AMD & Chief Operating Officer, AMD, IT & Channel Banking, DMD & Zonal Head, SEVP & Head of ICCD, EVP & Chief Financial Officer, SVP & Head of Treasury, VP & Head of RMD. Core responsibilities of the committee are to ensure that bank has comprehensive Internal Capital Adequacy Assessment Process (ICAAP) and adequate level of capital is maintained and reported considering appropriately the level of risk. A separate risk management committee (RMC) supervises day-to-day risk identification, mapping and mitigation.

Meeting held by SRP Committee	01
<b>Major agenda covered in 2015</b>	
<ul style="list-style-type: none"> <li>■ Additional Capital Requirements for the year 2014</li> <li>■ Calculation Methodology of ICAAP 2014</li> </ul>	

## Independent Director

As part of good governance in the organization participation of independent opinion in the Board is considered as an important instrument. Independent directors in the Board exert an independent view on the policies and decisions of the Board and ensure that the policies and decisions are for the best interest of the whole bank. Bank Asia has appointed 6 (six) independent directors in the Board. They are Mr. A M Nurul Islam, a renowned bureaucrat and five renowned retired bankers Mr. Mohammed Lakiotullah, Mr. Shah Md. Nurul Alam, Mr. Mashiur Rahman, Mr. M Shahjahan Bhuiyan, and Mr. Md. Nazrul Huda. The Independent Directors are also member of the subcommittees of the Board. Three of them are the member of the Executive Committee, three of them are the members of the Audit Committee, where one is acting as Chairman of Audit committee and four of them are the members of the Risk Management Committee.

## Position of the Chairman of the Board of Directors and the President and Managing Director

The functional responsibilities of the Chairman of the board and of the President and Managing Director are kept separate and independent of each other. The Chairman is responsible for leading the board and overseeing the entire functioning of the bank as per corporate governance framework. Mr. A Rouf Chowdhury is the current Chairman of the Board. Through his dynamic leadership, he is leading the Bank towards the success.

The Managing Director leads the bank by developing, designing and implementing the business strategic plan of the Bank. The President and Managing director, Mr. Md. Mehmood Husain is also responsible for developing long term business plans and the day-to-day operation. He is also accountable to the shareholders and the board of the bank.

## Board Remuneration and Performance Evaluation

For attending the Board Meeting, Audit Committee Meeting, Executive Committee and Risk Management Committee, the Directors receive an honorarium of Tk. 8,000 each. During 2015, the expenditures incurred related to directors were Tk. 4,692,000 for Directors' honorarium and Tk. 196,590 for Directors' Traveling purpose. During 2014, the expenditures incurred related to Directors' honorarium was Tk. 2,770,000 and Traveling was Tk. 214,240.

## Mechanism to Provide Advice to the Board

Bank Asia maintains transparency and close communication with its shareholders. With this view we publish annual & semiannual report, publishing quarterly financials and price sensitive information (PSI) in newspapers for shareholders, investors, capital market experts, and other equity participants in a complete, fair, accurate, timely and understandable manner within the framework of generally accepted accounting principles and legislation provisions. Our bank's shareholders can also use their query rights or can provide any recommendations or direction to the Board of directors at the annual general meeting and the Board answers all questions of shareholders. Prior to AGM, the meeting date, venue and agenda are announced and also the annual report is submitted to the shareholders through our bank's website or through different channels. After getting feedback from shareholders at AGM, the Board then directs the management to implement the recommendations of the shareholders. If the Management requires making any change in policy or practice, the Board approves those changes; otherwise if this authority of approval is beyond the power of the Board, this can be approved by the shareholders of Bank Asia Ltd. at AGM through voting. In applicable cases extra ordinary general meeting (EGM) of general shareholders may be called. So far 16 AGMs and 10 EGMs have been successfully arranged.

## Avoiding Conflict of Interest

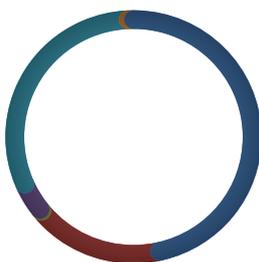
In financial intuitions there exists high possibility of arising conflicts of interest between Board of directors and the management of the company. To avoid such unwanted situation Bank Asia has separated the responsibility/authority of these two interest groups of the bank. To avoid conflict of interest and also to make accountable the bank has already taken the following measures:

- Loan to the directors is restricted subject to full filing certain terms and conditions of regulatory guidelines.
- If there is any related party transaction, the management discloses the matter in the Annual Report and it is also approved by the general shareholders in AGM.
- Executive committee of the Board can approve loan to anyone up to a limited portion.
- Audit committee regularly reviews the financial and other related statements and gives recommendation to the management regarding any changes in policy and also presents to the Board for further evaluation.
- Board of directors' approval is needed for loan re-scheduling.

## Shareholding Structure

December 31, 2015

Category	No. of Shareholders
Sponsor & Director	25
General Public	12,405
Foreign Investments	2
Investment Companies	109
Institutions	244
Non Resident Bangladeshi	107
<b>Total</b>	<b>12,892</b>



### Shareholding Structure

Sponsors & Directors **46.47%**  
 General Public **17.62%**  
 Foreign Investments **0.32%**  
 Investment Companies **4.01%**  
 Institutions **30.89%**  
 Non Resident Bangladeshis **0.69%**

# CAPITAL MANAGEMENT

Bank Asia is very much serious about maintaining capital adequacy. The management continuously plans capital requirements considering risks and shocks of financial market movement and assess the sensitivity with regard to interest rate risk, FX risk, equity risk and liquidity risk. Currently Bangladesh banking industry is in the process of implementation of risk based capital adequacy (RBCA) in line with Basel III capital accord since 2015 under the following three pillars:

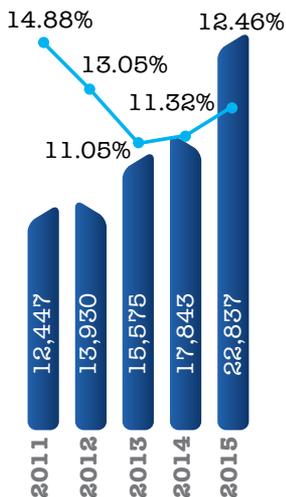
- Pillar I - minimum capital requirement (MCR); Standardized approach for credit risk, Standardized (rule based) approach for market risk, and Basic indicator approach for operational risks;
- Pillar II- supervisory review process; and
- Pillar III - market discipline.

Million Taka

Capital Fund of Bank Asia	2015	2014
Tier-1: Core Capital	16,400.10	14,173.67
	71.81%	79.43%
Tier-2: Supplementary Capital	6,436.73	3,669.56
	28.19%	20.57%
Capital Fund	22,836.83	17,843.23
RWA	183,247.39	157,574.62
Capital to Risk Weighted Asset Ratio (CRAR)	12.46%	11.32%

## Capital Fund

Million Taka



- Total Capital
- Capital to Risk Weighted Asset Ratio (CRAR)

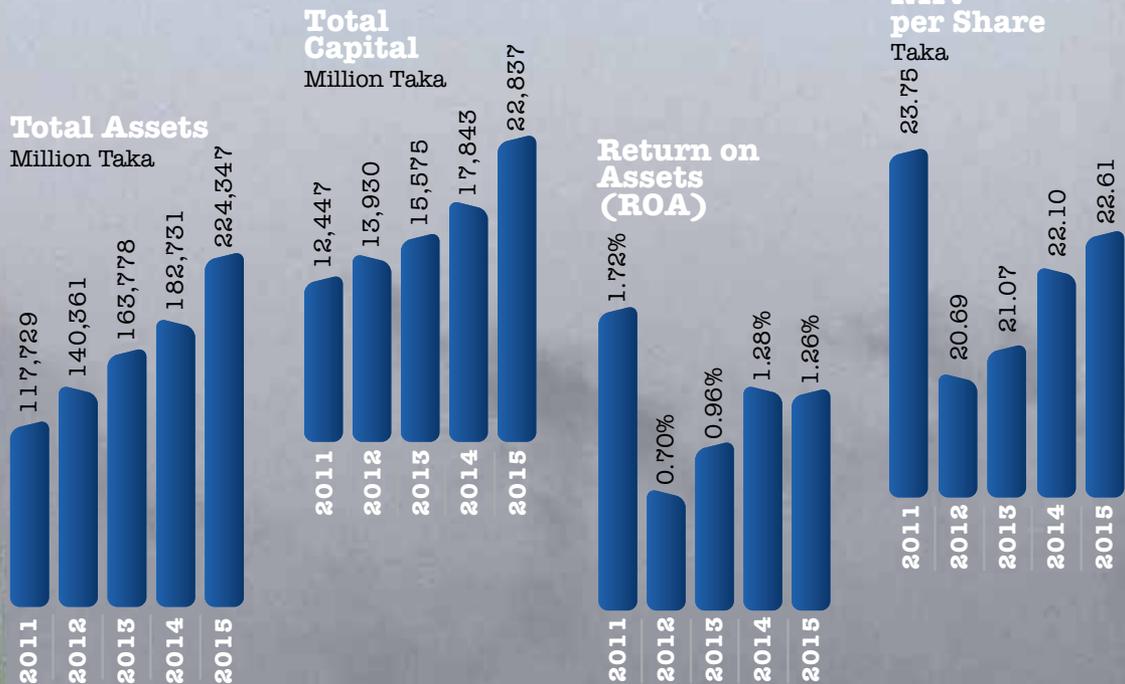
- Standard MCR is 10% on risk weighted assets (RWA), which will gradually increase up to 12.50% in the year 2019 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will by 3%, liquidity coverage ratio will be  $\geq 100\%$  and net stable funding ratio will be  $> 100\%$ .
- To maintain the BASEL III compliance as per Bangladesh Bank Roadmap the bank has decided to issue another Bond of Tk. 5,000 million Tier 2 capital in the form of 7 year floating rate Subordinated bond through private placement.

# FINANCIAL PERFORMANCE

## Major Financial Highlights

Million Taka

	2015	2014	2013	2012	2011
Paid up Capital	8,392.95	7,629.96	6,936.32	6,305.75	5,254.79
Deposits	169,827.34	140,869.29	133,489.37	110,061.78	95,131.10
Loans and Advances	136,396.34	116,808.85	104,911.26	92,328.82	82,819.97
Import	129,930.43	110,192.54	110,738.08	106,746.15	99,414.20
Export	89,275.32	77,646.91	71,968.83	66,478.34	74,794.50
Inward Remittance	42,996.80	41,732.50	34,334.40	32,110.10	21,776.70
Total Income	21,497.24	20,385.97	19,672.29	17,437.02	14,606.10
Total Expenditure	15,491.57	14,607.14	14,256.53	12,385.22	10,564.13
Operating Profit	6,005.66	5,778.83	5,415.76	5,051.80	4,041.97
Net Profit after Tax	2,573.92	2,218.69	1,459.82	908.00	1,916.21

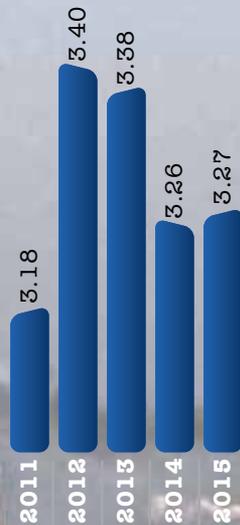


## Key Management Ratios

Million Taka unless otherwise specified

	2015	2014	2013	2012	2011
Credit Deposit Ratio	80.31%	82.92%	78.59%	83.89%	87.06%
Cost of Deposit	6.87%	7.53%	8.82%	9.22%	8.76%
Administrative Cost	2.85%	2.93%	2.66%	3.08%	2.65%
Yield on Loans and Advances	10.97%	12.77%	14.22%	14.50%	13.48%
Spread	4.10%	5.24%	5.41%	5.27%	4.72%
Burden Ratio	0.21%	0.52%	0.42%	0.01%	-0.11%
Salary Exp. to total Overhead Exp.	50.28%	46.98%	46.90%	46.74%	46.75%
Cost to Income/Efficiency ratio	41.84%	40.34%	36.53%	35.40%	36.88%
Earnings Per Share (Taka)	3.07	2.64	1.91	1.31	3.04
Dividend Coverage ratio	1.53	1.94	2.10	1.44	1.83

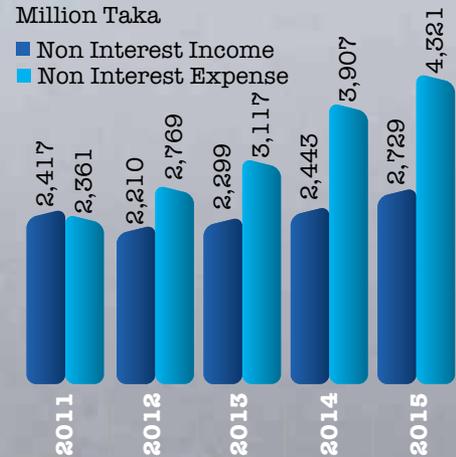
### Profit per Employee Million Taka



### Return on Equity (ROE)



### Non Interest Income & Non Interest Expense Million Taka



# PRIMARY BRANDS PRODUCTS AND SERVICES

**Branding** Since formation in 2011, the corporate affairs & branding department focused on aligning the marketing / branding activities of all the important departments of the bank with a view to ensuring consistency of the Bank Asia brand. Eventually, the department stressed on rebranding of the Islamic window, retail deposit products, SME products, ID products, Agent banking etc. Gradually, starting from organizing important business events like the AGM, EGM, annual business conference to improvising branch opening activities in and outside Dhaka were all conducted by branding in a befitting manner. In addition, branding team also launched new products through gala events working together as team with other departments. Among a number of activities that has earned the bank a very prestigious position in 2015 was the remodeling of the corporate website, re-designing of the credit cards etc.

## ‘Shomvabona’ SME Loan Product

“Shomvobona” is a new business term loan offered by Bank Asia. This loan is mainly designed for new entrepreneurs who want to start new business to Cottage, Micro & Small Enterprise for working capital or purchasing of fixed assets. Only local citizens, age between 18 and 45, are allowed to get the loan amount Tk. 50 thousand to Tk. 2.5 million at 10% interest rate and tenor of the loan ranges from 3 years to 5 years.

## ‘Probaho’

Probaho is a new loan product introduced by the bank in 2014 designed for a group of targeted micro or SME entrepreneurs of electrical and items manufacturing cluster of Dhaka city and adjacent vicinity. It is collateral free loan financing size up to Tk. 0.80 million @ 9% interest rate. This product is mainly for those small entrepreneurs who remain out of banking services due to lack of capacity, experience, documentation, collateral etc. During the year 2015, Bank Asia disbursed Tk. 21.61 million under probaho.



Launching ceremony of a new SME product ‘Shomvabona’

## ‘Talent Learning and Earning’

As a result of agreement struck in 2014 with Coders Trust, an organization working for skill development of Bangladeshi freelancers, Bank Asia has launched a new product named “Talent Learning and Earning” in 2015 to provide loan to freelancers to be trained up by Coders Trust. The purpose of this new product is to facilitate the students to pay off their training cost, purchase of laptop and modem for internet connectivity to work as a freelancer. The maximum loan amount will be Tk. 0.1 million with 21 months tenor including maximum 9 months moratorium period. Through launching this product, Bank Asia has taken initiatives to promote online freelancers for building a better future for themselves as well as for the country.

## Payoneer

For E-commerce development of the country, the Government of Bangladesh has put enormous emphasis as it entails far-reaching positive impact in the society. To make the service export related payments easier and cheaper for the beneficiaries in Bangladesh and to take banking services further ahead towards aligning with “Digital Bangladesh”. Bank Asia has come forward by making Strategic Alliance with OPGSPs. Bank Asia is the pioneer to set up strategic alliance with one of the world largest OPGSP “Payoneer” in October 27, 2014.

Payoneer enables millions of business and professionals from more than 200 countries to reach new audiences by facilitating seamless, cross-border payments. Through its service, freelancers can receive their earnings very quickly & easily. In our country about 1.5 lac freelancers are directly involved in exporting their services and routing their earnings. So, Bank Asia keeps importance in Payoneer. In 2015, 7,122 transactions have done by Bank Asia amounting Tk. 438.43 million through ‘Payoneer’. We are also targeting to excel our service tremendously in 2016.



Launching ceremony of Online Payment Gateway Service (OPGSP) with Payoneer

## Agent Banking



Bank Asia Limited has introduced Agent Banking Services as the pioneer in Bangladesh with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. Despite substantial bank branch expansion and emergence of microfinance institutions (MFIs), scant access to basic financial services remains a deprivation suffered by large segments of the poorer rural and urban population in Bangladesh, and therefore financial inclusion is viewed as a high policy priority for more inclusive and more equitable economic growth.

A vast majority of Bangladeshi lives outside the full formal banking network (about half of the adult people) and therefore deprived from essential financial services and subjected to unfair money lending practices. The Banks have traditionally been very cautious in extending its branches to remote areas. The root causes for the uneven coverage of financial facilities are manifold:

- Long distances & low population density
- High bank cost relative to income
- Low education & illiteracy
- Poor product/ channel design
- Awareness & Policy Support

Bank Asia has taken initiative to overcome all those constraints by implementing Agent Banking in all districts of Bangladesh. Bank Asia has implemented 95 Agent outlets in 33 districts of Bangladesh.

Transactions details for the year 2015			
SL.	Transaction Type	No. of Transaction	Taka
1	Deposit	152,839	3,375,100,052
2	Withdrawal	101,408	2,132,001,424
3	Fund Transfer	30,208	2,876,709,414
4	Foreign Remittance	41,297	1,283,626,486
5	Palli Bidyut	252,855	151,432,626
6	Passport	30,511	115,619,163
	<b>Total</b>	<b>609,118</b>	<b>9,934,489,165</b>

Balance as on Dec. 31, 2015			
SL.	Account Type	No. of Account	Taka
1	Savings	40,222	202,620,807
2	Current	3,301	35,620,902
3	DPS	6,474	70,667,000
4	TDS	520	64,080,406
5	School Banking (June 2015)	443	603,225
	<b>Total</b>	<b>50,960</b>	<b>373,592,339</b>

The details of Agent Banking Product & Services at **Page 52** under Product and Services segment

#### Institutional Agreement and New initiatives of Agent Banking

- Agent Banking through (UDC) under a2i
- Agent Banking through SFDF
- Agent Banking through BURO Bangladesh
- Agreement with WFP
- Agreement with GNB
- Agreement with SWAPNO
- e-Commerce through Agent Banking
- Banking Solution for Post Office
- Agreement with CARE
- Agreement with Padakhep Manabik Unnayan Kendra
- Agent Outlet for Insurance Product

Agent banking will ensure proper customer identification and services at the doorstep of common people with state-of-the-art technology. The digital way of providing services would ensure security and safety of the common people for their fund. The Financial inclusion criteria: Close to the common people; Availability for all people including disabled, illiterate; All the financial services and at affordable cost; are met by Agent Banking. The Agent Banking would be the tool for ensuring Bank Account for all the Adult people of Bangladesh.

#### Plan for 2016

- In total 400 Agent outlets throughout the country to have more people under financial inclusion
- 200 Agent Outlets opening through UDC
- Agreement with SWAPNO, CARE, Padakhep Manabik Unnayan Kendra for Social Safety Net program
- e-Commerce through Agent Banking
- Banking Solution for Post Office
- Payroll Banking Service for BURO Bangladesh Staff
- Introduction of Insurance Product selling through Agent Outlet

Opening of Group Accounts of different associations in the hill districts of Rangamati & Bandarban under the Agent Services of Bank Asia



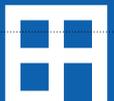
# ONE WORLD ONE ENVIRONMENT



Today, the human race consumes resources equivalent of 1.5 planets. With the rising population, patterns of production, ways of living and the current consumption remain the same we will need two planets by 2030. So if seven billion people were to each make one positive change towards a sustainable lifestyle it will stabilize the rate of resource use as well as to reduce environmental impacts.



World Environment Day 2015  
**Seven Billion Dreams.  
One Planet.  
Consume with Care.**  
June 5

 **Bank Asia**

# SCHOOL BANKING

Bank Asia brings School Banking Account for those kids who aspire to be in the main-stream of life from their very first day at school. Any school going child can open a School Banking Account and start saving for the future. This account is meant to help our future generation to grow up with a savings habit along with being accustomed with the banking culture and system. The salient features of our School Banking account are:

- Attractive interest rate for Savings and Term Deposit Accounts
- No account maintenance charges with free ATM Cards
- Options for opening DPS Accounts
- Both Parents and student can operate the account
- Payment of school fees
- Stipend facilities for meritorious students, and Financial assistance for education of the student in the event of death of the earning member of the family



## স্কুল ব্যাংকিং

আমার স্কুল আমার সঞ্চয়

### একাউন্টের বৈশিষ্ট্য

- আকর্ষণীয় মুনাফার অনুপাত/হার
- কোন একাউন্ট মেইনটেইনেন্স চার্জ নেই
- ফ্রি এ.টি.এম কার্ড
- একাধিক ডিপিএস প্লাস হিসাব খোলার সুযোগ
- অভিভাবক ও ছাত্র/ছাত্রী উভয়ের লেনদেন করার সুযোগ
- বিদ্যালয়ের যাবতীয় বেতন ও ফি পরিশোধের সুযোগ
- পরীক্ষায় ভালো ফলাফলে মেধাবীদের জন্য পুরস্কারের সুযোগ
- উপার্জনকারী অভিভাবকের মৃত্যুতে একাউন্টহোল্ডারকে শিক্ষার জন্য আর্থিক সহায়তা।



## School Banking Smart Junior Saver



With a view to partnering financial inclusion by ensuring participation of school students in the economic activities through creating savings attitude among students, Bank Asia has been offering a school banking product named Smart Junior Saver (SJS) based on Mudaraba principle of Islamic Shariah from its Islamic Banking unit. This product familiarizes young generation with banking transactions and creates social awareness of savings habit among the children and develops kids' money management skill that may be useful for the rest of their lives.

The product is designed specially for the children and students under 18 with a bundle of benefits. The benefits include higher Income Sharing Ratio (ISR) for paying profit, charge free account maintenance, charge free online transaction facility from any Branch, free ATM/debit card for students, gift for intelligent/ meritorious students and financial aid in case of death of the earning guardian of any SJS account holder. Kids and students can avail opportunity to open this account, initially by depositing Tk. 100 (one hundred) only.

To popularize the product in the target market segment, Bank Asia is conducting different campaigns in different educational institutes. The Bank distributes prizes and certificates to students scoring bright result every year. In 2015, the Bank approved scholarship / financial aid to continue education of 3 (three) Smart Junior Saver account holders as their earning guardian died.

School banking is a step towards financial inclusion and financial literacy goals taken by Bangladesh Bank, as it helps children learn about the banking system. Besides, it encourages children to develop the habit of saving. The Bank has participated in School Banking Conferences held in Barisal and Bogra organized by Bangladesh Bank. Moreover, Bank Asia received appreciation certificate from Bangladesh Bank in recognition to the Bank's contribution for promoting School Banking Service in the country.

As on December 31, 2015, Bank Asia has more than 4,958 Smart Junior Saver accounts (including DPS) with balance of Tk. 102.43 million.

For scoring bright academic result Smart Junior Saver account holders receiving gifts and certificates in the School Banking & Financial Literacy program



## Disclosure on Product Portfolio

### Incorporation of Environment Risk in Core Risk Management

We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess a prospective borrower. This includes integrating environmental risks in the checklists, audit guidelines and reporting formats. All of this help mainstream environmental risk that covers possible sources of environmental risk such as land use, climate change related events (cyclone, drought), animal diseases/ pathogens such as avian influenza, solid waste including waste feed, animal waste, carcasses, sediments, wastewater discharges, hazardous materials, etc will be reviewed under environmental due diligence (EDD) checklists.

All the branches/ SME centers are obligated to incorporate environment risk management (ERM) component in their credit proposals as per guideline.

### Introducing Green Finance

Preferences are given in financing eco-friendly business activities and energy efficient industries. We encourage investment in establishing environmental infrastructure such as renewable energy project, clean water supply project, wastewater treatment plant, solid & hazardous waste disposal plant, bio-gas plant, etc.

As Bank Asia has a participation agreement with Bangladesh Bank under the refinancing scheme for lending in solar energy, bio-gas, effluent treatment plant (ETP) and hybrid hoffman kiln (HHK); we periodically determine business ventures under these sectors where we can provide lending facilities.

Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for its borrowers as well as stakeholders. For relief of global warming and air pollution, in 2015, Bank Asia financed Tk. 2.3 million to Rupali Dyeing for ETP. For bio gas plant and realizing the importance of producing bio energy, we have financed biogas producing project @ 9% where currently 9 farmers getting this benefit. Moreover, we have saved Tk. 18.13 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E- Fund Transfer, Digital Attendance, E -Mail correspondence etc.



One of our clients Robintex Group using ETP technology for water treatment and recycle

## Assessing and Screening Environmental and Social Risks

For assessing environment risk EDD checklists, 1 general and 10 sector specific (additional), are provided along with a guidance matrix for using as minimum standard to process credit proposals. Ten specific sectors are agriculture, cement, chemicals, engineering & basic metal, housing, pulp & paper, sugar & distilleries, tannery, textile & apparels, and ship breaking.

EDD checklist Guideline Matrix:

General	Sector Specific	Overall
low	low	low
moderate/low	moderate/low	moderate
If any one or both the general & sector specific is 'high'		high

If environment risk is rated "high" the proposals are approved by the executive committee/ board and additional environmental and social covenants are incorporated.

## Improving Staff Competency for Environmental and Social Responsibility

To achieve the business at the optimum level and to sustain with the changing nature of business environment, Bank Asia always puts enormous emphasis to improving staff competency even for environmental and social responsibility.

We frequently arrange training/workshops on ERM and green banking for our officers and executives. During 2015, total 4 training programs have been arranged by different departments regarding capacity building and awareness development program on 'Green Banking' in its own department. In addition, there are 3 external trainings was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking.

As greening of mind, this year Bank Asia has provided four training on Green Banking under Foundation training course in its 'training institute where a total of 108 staffs participated in this training program. Our credit risk management (CRM) department has introduced e-sanction advice for the all approved credit facilities.

In addition to this, OCAS (Online Credit Approval System) has been developed as a part of technological improvement of the Bank. 46 branches of the Bank have been imparted extensive training on operation of OCAS in 2015. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier. With successful implementation of OCAS, Bank Asia will make a great stride in online banking with an edge on its competitors. All the proposals of CACO (Corporate Assets & Client origination), MACO (Mid-market Assets & Client Origination), SME (Small & Medium Enterprise) & CFC (Consumer Finance Centre), specially one shot proposals are processing through OCAS.

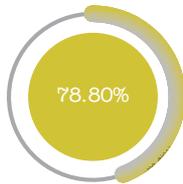
## Transport

As part of environmental responsibility 13 out of 24 vehicles used for pick & drop facility and majority of the pool vehicles have been converted into CNG driven. Moreover, executives of the Bank are provided with car facility (321) and they are encouraged to convert their cars into CNG driven (dual fuel). More than 80% of those cars have already been converted into CNG driven.

**Business Portfolio**  
(as on December 31, 2015)

**Corporate & Large Loan**

Portfolio of Loans & Advances of Bank Asia has always remained focused on Corporate and Large Loan Financing



**Outstanding** Tk. 107,479 million

**MSME**

Bank Asia has been sincerely putting its efforts to amplify its MSME related activities.



**Outstanding** Tk. 16,459 million

**Agricultural**

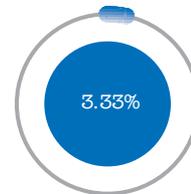
To contribute in the rural development, Bank Asia has been working in Agricultural sector. In 2015 Tk. 2,159 million has been disbursed to serve 92,760 beneficiaries.



**Outstanding** Tk. 1,289 million

**Islamic**

To achieve sustainable economic growth with justice & equity, and to serve a major segment of business under religious frame work Bank Asia now operating five Islamic Banking Windows and have salamah online banking available in all branches of the bank.



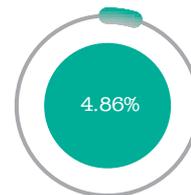
**Outstanding** Tk. 4,539 million

**Retail**

Bank Asia is trying hard to create a sustainable healthy portfolio through its retail business. Consumer finance and Credit cards are the important segment of Retail business.

Several new products were introduced and sanctioned credit through different products like House Finance, Auto Loan, Consumer Durable Loan, Unsecured Personal Loan, Loan for freelancers and Loan for Professionals.

Credit card business is being run on severe competition. Continuous loyalty and customers' reward benefit package play key roles to retain the customers.



**Outstanding**  
Consumer Finance  
Tk. 5,482 million  
Credit Cards Tk. 1,148 million

## Monitoring Clients' Environmental and Social Compliances

Bank Asia has introduced sector specific environmental policies in addition to environmental risk management policies and green banking policies for cement, brick manufacturing, ship breaking, sugar, leather/ tannery, food processing, hospital & clinic, pulp & paper, rubber & plastic light engineering, agriculture. We conduct monitoring through obtaining site and environmental clearance certificate and site visit to check compliance of environmental and social covenants. Our environmental due diligence process identifies potential risks, determines their impact and severity and suggests way to mitigate them.

For better energy efficiency and lower emissions, Bank Asia financed Tk. 47.20 million in 8 projects to set up Zigzag chimney. More over Bank Asia financed Tk. 467.25 million to "Eta & Tiles" which envisages of setting of a modern environment friendly and energy efficient bricks manufacturing project with the tunnel kiln technology and Tk. 200 million @ 9% to Saiham Knit Composite Ltd. (USGBC Certified LEED Certificate) for reducing carbon footprint through established environment friendly composite knit industry.

## Region wise Portfolio

Region wise portfolio summary as on December 31, 2015 was as under

Division	Urban	Rural	Total	%
Dhaka	96,511.15	6,189.53	102,700.68	75.30%
Chittagong	22,655.58	2,658.66	25,314.24	18.56%
Khulna	1,687.59	430.50	2,118.09	1.55%
Rajshahi	2,636.91	1,569.89	4,206.80	3.08%
Barisal	320.25	-	320.25	0.23%
Sylhet	1,174.72	433.08	1,607.80	1.18%
Rangpur	128.48	-	128.48	0.09%
<b>Total</b>	<b>125,114.68</b>	<b>11,281.66</b>	<b>136,396.34</b>	<b>100.00%</b>

## Economic Environmental and Social Value Generated through Various Products

### Micro finance, Small and medium enterprise (MSME)

MSMEs have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken MSME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2015, the MSME portfolio stood at Tk. 16,459 million.



**MSME Portfolio in 2015**  
(Million Taka)  
Trade **9,260**  
Manufacturing **3,392**  
Service **3,657**  
Women Entrepreneur **150**

## Sectoral Distribution of Credit

The Bank's loans and advances portfolio increased to Tk. 136,396.34 million achieving a growth of 16.77%. Sector wise distribution of loans and advances is as follows:

SL. No	Sectors/Sub-Sectors	2015		2014	
		Million Taka	% of Funded Loan	Million Taka	% of Funded Loan
1	Industries				
	Agriculture and Jute	1,758.34	1.29%	1,579.11	1.35%
	Cement	491.26	0.36%	1,646.80	1.41%
	Chemicals	619.93	0.45%	1,207.93	1.03%
	Electronics	1,638.68	1.20%	392.81	0.34%
	Food & Allied	13,090.57	9.60%	6,878.99	5.89%
	Paper	3,633.85	2.66%	3,303.54	2.83%
	Readymade Garments	15,002.06	11.00%	6,128.24	5.25%
	Real Estate	10,443.77	7.66%	5,123.09	4.39%
	Steel	5,878.55	4.31%	11,851.85	10.15%
	Textile	9,680.05	7.10%	6,283.45	5.38%
	Others	16,065.00	11.78%	14,235.57	12.19%
	Subtotal	78,302.07	57.41%	58,631.38	50.19%
2	Infrastructure				
	Power	690.12	0.51%	1498.71	1.28%
	Telecom	528.51	0.39%	339.4	0.29%
	Construction	4,913.52	3.60%	4338.95	3.71%
	Transport	3,023.32	2.22%	3420.2	2.93%
	Sub total	9,155.46	6.71%	9597.26	8.22%
3	Commercial Lending	31,280.13	22.93%	37,105.86	31.77%
4	Export Financing	6,003.30	4.40%	1,765.30	1.51%
5	House Building Loan	363.24	0.27%	163.89	0.14%
6	Consumer Credit Scheme	5,482.24	4.02%	4,073.10	3.49%
7	Small & Medium Enterprise	3,414.66	2.50%	2,675.51	2.29%
8	Staff Loan	1,241.68	0.91%	1,090.19	0.93%
9	Credit Card	1,147.96	0.84%	1063.17	0.91%
10	Non-Banking Financial Institution	5.60	0.00%	643.21	0.55%
	<b>Total</b>	<b>136,396.34</b>	<b>100%</b>	<b>116,808.87</b>	<b>100%</b>

# PRODUCTS AND SERVICES

## Retail Banking Products

### Deposits

Low Cost/No Cost

Deposit Accounts

- Current Deposit Account
- Savings Bank Account
- Short Notice Deposit Account
- Foreign Currency Account
- Account for Under-privileged Section (10 Taka, Street Urchin, Beneficiaries of National Service program, Cleaners, Garment Workers, Technicians of Small Industries, etc.)

Term Deposit (s)

- Fixed Deposit Regular

Scheme Deposit (s)

- Monthly Benefit Plus
- Double Benefit Plus
- Triple Benefit Plus
- Bank Asia Sanchay Plus
- Deposit Pension Scheme Plus
- Shonchoy E Koti Poti

### Consumer Finance

- Auto Loan
  - Shapner Bahan
- House Finance
  - Shapner Abash
  - Griha Shaj
  - Shapner Kuthir
  - Shapner Nirman
  - Nijer Bari
- Consumer Durable Loan
- Unsecured Personal Loan
  - Proyojon
  - Chuti
  - Sheba
- Loan for Professionals
  - Shabolombi
- Loan for Senior Citizens
  - Purnata
- Green Energy Loan
- Talent Learning and Earning

## Credit Card

- VISA Platinum Card (with Priority Pass)
- VISA Classic Local Card
- VISA Classic Dual Card
- VISA Ladies Card
- VISA Butterfly Card
- VISA Gold Local Card
- VISA Gold Dual Card
- Hajj Card
- Virtual Card
- Master Silver Card
- Master Gold Card
- SME Credit Card
- LankaBangla Card Cheque
- Gift Card

## Micro, Small, Medium and Agriculture Banking Products

- All conventional deposit products except savings bank deposit, scheme deposits and other deposits for only individual customers.

## Micro & Small Enterprise Finance

- Shomadhan (Trading, Manufacturing, Service & Women Entrepreneur)
- Shachondo
- Utshob
- Shubidha - Unsecured
- Sristi - Unsecured
- Shofol - Unsecured
- Shondhi - Secured
- Shombridhi - Secured
- Sheba - Secured
- Subarno (Women Entrepreneur)
- Probaho (Trading & Manufacturing)
- Shombhabona (for New Entrepreneurs)

## Medium Enterprise Finance

Funded Products

- Secured Over Draft (SOD)
- Cash Credit Hypo
- Over Draft A/C
- SOD (Earnest Money)
- Loan against Imported Merchandize
- Loan against Trust Receipt
- Payment against Document (PAD) Cash

Excessive carbon emission from lingering vehicle congestion

- Documentary Bills Purchased - LCY
- Demand Loan (Workorder)
- Forced Demand Loan against L/C
- Term Loan Industrial
- Term Loan Others
- Loan General
- Transport Loan
- House Building Loan - General
- Lease Finance
- Time Loan

#### Non Funded Products

- Letter of Guarantee
- Letter of Credit (Sight/Deferred/UPAS/EDF)
- Back to back Letter of Credit (Local & Foreign)

#### Agriculture Finance

- SOD (10 Taka Savings)
- Demand Loan against 10 Taka Savings
- Short Term against 10 Taka Savings
- Cropping Demand Loan
- Dairy and Fattening Demand Loan
- Dairy and Fattening Term Loan
- Fishery Demand Loan
- Fishery Term Loan
- Equipment Term Loan
- Poultry Demand Loan
- Poultry Term Loan
- Demand Loan against NGO
- Agriculture Term Loan against NGO

#### Corporate Banking

##### Cash Management Products

- Day-to-day cash control
- Account Packages – Current, SND and Fixed Deposits
- Monitoring money at the bank, both active and non-active cash
- Receipts and items in the course of collection
- Payments and items in the course of being paid
- Cash Pick Up & Delivery
- Short-term investments
- Short-term borrowings
- Short-term foreign exchange positions
- Electronic payments
- Booths

#### Funded Products

- Secured Over Draft (SOD)
- Cash Credit Hypo
- Over Draft
- SOD (Earnest Money)
- Exporter's Cash Credit
- Documentary Bills Purchased - FCY
- Documentary Bills Purchased - LCY
- Demand Loan (Workorder)
- Loan against Imported Merchandise
- Loan against Cash Incentive
- Payment against Document (PAD) Cash
- Loan against Documentary Foreign Bill - FCY
- Forced Demand Loan against L/C
- Term Loan Industrial
- Term Loan Others
- Loan General
- Transport Loan
- Loan against Packing Credit
- Loan against Trust Receipt
- House Building Loan - General
- Lease Finance
- PAD (Export Development Fund)
- Export Development Fund (EDF) Loan (FCY)
- Time Loan
- Demand Loan (Workorder)

#### Non Funded Products

- Letter of Guarantee
- Letter of Credit (Sight/Deferred/UPAS/EDF)
- Back to back Letter of Credit (Local & Foreign)

#### Structured Financing

- LCY syndication arrangement
- FCY term Loan and syndication
- Multilateral financing
- Advisory services
- Trustee and agency services
- Arranging Debt (Bonds/Commercial Paper)
- Customized financial solutions
- Special arrangements (IPFF/ Special fund of BB/ Agribusiness Loan etc)

### Off-shore Banking Unit (OBU) Products

- On-shore Import & Export Bill Discounting
- Working Capital Finance
- Trade Finance
- Loans & Advances to wholly foreign owned entities
- Term loan to local entities
- Nostro account services to other local banks

### Islamic Banking Products Deposit Products

- Al-Wadiah Current Account (AWCA)
- Mudaraba Savings Account (MSA)
- Mudaraba Special Notice Deposit Account (MSNDA)
- Mudaraba Term Deposit Receipts (MTDR) of different Tenure
- Mudaraba Hajj Savings Scheme (MHSS)
- Mudaraba Deposit Pension Scheme (MDPS)
- Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)
- Smart Junior Saver (SJS)
- Cash Waqf

### Investment Products

- Bai Murabaha Muajjal
- Bai Murabaha EDF
- Hire Purchase Shirkatul Melk (HPSM)
- Musharaka
- Murabaha
- Guard against Accepted Bills
- Guard against MTDR
- Guard against Schemes

### Agent Banking Products

- Current Deposit Account
- Savings Bank Account
- Short Notice Deposit Account
- School Banking Solution
  - Smart Junior Saver Account
  - School Banking Account
  - School Fee Collection
  - Payroll Banking for Teachers
- Deposit Pension Scheme
- Term Deposits
- Remote Banking (EBEK)
- Islamic Banking Deposit Products

### Services

- Account Opening Services
- Deposit & Withdraw
- Fund Transfer
- Inward Foreign Remittance
- Utility Bill Payment
- Balance Inquiry
- Account Statement (mini)
- Insurance Premium Collection
- Passport Fee Collection
- SME Loan Processing
- Agricultural Loan Processing
- Personal Loan Processing
- Support Green Banking Initiative
- Training and Development
- Debit/ Credit card processing

### Treasury Products Money Market

- Overnight Lending and Borrowing
- Repo and Reverse Repo
- Swap
- Sale and Purchase of Treasury Bill & Bond
- Placement of Fund
- Term Borrowing
- Investment

### Foreign Exchange

- Spot
- Forward
- Currency Swap

### Foreign Remittance Services

- Exchanges Houses
- Inward Foreign Remittance
- Outward Foreign Remittance
- Mobile Banking - Express Cash
- PAYZA
- Remittance Card
- BEFTN

### Other Services

- ATM Services
- Remittance Service
- Locker Service
- Online Banking
- Internet Banking
- Phone Banking
- Mobile Banking
- SWIFT
- Centralized Trade Services
- Student File
- Travelers' Cheque
- E-Commerce
- E-Procurement
- Debit Card
- Contact Center (16205)
- Electronic Fund Transfer (EFT)
- Real Time Gross Settlement (RTGS)
- Utility fees payment
- School Banking Solution
- College & University fees collection
- Machine Readable Passport (MRP) fees collection

### Capital Market Services

- Trading (Buy-Sell) Services
- Margin Loan
- CDBL Services
- Research Services

## Agricultural / Rural Credit

Bank Asia always thrives for financial inclusion through banking the un-banked. As part of this initiative we disburse very low interest agri/rural credit by its own network and NGO network to the low income groups like share croppers and marginal farmers etc. Till date total 441,234 farmers have received benefit under this scheme.

Million Taka

Particulars	Own Network	NGO Network	Total
Disbursement (Jan. to Dec. 2015)	109.50	2,049.10	2,158.60
Outstanding (as on Dec. 31, 2015)	126.64	1,162.71	1,289.35
No. of beneficiary (in 2015)	621	92,139	92,760

### Financing Solar Home Systems

Bank Asia is committed to enlighten every rural home with green electricity. At present, only about 40% of the rural households in Bangladesh have access to grid electricity. Rest of the areas are not connected to the national grid thus, life comes to almost a standstill there after sun-set. Giving priority in this sector, Bank Asia has been supporting to import and install solar home systems in the off grid area. During the year 2015, we have disbursed Tk. 0.03 million to 1 borrower for installations of Solar Home Systems. Till now 6,502 families are brought under solar home systems.

### Cultivation of Maize, Spice, & Oil-seed

During the period, we disbursed Tk. 1.14 million to 11 farmers in Faridpur and Bogra at 4% interest rate for cultivating pulse, oil seed, spice and maize directly through our rural branches. We are promoting and advertising this facility features through our branches to encourage the farmers.

Women farmers beneficiaries of agricultural credit of Bank Asia



### Financing Effluent Treatment Plant (ETP)

In 2015, Bank Asia has disbursed Tk. 49.50 million for installation of Effluent Treatment Plant (ETP) that will help to reduce discharge of untreated factory waste water into the rivers.

### Financing Environment Friendly Brick Kiln

In 2015, Bank Asia financed Tk. 47.20 million in 8 projects to set up Zigzag chimney for better energy efficiency and lower emissions. We financed Tk. 467.25 million to Eeta & Tiles Ltd. for their brick manufacturing businesses involved with energy efficient HHK/Tunnel Kiln technology.

### Online Payment Gateway Services

Multitudes of extremely talented Bangladeshis are earning foreign currencies by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, software customization, business process outsourcing (BPO) etc. Bank Asia is the first and only Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring such hard earned money. It would give a strong competitive edge of Bank Asia over the other players in the market by catering the Banking need of an emerging sector. In 2015, we have done 1,302 transactions and paid an amount Tk. 18.36 million through 'Payza' and 7,122 transactions amounting Tk. 438.43 million through 'Payoneer'. We are also targeting to excel our service tremendously in 2016.

To encourage outsourcing professionals and make their work conspicuous to everyone Bank Asia and BASIS have given "BASIS Outsourcing Award-2015" in the end of June, 2015. Bank Asia sponsored Tk. 1 million in that program as 'Platinum Partner'.

## Audit of Environmental and Social Compliances

The internal audit team under internal control and compliance department (ICCD) carries out audit & inspection of all branches and credit risk management (CRM) department at least once in a year and examine compliances of environmental covenants in the credit sanction memos along with other general reviews. Implementation of environmental and social policies and risk assessment procedures were also audited by external as well as Bangladesh Bank audit team every year. External auditors must cover 80% of total loan portfolio. On the other hand, the central bank covered 31 branches, 2 Islamic Windows, 7 Forex (Branch Level), 4 Core Risks and Corporate Office (Yearly) in their comprehensive audit and inspection in 2015.

## Policies for the Fair Design and Sale of Financial Products and Services

Our intentions to address the needs of our customers first require us to provide products and services in the way our customers want them delivered with exemplary service and convenience and at competitive pricing. Our customers also expect us to be accessible, to respond to their queries in efficient way, to be open and transparent about our products and services, and to provide knowledgeable, objective and professional advice. These expectations go beyond the need to comply with consumer protection and financial regulation; they come down to earning our customers trust by delivering suitable products and services via the right distribution channels and at fair pricing or returns.

We are also committed to enhancing consumer financial capability and invest in ways to help our customers improve their financial decision-making. All our financial products are delivered by using various methods like direct selling, cross selling by branches as well as corporate office employees'. There are divisions among corporate clients based on the loan portfolio just to ensure timely and effective services to our clients. In a way

to keep pace with our objectives in mind, we have developed loan products policy. The policies are designed in a way that every rules can be well understood by the delivering channels i.e. branch as well as corporate office employees' to communicate to the customers in the most convenient way. Moreover, there are flexibility in the policies in a way so that our customers can get customized services according to their need as well as that can protect the interest of the bank.

There are loan product policies on commodity finance, export finance, work order finance, lease finance, earnest money finance etc. A few more loan product policies are under way to be developed based on our customers' expectations. Credit policy, sectoral allocation of the bank etc. are also reviewed periodically.

### Initiatives to Enhance Financial Literacy by Type of Beneficiary

In addition to integrating better customer suitability in our product and service offerings, we are also committed to enhance the financial capability of our customers. We do this by providing insights, tools, and advices to improve consumers' financial decision-making. By participating in various financial information fairs and formal/informal gathering with corporate customers, we try to support our customers in understanding the advantages and risks associated with financial products and services, as this can enable them to take decisions that are better adapted to their personal circumstances. Our financial experts are also taking part in various related seminars around the country where they are sharing their insights and recommendations.

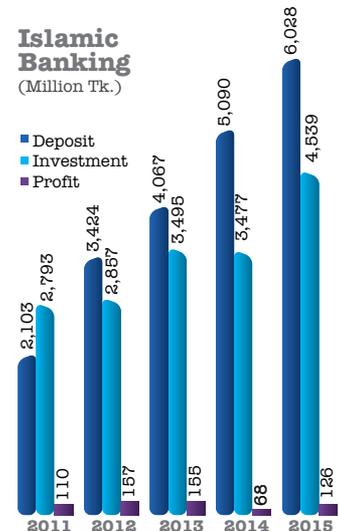
We aim to offer our financial products and services to all segments of the society. Our branches have barrier-free access, ATMs are located at convenient and with easily usable interface. As a result, our customer retention rate is comparatively higher than competitors'.

### Islamic Banking Services

Bank Asia commenced its much acclaimed islamic banking services in 2008 and the bank has 5 islamic banking windows in Dhaka, Chittagong and Sylhet divisions. We provide this service with the help of a separate Islamic banking software-Hikmah to provide real-time online banking service from our entire branches network through islamic banking service desk in every branch under salamah brand. ISR (income sharing ratio) based unique profit distribution system on mudaraba deposit has given our Islamic banking services much acclaim and wide acceptance.



**Islamic Banking**  
(Million Tk.)



# ENVIRONMENTAL PERFORMANCE

## Energy **Energy Savings**

Most of our branches and Corporate Office, have been designed to utilize maximum usage of natural lights, which reduces energy consumption substantially compared to other conventional building. Around a third of the bulbs being used in this office are of energy savings type. We are saving around 40% electricity (used for lighting purpose) by using the day light in our Corporate Office. Our electronic mail system has been operational since 2005, which is being extensively used for internal as well as external communication. Electronic communication substantially reduces paper consumption thereby reduce deforestation.

## Energy Consumption

Million Taka

Energy Type	2015
Electricity	98.13
Fuel & CNG	9.98

## Solar Powered Branches

We have already installed solar panels in our 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME service Centre, Bank Asia Bhaban & Nimtola Branch.

## Financing Renewable Energy and Carbon Offset Projects

During the year 2015 we have disbursed Tk. 2,158.60 million to 92,760 farmers, which helps sequestration of carbon.

## Direct Energy Consumption by Bank Asia

Source	Consumption		Megajoules
Electricity	10,517,685	kwh	37,863,666
Diesel	10,088	ltrs	363,168
Octane	40,303	ltrs	1,289,696
CNG	142,509	m3	4,560,288
<b>Total</b>			<b>44,076,818</b>

## Reducing Energy & Resource Consumption

Instruments of Green Banking offered by Card Division include E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, and Digital Attendance and E Mail corresponding, which help reducing printing paper. In 2015, our Card Department through its digital filing system have been archived more than 60,000 pages. Moreover, 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 paper saved 100,000 pages of paper and Tk. 14,000 as courier service cost. During the year 2015, consumption of paper by Bank Asia is Tk. 15.88 million. Unlike every year, the Bank has developed e-Cards for its stakeholders this year.

### Energy Efficiency Table

Million Taka

No	Instruments	Quantity	Cost of Conventional Practice	Cost of Green Banking Concept
1	E Statement	302,732	3.0273	NIL
2	SMS Banking	344,878	3.4488	0.086221
3	SMS Alert	672,879	6.7288	0.168222
4	Net Banking	165,129	1.6513	NIL
5	E-Fund Transfer	113,632	1.1363	NIL
6	Digital Attendance	1,524	0.0008	NIL
7	E-Mail Corresponding	239,744	2.3974	NIL
<b>Total</b>			18.3907	0.2544
Net Savings Taka 18.14 Million				

### Solar Home System

Bank Asia is committed to enlighten every rural home with green electricity. At present, only about 40% of the rural households in Bangladesh have access to grid electricity. For the rest of the areas are not connected to the national grid, life comes to almost a standstill there after sun-set. Giving priority in this sector, Bank Asia has been supporting to import and install solar home systems in the off grid area. During the year 2015, we have disbursed Tk. 0.03 million to 1 borrower for installation of Solar Home Systems.

### Water Usages

Bank Asia is very much conscious about efficient use of water. As a financial institution its use of water is already very much restricted. Major consumption of water is for drinking purpose. Our bank is also non-compromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation every branches and corporate office are supplied with specially procured filtered mineral water. The management of the bank takes special care so that wastage of water is minimum. Total consumption is controlled by monitoring per employee drinking water cost per month. During the year 2015, Bank Asia spent Tk. 175 per employee per month for safe drinking water.

### Waste Management

The process involved in dealing with the waste generated by day to day banking activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers. Being a financial institution Bank Asia does not deal with any hazardous waste.

- Both sides of papers are used and wasted papers are collected using bins after shredding
- Donate old equipment and furniture for charity or sold
- Food wastes are collected by community cleaners on daily basis
- Toner, cartridges and newspapers disposed off through community cleaners.

## Greenhouse Gas Emission

### Saving CO<sub>2</sub> Emission

From 2014, Bank Asia implemented Video Conferencing System to connect with remote branches for strengthening relationship between Head Office and branches. By using the system, Management can save time and money as well as CO<sub>2</sub> emission by avoiding long distance travel in order to attend meetings. Currently, the system has been implemented in few branches.

## Initiative to Reduce the Bank's Adverse Impact on Environment

Bank Asia by principle always averts financing in environment hazardous business. The bank has decided not to finance any tobacco related business, and all offices of the bank are declared smoking free zone. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers through environmental due diligence (EDD) checklists. Bank Asia has been approved USD 40 million for Global Trade Finance Program (GTFFP) Guarantee facility & USD 30 million for Short Term Finance (STF) facility by International Finance Corporation (IFC). The programs will allow the bank to increase the volume and value of trade transactions with enhanced tenors and access to competitive pricing terms and in other way will enhance the global marketability of the Bank to the international confirming banks.

## Reducing Carbon Footprint

Since inception Bank Asia has turned to eco-friendly banking as a way to lower carbon footprint in its' normal banking activities. As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme on August 10, 2011 for lending in solar energy, bio- gas, and effluent treatment plant & hybrid Hoffman kiln (HHK). In 2015, Bank Asia financed for ETP of Rupali Dyeing, a client of Narayangonj branch and Tk. 2.3 million for biogas plant. Bank Asia also financed Tk. 47.20 million in 8 projects to set up Zigzag chimney for better energy efficiency and lower emissions. Moreover, Bank Asia financed Tk. 467.25 million to "Eta & Tiles" which envisages of setting of a modern environment friendly & energy efficient Bricks Manufacturing project with the Tunnel Kiln Technology and Tk. 200 million @ 9% to Saiham Knit Composite Ltd. (USGBC Certified LEED Certificate). Moreover the Bank Asia spent Tk. 0.052 million to protect the environment and concerned people to environmental issues in 2015.



Bank Asia financed project 'Saiham Knit Composite Ltd.'

## Bank Asia and Green Banking

Bank Asia always believes in growing in a responsible manner maintaining eco-friendly environment which is essential for our survival. Since its inception, Bank Asia has been committed towards safe, clean and green environment. Our Green Banking activities are on multidimensional areas which include both in-house Green activities and external green activities towards supporting Green Economy.

The Bank's working environment encourages usage of e-mails, relying on online instructions for communication, using natural daylight and extensive usage of energy savings bulbs. Our Green Banking Policy Guidelines and Green Office Guide have been circulated to all our employees for creating awareness on Green Banking activities & providing instructions about conserving energy, water, saving paper, etc. Bank Asia developed its own Environmental Policies which proves our commitment to the Environment for a sustainable future. We have unified our sustainable operations under the "Green Banking Unit" equipped with permanent employees. The Audit Committee of the Board is selected as the High Powered Committee of our Green Banking Unit for reviewing the Green Banking activities.

As a green banking initiative Bank Asia ICT Division has provided email IDs to all permanent employees of Bank for communication which significantly reduced the paper based communication.

As greening of mind, this year Bank Asia has provided four training on Green Banking under Foundation training course where 108 staffs participated. In addition, 3 external trainings were organized related to Green Banking & Environmental Risk Management, Reporting Format of Green Banking Activities, Financial inclusion, CSR & Green Banking. Besides this, two of our officials participating in the workshop on "Sustainability Reporting as per GRI Guidelines" organized by SR Asia Bangladesh.

In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, our "Half Yearly Financial Position, 2015" incorporates Green Banking activities of our Sustainable Banking Operations. The Articles on Green Banking, sustainability reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers. Bank Asia has introduced Thin Client / Virtual Desktop (required only 24W power) in few branches by replacing desktop computers which dramatically reduce power consumption, carbon emissions and space consumption as well as reduces electronic garbage significantly.

### Green House Gas Emission Table

Source	Consumption		Co2 Emission (tons)
Electricity	10,517,685	kwh	1,356.78
Diesel	10,088	ltrs	27.24
Octane	40,303	ltrs	94.31
CNG	142,509	m3	294.86
Air Travel	2,750,000	km	652.33
Road Travel	4,124,000	km	363
Paper	39,982	Reams	12,994.00

#### Source

[www.carbonneutral.com.au/carbon-calculator.html](http://www.carbonneutral.com.au/carbon-calculator.html)

[www.eecabusiness.govt.nz/wood-energy-sources/co2-emission-calculator](http://www.eecabusiness.govt.nz/wood-energy-sources/co2-emission-calculator)

Like the previous year, the Bank has published 'Sustainability Report 2014' and achieved Best Sustainability Reporting Award 2015(SRA 15) Runner up 1 in overseas category by NCSR.

### Online Banking

Bank Asia has been one of the pioneers in introducing Online Banking and in 2015, it covers 98 branches, 6 SME centers, 108 own ATMs, more than 5,500+ shared ATMs and others. Clients can also have access to their accounts through Internet via Smartphone's which can be used for internet based applications for transactions. Online banking system is a great way to reduce wastage of paper.

In addition to this, OCAS (Online Credit Approval System) has been developed as a part of Technological improvement of the Bank. 46 branches of the Bank have been imparted extensive training on operation of OCAS in 2015. 238 proposals deals through OCAS during 2015 which will reduce lead time, ensure accuracy, strengthen security and make accessibility easier. With successful implementation of OCAS, Bank Asia will make a great stride in online banking with an edge on its competitors. All the proposals of C & LL, MACO, MSME & CFC specially one shot proposals are processing through OCAS. To ensure full-time availability and business continuity the ICT Division implemented three sites storage system for banking transaction where data replication between primary storage and third DR storage are synchronizing mode to protect loss of data. It's also helps to reduce the consumption of papers and engaging of extensive space of the bank.

Bank Asia has implemented most advanced solution in receiving WASA, DESCO bill payment and Passport fee collection systems through a full real time online web based which has enables for payment in a smooth and hassle free manner.

In our banking system recently 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking, Debit Card or Credit Card with less expense & in faster time from any time anywhere. Through SSL, Bank Asia Limited A/C Holder can purchase products & Services from 175+ Merchant websites.

### Compliance

During 2015, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.

CFCs and halogenated ODS are causing manmade Ozone depletion



# ECONOMIC PERFORMANCE

## Bank Asia's Value addition during 2015

Value added statement shows how much value (wealth) has been created by the bank through utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders i.e. employees, shareholders, government etc.

In the year 2015, bank's net value addition was Tk. 6,738 million; 32% distributed to employees as salaries, 37% to shareholders as dividend & reserve, 23% to government as income tax and rest of the amount used for business expansion and growth.

### Value Added Statements

Items	Million Taka	
	2015	2014
income from banking services	21,497	20,386
Less: Cost of services & supplies	(12,878)	(12,331)
Value added by banking service	8,619	8,055
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(1,882)	(1,562)
<b>Total</b>	<b>6,738</b>	<b>6,493</b>

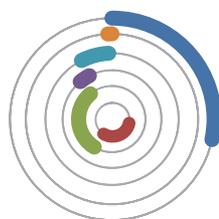
Distribution of value addition	Year			
	2015		2014	
	Amount	%	Amount	%
To employees as salaries	2,173	32%	1,836	28%
To providers of capital as dividend & reserve	2,503	37%	1,988	31%
To Government as income tax	1,535	23%	1,947	30%
To expansion & growth				
Retained profit	71	1%	231	4%
Depreciation	441	7%	441	7%
Deffered Taxation	15	0.23%	51	1%
	527		723	
<b>Total</b>	<b>6,738</b>	<b>100%</b>	<b>6,493</b>	<b>100%</b>

### Value Added Statement 2015



To employees as salaries **32%**  
 To providers of capital as dividend & reserve **37%**  
 To Government as income tax **23%**  
 Retained profit **1%**  
 Depreciation **7%**  
 Deffered Taxation **0.23%**

### Value Added Statement 2014



To employees as salaries **28%**  
 To providers of capital as dividend & reserve **31%**  
 To Government as income tax **30%**  
 Retained profit **4%**  
 Depreciation **7%**  
 Deffered Taxation **1%**

## Economic Value Addition During the year

Economic Value Added (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks. Shareholders Equity providers are always conscious about their return on capital invested. As a commercial banking company we are deeply concerned about delivery of value to all of our shareholders/ equity providers.

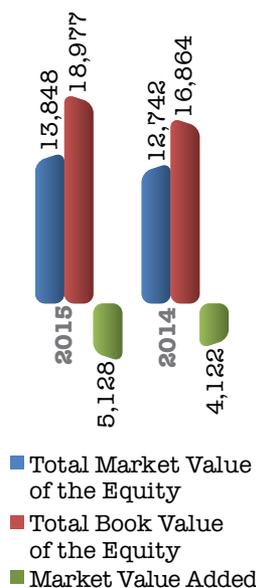
### Economic Value Added statement

Million Taka

Particulars	Year		
	2015	2014	2013
Invested fund by shareholders			
Shareholders equity	18,979.33	16,864.42	14,617.70
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	7,264.26	6,312.15	5,100.99
Total invested fund by shareholders	26,243.59	23,176.57	19,718.69
Average invested fund by the shareholders [A]	24,710.08	21,447.63	18,578.07
Earnings for the year			
Profit after taxation	2,573.92	2,218.69	1,459.82
Add: Provision for loans/ investment, off-balance sheet items and offshore banking units	1,881.74	1,561.88	1,895.17
Less: Written off during the year	1,075.79	471.38	1,341.14
Earnings for the year [B]	3,379.87	3,309.19	2,013.85
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium [C]	13%	13%	13%
Cost of average equity [D= A x C]	3,212.31	2,788.19	2,415.15
Economic Value Added [B-D]	167.56	521.00	(401.30)

Cost of average equity has been restated for the year 2013 and 2014 for comparison, for which EVA also changed

### Market Value Added Million Taka



### Market Value Addition during 2015

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders i.e. book value of equity. During the year 2015, total market value of the bank was Tk. 13,848.45 million and total book value of equity is Tk. 18,976.57 million i.e. addition of market value was Tk. (5,128.12) million.

### Market Value Added Statement

Million Taka

Particulars	No. of shares (in Million)	Share price (in Taka)	Taka
Market value	839.30	16.50	13,848.45
Book value	839.30	22.61	18,976.57
<b>Market Value Added</b>			<b>(5,128.12)</b>

### Contribution to National Exchequer

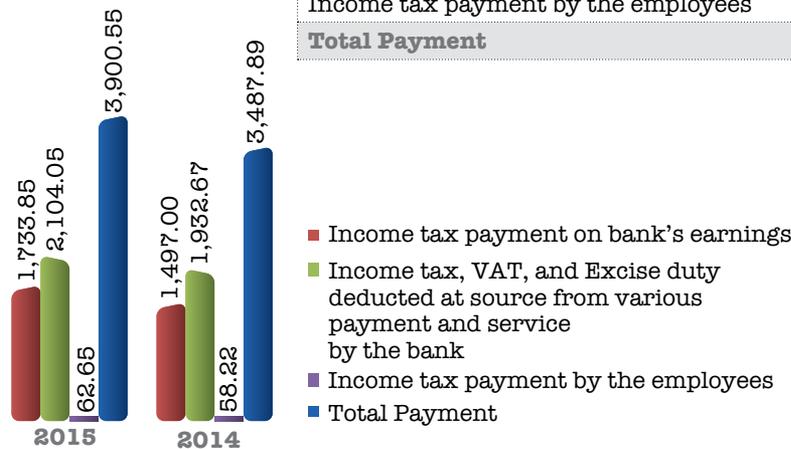
Bank Asia has contributed significantly to the government's effort of revenue collection. As a corporate entity, the bank pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2015, the Bank contributed Tk. 3,900.55 million to national exchequer.

### Contribution To National Exchequer

Million Taka

Particulars	2015	2014
Income tax payment on Bank's earnings	1,733.85	1,497.00
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	2,104.05	1,932.67
Income tax payment by the employees	62.65	58.22
<b>Total Payment</b>	<b>3,900.55</b>	<b>3,487.89</b>

Million Taka



### Financing Green Power Project

Since the last decade of twentieth century, global leaders and development experts have been emphasizing much on the need of sustainable development- a new development approach that takes into consideration the impact of development on the environment and the social community. Global climate change has resulted from excess dependence on use of fossil fuel for energy sources across the globe. Therefore, energy experts are focusing on increasing use of renewable energy for the purpose of sustainable development.

As an endeavour towards sustainable development, the concept of Green Finance has been emerged. In Bangladesh, for the green or environmental friendly projects, access to finance has been increased and various financial incentives including low-cost loan facility have been offered. Bank Asia Ltd. is also trying to play an important role in financing the green projects in a bid to reduce the impact of development activities on the environment. As a part of that effort, Bank Asia Ltd. has recently approved an ECA covered FC Term Loan facility of Euro 5.17 million in favour of Engreen Sharishabari Solar Plant Ltd., a local business enterprise, for establishing a 3-MWp (megawatt-peak) Grid-Tied SPV (solar photovoltaic) independent power plant on 8.23 acres of land at Sharishabari of Jamalpur district of the country. That plant will be the first ever grid-tied solar power plant in Bangladesh and will be selling dependable capacity and net electrical output to Bangladesh Power Development Board (BPDB) under a 20-year term Power Purchase Agreement.

For financing the project, Bank Asia Ltd. has already arranged a low-cost ECA (Export Credit Agency) covered FC Term Loan facility of Euro 5.17 million from AKA Export Finance Bank of Germany for import of solar equipments from Solar World of Germany- a global leader in solar power technology. Presently, civil construction of the project is on progress and the project is expected to come into commercial operation within the next six months. It is with much optimism that the project will be an iconic project in Bangladesh and will encourage other entrepreneurs to come to invest in the solar power sector of the country with financial support from different Banks/FIs when Bank Asia Ltd. will be considered as leading the way for financing in green power ventures in the days to come.

### Supporting the Entrepreneurs through SME Service Centers

Cottage Micro and Small businesses are catalyst in the socio economic development of many countries of the world. They are viewed as vehicles for the achievement of national macroeconomic objective in terms of employment generation at low investment cost and enhancement of apprenticeship training. Keeping this in mind, Bank Asia SME has stepped into the territories where no Bank or FIs have reached so far. With 6 SME Service Centers & 98 branches in urban & rural areas Bank Asia provides its services for promoting and expansion of businesses which ultimately created productive new off-farm employment.



Bank Asia's participation in the SME Banking Match Making Fair in Chittagong

## Financial Inclusion in Economically Disadvantaged Areas

To take the financial accessibility to the unserved / underserved population across the country, Bank Asia focused on increase of market coverage and as a part of that objective to develop the MSEs from rural level the bank opened 95 Agent Banking outlet throughout the year 2015. We introduced 4 fully agricultural branches to widen the access to finance and assist our agro community with the most specialized and innovative banking solution available.

This year Bank Asia has launched a new groundbreaking product “Somvabona” for pre-startup or start up entrepreneurs of the country offering lower interest rate. Moreover, the Bank also participated in the “SME Banking Match Making Fair 2015” at Chittagong. The dialogue of the forum focused on access to finance of women entrepreneurs’, achievements in access to finance, how information & communication should take place, how product design and marketing activities should be approached and how the recommended actions for further dissemination of financing of women entrepreneurs should be implemented.

### Agent Banking

With an aim to helping poor and disadvantaged people to come under formal banking channel for helping them safe saving, easy receiving of Govt. and/or corporate aid for poverty alleviation Bank Asia has introduced Agent Banking Services as the pioneer in Bangladesh. The Bank has implemented 95 Agent outlets in 33 districts in most geographically dispersed poor segment of the society. In 2015 the amount of deposits of Agent Banking was Tk. 373.59 million. Besides this, from this year country’s first school banking service through Agent Banking outlet and Agent Banking Mobile Apps were launched.

Governor of Bangladesh Bank, Principal Secretary of Prime Minister and Managing Director of Bank Asia are visiting borrowers of Tk.10 account



#### EBEK (Ektee Bari Ektee Khamar)

Bank Asia limited is the leading Bank is implementing Ektee Bari Ektee Khamar (EBEK, one house one farm) a government project for the ultra-poor people of Bangladesh focusing Poverty eradication and reducing poverty level up to 10% within 2021. Bank Asia started online banking service for Ektee Bari Ektee Khamar in May 2012. By operating this project Bank Asia opened new window to intensively work for the rural people, especially for the poor people and make a strong relationship with local administration, social and local leaders (Union Parishad Chairmans and Upazilla Chairman's). Bank Asia is now operating EBEK Banking services to 35 districts having 252 Upazillas and serving 1,147,125 beneficiaries.

#### EBEK Operation at a Glance

Particulars	December- 2015	December- 2014
No. of Agents	520	448
Service Charge Accounts	252	197
No. of Samitees	22,000	21,816
Total Beneficiary Enrolled	1,147,125	1,055,579
Total Loan Disbursement	1,033,268	638,177
<b>Total Transactions</b>	<b>3,200,000</b>	<b>1,450,000</b>

In addition, Bank Asia has also disbursed Tk. 8,824.02 million Government grants among group members and Samitees since 2012 and Tk. 2,196 million in this year.

Representatives of Bangladesh Bank and JICA visited Bank Asia's Agent Banking Booths and Cluster of Cane Product, Shitalpati and Pottery manufacturing programs of MSME at Munshigonj district



## Foreign Remittance

Remittance has been continuously supporting the economic growth and the livelihoods of people in Bangladesh. Total inflow of Inward Remittance of Bank Asia in 2015 was USD 552 million, a 3% growth over the previous year. Bank Asia's position is 9<sup>th</sup> in 2015 among all banks in Bangladesh.

Bank Asia is the first and only Bank to set-up arrangement with OPGSPs in Bangladesh. With these arrangements with OPGSPs like 'Payza' and 'Payoneer'; we hope to flourish further adding to the bottom-line of the Bank. For Bank Asia, it would give a strong competitive edge over the other players in the market by catering the Banking need of an emerging sector. In addition, we have received performance incentive of USD 13,345 from Western Union and received award from XPRESS MONEY, in recognition to our efforts & contribution on Remittance Disbursement and "TOP TEN AWARD" by Centre for NR&B, for outstanding Remittance Services.

### Online Payment Gateway Services

Bank Asia is the first and only Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. It is giving a strong competitive edge of Bank Asia over the other players in the market by catering the Banking need of an emerging sector. In 2015, we have done 1,302 transactions and paid an amount Tk. 18.36 million through 'Payza' and 7,122 transactions amounting Tk. 438.43 million through 'Payoneer'. We are also targeting to excel our service tremendously in 2016.

To encourage outsourcing professionals and make their work conspicuous to everyone Bank Asia and BASIS have given "BASIS Outsourcing Award-2015" in the end of June, 2015. Bank Asia sponsored Tk. 1 million in that program as 'Platinum Partner'.

'BASIS Outsourcing Award 2015' program in collaboration with Bank Asia



## Community Investment Strategy

### Community Investment

With an aspire to ensure the Bank as a socially responsible corporate entity, Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In the year 2015, Bank Asia spent an amount of Tk. 65.92 million for the overall betterment of the nation. All the donations made under CSR program for social and environmental well-being and endeavor to ensure sustainable balanced growth in economic, social and ecological arena. Bank's stakeholders were immensely benefitted by way of its community based social programs; education support where total donation was Tk. 17.37 million, health support Tk. 18.25 million, disaster management Tk. 9.78 million, environment Tk. 0.05 million, sports Tk. 4.50 million, art & culture Tk. 2.12 million and others Tk. 13.85 million.

## Community Investment



### Geo Textile Products

Dird Felt Ltd. is a private limited company, involved in manufacturing Geotextile products. The main applications of Geotextile are to protect river site, beach site, paved & unpaved road, farm & forest track, container yard, land development for industrial & housing estates etc. Geotextiles, typically made from polypropylene or polyester, are permeable fabrics which, when used in association with soil, have the ability to separate, filter, reinforce, protect, or drain. The company started banking relationship with Bank Asia since August, 2012. We approve the limit of Tk. 4,000 million as non funded and Tk. 9,584 million as funded facility to the company in 2015.

### Education

Tk. 17.37 million 26.35%

### Health

Tk. 18.25 million 27.69%

### Disaster

Tk. 9.78 million 14.83%

### Environment

Tk. 0.05 million 0.08%

### Sports

Tk. 4.50 million 6.83%

### Art & Culture

Tk. 2.12 million 3.21%

### Others

Tk. 13.85 million 21.01%

### Indirect Economic Impacts

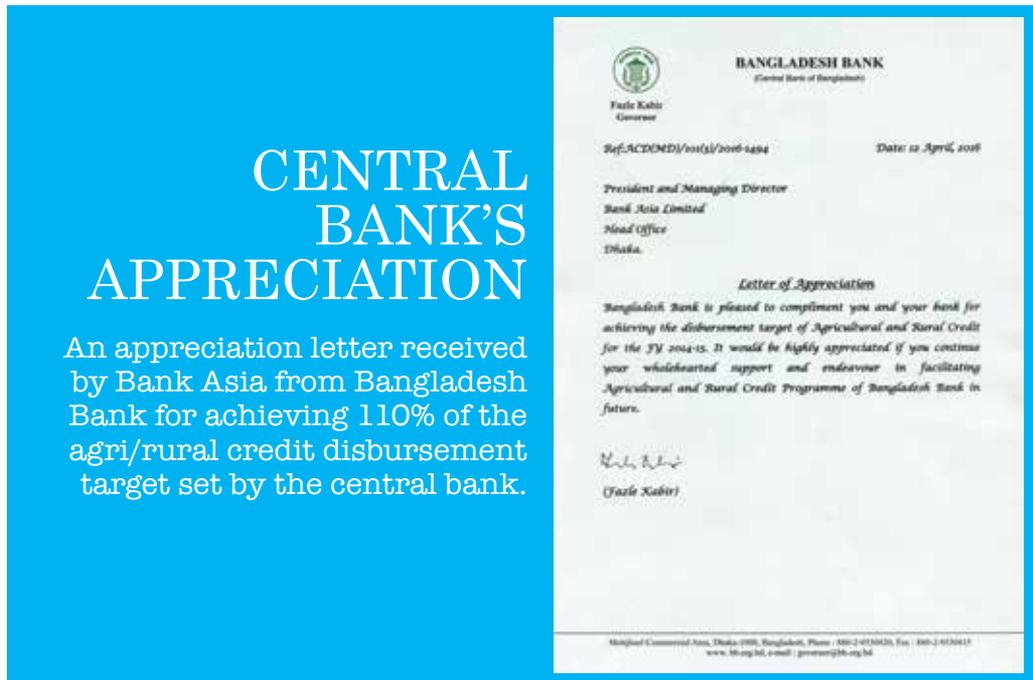
As one of the leading financial services provider in Bangladesh, Bank Asia has an extensive role in the economy and society. Bank Asia makes a positive difference to society and local, regional and national economies where we operate through our community initiatives and investments. We help foster local economic development and stimulate growth and innovation through loans, credit and other financing to organizations of all sizes. In particular, Bank Asia is a major supporter of SMEs across Bangladesh and invests in community programs, which enable youth and those less fortunate, to create brighter economic futures for them. In 2015, total volume of disbursed MSME loan is Tk. 21,670.72 million and total MSME deposit reached of Tk. 639.35 million.

Empower  
Communities  
through  
Agriculture/  
Rural Credit

**Financial Assistance from Government**

Bank Asia does not receive any financial assistance from the government and also does not contribute to any political organization. But we support all the public policy developed for the betterment of nation and we never lobby for making any policy in favor of us.

Bank Asia has disbursed Tk. 2,158.60 million (Tk.109.50 million through own network and Tk. 2,049.10 million our NGO Network) as short and long-term credit in agricultural/rural sectors during 2015. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. Total number of beneficiaries was 92,760 who receives the most specialized and innovative banking solution available in the bank.



**Compliance**

Bank Asia is very much conscious about legal and regulatory compliances. The bank reports regularly to the central bank, the Bangladesh Securities and Exchange Commission, tax & VAT authorities on required compliance issues. During 2015, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh.

# SUSTAINABLE HR DEVELOPMENT

## Employee Profile

We strive to make Bank Asia a great workplace to work by creating a performance driven culture that rewards success and encourages employees to take control of their personal development. Through the process of learning and rewarding, we intent to enable individuals to think, behave, take actions and make decisions independently.

## Salary Policy

We target a fair human resource management by using a performance based system. Our salary policy is the same in all branches and service points for the beginner level. In addition to drive further development of individual skill sets and competencies, speaking foreign languages is compensated. There is no incident of discrimination in terms of remuneration provided to male and female employees.

## Benefits to Employees

Every employee is paid salary on monthly basis, which is a combination of basic salary, fringe benefits and other benefits disbursed on 25<sup>th</sup> of each month or previous working day if 25<sup>th</sup> is holiday. Bank Asia's benefit schemes are as follows:

### Fringe Benefit Schemes

- House rent allowance
- Conveyance allowance
- Medical allowance
- Entertainment allowance
- House maintenance allowance
- Utilities allowance
- Car maintenance allowance

- Car loan
- Provident fund loan
- Mobile phone allowance (talk time)
- Mobile handset allowance
- Ex-gratia payment

### Other Benefit Schemes

- Group health insurance
- Benevolent
- Leave fare assistance
- Furniture allowance
- House building loan (HBL)

### End Service Benefit Plans

Bank Asia provides the following benefit plans to its employees on severance or retirement according to individuals' entitlement:

- Provident fund
- Gratuity
- Superannuation
- Leave encashment

## Minimum Notice Period Regarding Operational Changes

Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees. Minimum notice period before changing department is 1-30 days as per situation or demand of concern branch/department.

## Total Employee

Out of total number of 1839 employees, 446 employees are female and remaining 1,393 employees are male. As such, a profound commitment is reflected in the Bank's employment policy and service rules. All employees are permanent in nature. But support staffs like messengers, cleaners, security guards are recruited through outsourcing. Besides this, some specific departments like Alternative Delivery Channel (ADC), Consumer Finance, Cards, SME, EBK, Agent Banking, Islamic window employ ARO (Assistant Relationship Officer) who can be treated as contractual employee and the number was 497 in 2015. Bank's employees are mainly concentrated on branches in terms of number and in 2015 total employees' composition in branch and corporate office was 72.49% and 27.51% respectively.

Offices	2015		2014	
Corporate office	506	27.51%	466	26.28%
Branches	1,333	72.49%	1,307	73.72%

## New employee

132 new employees were recruited during 2015, among which 41.67% for branches as a part of network expansion of the bank and remaining 58.33% for corporate office to ensure effective and timely support to branches

Offices	2015		2014	
Corporate office	77	58.33%	69	26.34%
Branches	55	41.67%	193	73.66%

## Employees by Diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees (99.67%) dominate in diversity composition.

Officials	2015		2014	
Local	1,833		1767	
Indigenous	6		6	

## Employees by Region

Bank's employees are mainly spread over to Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 72.81% in 2015 for corporate office and branches in Dhaka city.

Region	2015		2014	
Dhaka	1,339		1,269	
Chittagong	324		335	
Sylhet	66		68	
Rajshahi	52		43	
Barisal	8		7	
Khulna	43		45	
Rangpur	7		6	

## Gender Positioning

Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels. Among our female colleagues, 1 is in top level management, 17 in mid level and 428 in low level management.

### Gender Positioning of Directors

Board Level	2015		2014	
	Male	Female	Male	Female
Directors	11	4	10	5

### Gender Positioning of Employees

Management Tier	2015		2014	
	Male	Female	Male	Female
Top Level	41	1	33	1
Mid Level	262	17	245	15
Low Level	1,090	428	1,055	424

Male employees are dominating executive level which is around 94.44%. Comparatively female employees mainly belong to nonexecutive level and hold 28.25%.

#### Gender Positioning by Position

Position	2015		2014	
	Male	Female	Male	Female
Executive	306	18	278	16
Non-Executive	1,087	428	1,055	424

#### Gender Positioning by Employment Level

Employment Level	2015		2014	
	Male	Female	Male	Female
Parmanent	1,393	446	1,333	440

#### Age Distribution

83.90% of staff members are aged below 40 years which signifies that Bank Asia is in young, dynamic and capable hands.

Age Group	Male	Female	Total
30 & Below	355	125	480
31-40	765	298	1,063
41-50	236	20	256
51-60	32	3	35
61+	5	0	5
<b>Total</b>	<b>1,393</b>	<b>446</b>	<b>1,839</b>
Percentage	76%	24%	100%

#### Employee Turnover Rate by Gender

Male and female employees' turnover rate is almost equal in terms of percentage. Overall employee turnover rate is very low in the Bank which is around 3.57% of total employees in 2015.

Gender	2015		2014	
	No.	%	No.	%
Male	49	3.39%	47	3.41%
Female	19	4.10%	14	3.08%

#### Employee Turnover Rate by Region

As per demographic scenario, employees of Dhaka city left the Bank in 2015 which was 65% of total employees left.

Region	2015	2014
Dhaka	44	45
Chittagong	16	12

Region	2015	2014
Sylhet	4	0
Rajshahi	1	0
Barisal	0	0
Khulna	3	2
Rangpur	0	2

## Performance Management System

Bank Asia is solely depending on the contribution of its existing talents. From the year 2013, Bank Asia introduced a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-à-vis set target of a given year. We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavioral factors are introduced. The benefits of using KPI are the followings:

- Reduce the number of decisions and make decisions based on objectivity and facts.
- Quantify the achievement of goals
- Focus on facts and see where individual's improvement is needed.
- As individual initiative grows, it becomes more difficult to remain as close to the operational details as it is, in such case, KPI results can bring back to reality.
- Employees are clear about his/her obligations to deliver during the year and would be able to plan accordingly to meet the expectation.
- Last but not least, unbiased performance evaluation at the end of the year.

## Learning and Development

Knowledge and skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the bank continues to organize training and workshop for the officers and executives in an effort to improve their professional efficiency. The bank always lays the highest importance on training of its employees as a continuous process of human resources development. Bank Asia maintains its own training institute which is equipped with all modern study aid and course materials.

### Training by Gender

Gender	2015		2014	
	Persons	Hours	Persons	Hours
Male	2,635	41,052	2,231	39,766
Female	550	11,180	712	12,818

### Training by Position

Position	2015		2014	
	Persons	Hours	Persons	Hours
Executive	678	6,707	518	8,914
Non-Executive	2,507	45,472	2,425	43,670

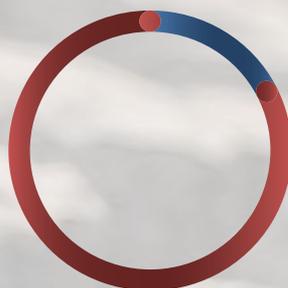
# HUMAN CAPITAL DISTRIBUTION

266 Claims of insurance received for Tk. 11.09 million

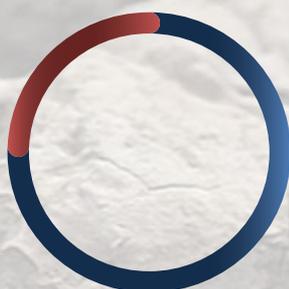




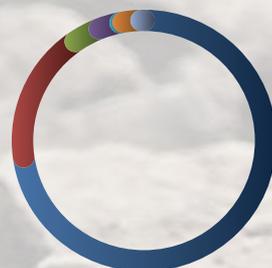
**Age Distribution**  
 30 & Below 26.10%  
 31-40 57.80%  
 41-50 13.92%  
 51-60 1.90%  
 61+ 0.27%



**Employee by Position**  
 Executive 17%  
 Non-Executive 83%



**Gender Positioning**  
 Male 76%  
 Female 24%



**Regional Distribution of Employees**  
 Dhaka 1,339  
 Chittagong 324  
 Sylhet 66  
 Rajshahi 52  
 Barisal 8  
 Khulna 43  
 Rangpur 7

In 2015,  
 52,232 manhours  
 training for human  
 capital development

30 female employees  
 availed 5,400 days  
 maternity leave  
 during 2015

## Sustainability Training

### Training by Different Institutes

Particulars	Year 2015	
	Persons	Hours
In House Training	2,887	46,200
Bangladesh Bank	40	464
BIBM	97	2,272
Overseas / Foreign Training	13	352
Training by Other Institutes	148	2,944
<b>Total No. of Participants and Man-hour</b>	<b>3,185</b>	<b>52,232</b>

The Bank has organized four foundation training courses, each 4 weeks long for entry level employees, to improve knowledge base and proficiency in banking .

- As greening of mind, this year Bank Asia has provided four training on Green Banking under Foundation training course in its training institute. A total of 108 staffs participated in this training program. In addition, 3 external trainings were organized related to Green Banking & Environmental Risk Management, Reporting Format of Green Banking Activities, Financial Inclusion, CSR & Green Banking.
- For highlighting Green Banking activities and creating awareness amongst the stakeholders, our “Half Yearly Financial Position, 2015” incorporates Green Banking activities which reflect the major activities of Green Banking and the key activities of Sustainable Banking Operations.
- The Articles on Green Banking, Sustainability Reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers.
- As per Bangladesh Bank policy on green banking, banks are to publish independent Sustainability Report as per GRI format under the third phase.
- Commitment to sustainability reporting development.



Cover opening ceremony of White Paper on Bangladesh Budget 2015-16 & Corporate Outlook compiled by Group Finance

**Parental Leave** Return to work after parental leave is 100% for both male and female.

**Maternity Leave**

As per bank's policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 6 months maternity leave with regular salary and allowances. An employee can avail this leave not more than two occasions during the entire period of service. The employee's annual KPIs (Key Performance Indicators) and thereby increment, promotion are not affected for this long term leave.

**Maternity Leave Availing in 2015**

No. of female employees	Average leave at a stretch
30	6 months

**Paternal Leave**

As per bank's policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 5 working days paternal leave. An employee can avail this leave not more than two occasions during the entire period of service. In 2015, every entitled employee of Bank Asia has availed paternal leave facility.

**Child Care Center Facilities**

As per direction of Bangladesh bank all scheduled banks have to set up child day care center for their employees at a convenient place. In this regard, as we value our human resource, Bank Asia has established a combined day care center in collaboration with other private commercial banks having 5,666 square feet at Dilkusha, Motijheel, Dhaka.

The inauguration of the Day Care Center comes as part of the Bank's strategy to provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market.

Child day care center of Bank Asia in collaboration with other private commercial Bank



# HUMAN CAPITAL

Bank Asia management is always vibrant to providing cost value information about acquiring, developing, planning, allocating and maintaining human resources including with finding depreciation or appreciation among human resources. In this connection the management is very much cautious to set up HR applications and best practices for developing employee talent and leveraging employee skills in the organization. Bank Asia significantly considers human resources management at corporate level, professional level, social level and overall national level. In this process Bank Asia tries to identify and report investment made in human resources.

Last five years manpower strength (number) was as under:



The total value of Human Capital has been ascertained Tk. 14,357 million in the year 2015 and Tk. 12,018 million in 2014 in present value of future earning model (Lev & Schwartz) by discounting total benefits payable to employees, which was considered minimum expected earnings from them up to retirement.

Million Taka

## Category wise Break down of employees

Category	2015			2014		
	No. of employees	Per capita value	Total value	No. of employees	Per capita value	Total value
Executives	321	15.39	4,940	294	12.89	3,791
Officers	1,518	6.20	9,417	1,479	5.56	8,227
<b>Total</b>	<b>1,839</b>		<b>14,357</b>	<b>1,773</b>		<b>12,018</b>

94% of employees received Anti-corruption training regarding AML/CFT matters

As per model we have capitalized the total value of employees as Human Capital. 19.42% growth in the value of human capital in 2015 over 2014 was due to net addition of 66 head counts of experienced and fresh recruitments that was required for the expansion of the business and for ensuring the better quality of the service and customer satisfaction. In this process Bank Asia increased its year to year training expenditure to excel employee performance.

## Balance Sheet Including Human Capital

Abridged for banking operation

Million Taka

	31-Dec-15	31-Dec-14
<b>Assets</b>		
Cash	12,470	10,951
Balance with other banks	8,276	743
Money at call & short notice	3,230	300
Investment	46,943	38,683
Loans & Advances	136,396	116,809
Fixed Assets	5,076	5,214
<b>Human Assets</b>		
<b>Individual's value</b>	<b>14,357</b>	<b>12,018</b>
<b>Value of investments</b>	<b>10</b>	<b>13</b>
Other assets	11,957	10,031
<b>Total Assets</b>	<b>238,714</b>	<b>194,762</b>
<b>Capital &amp; liabilities</b>		
Borrowing	12,296	7,846
Subordinate bond	3,315	449
Deposits	169,827	140,869
Shareholder's equity	18,979	16,864
<b>Human Capital</b>	<b>14,367</b>	<b>12,031</b>
Other liabilities	19,929	16,702
<b>Total Capital &amp; Liabilities</b>	<b>238,714</b>	<b>194,762</b>

## Occupational Health, Safety and Environment

Board and management of Bank Asia strongly believe safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. So the bank is very careful about ensuring modern, healthy & safe workplace for its employees. All the branches, SME service centers and SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces and adequately equipped with fire-fighting equipment and fire drills.

### Safety Training

In the year April 20, 2015, fire safety training was held at corporate office to prepare employees in the event of any fire hazard. A team of logistics supports and services department of the bank is specially entrusted to visit regularly to monitor cleanliness, safety measures and other amenities remains ensured in all outlets. If they find any deviation, they take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.

### Cultural Events & Amusement

Like other programs Bank Asia observes the Bengali festivals aiming to share values with stakeholders in a jubilant pace. In the year 2015, Bank Asia celebrated Bangla New Year: Borsho Boron-1422 at Banks Corporate office, Dhaka. On this occasion, employees of the Bank organized a colorful cultural program. Our Honorable Chairman & Directors of the Board also attended the program.

Bank Asia always believes in equal opportunity and safe workplace for smooth career progression of women. Every year we celebrate 'International Women's Day' in a wonderful atmosphere. In favor of sound health and fitness of the employee, Bank Asia has inaugurated the Bank's gymnasium (GYM) of 1,600 sq. ft. at Corporate Office in 2015. As a part of recreation, Bank Asia organized inter division/ department sports tournament for their employees every year. Moreover the bank also arranged inter bank sports tournament for several times.



Fire safety training at Bank Asia

## Human Rights, Child Labor & Other Issues

Human Right issue is particularly relevant for organizations that operate in industries/ regions where the protection of human rights is of significant concern to be sustainable in long term. Thus we integrated the human right issue in all our economic decisions including human right provision in all kinds of investment agreements, which is a part of our strategy to reduce the risks of investment. And we do not make any investment agreement and contract that violate human rights. Bank Asia also does not tolerate child, forced or compulsory labor. In 2015, no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

## Grievance Redressal Policy

Bank Asia is committed to provide a safe and harmonious, gender sensitive working environment for an employee, free from unfair treatment, discrimination, harassment, conflict and others. For building awareness regarding human rights among the employees in the bank, Bank Asia formulates

- Female anti-harassment policy
- Grievance handling policy

### Female Anti-Harassment Policy

Bank Asia follows a zero tolerance approach to harassment of any kind to any female employee as the Bank feels harassment seriously weakens the working atmosphere. The policy guides about personal measures of affected female employees in addressing a complaint, role of management, investigation procedures and disciplinary measures. The policy also guides management about its role in case of false complaint.

### Grievance Handling Policy

With a view to resolve undesirable issues at the workplace in the most effective manner, Bank Asia formally promulgated Grievance Handling Policy in 2014. The policy equally applies to all permanent and contractual employees for grievances related to promotions, transfer and posting, compensation package, incentive bonus, working environment etc. Under this policy, complaints are resolved informally where possible, and through a formal grievance procedure where necessary.

During the year 2015, we received a very few number of requests regarding the grievance of human rights and female harassment related issues and take necessary actions to solve the matters immediately.

Gymnasium  
of Bank Asia  
at Corporate  
Office



## Anti Money Laundering Training

Bank Asia is committed to prevent money laundering and terrorist financing. We recognize our obligations to prevent the financial channels and products from being used by money launderers and terrorist organizations for illicit purposes. Bank Asia is also against any actions of soliciting, collecting or provisioning funds that come with the intention to support terrorist acts or organizations.

Anti Money Laundering Department (AMLD), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 94% of total employees (Branch/Corporate Office) obtained AML & CFT related training.

### AML/CFT Training 2015

Particulars	Number of employees
Training organized by Anti Money Laundering Department including refresher training	2,284
Training with Foundation course and other related courses	931

As a result, officials become aware and conscious regarding AML & CFT matters.

## Policy, Practice and Proportion of Spending on Suppliers

For running day to day operations, Bank Asia works with a wide range of suppliers and maintains good relationship with them. We work to create value through collaboration with them and strive for fairness in all interactions with suppliers. Our chain of suppliers consists of the following parties:

- Construction contractor
- Graphics and interior designers
- Advertisement agency
- Newspaper
- Printing maintenance
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator
- ATM, hardware, software service providers
- Nursery
- Security agency

Selection of supplier is managed centrally by the corporate office. The bank applies its own policy and practice for selecting these suppliers. It mainly takes into account the following criteria before selection:

- Status of compliance with government rules and regulation by the suppliers.
- Our bank doesn't make any collaboration with suppliers that employs child labor, creates environmental hazards, violates human rights etc.

We fully maintain these criteria in case of selecting suppliers. Bank Asia has a number of security service providers which specialize in all aspects of building security. All security providers practise the highest standards of training and operation. Their training incorporates all aspects of the law including human rights and non-discrimination.

## Practices Related to Customer Satisfaction

Delivering high quality customer service is one of the top priorities of Bank Asia. To maintain customer service standard of the bank, acquiring of new clients, doing more business with existing clients, maintaining high client retention rate and lower client attrition rate all are correlated. Properly constructed customer satisfaction surveys may provide the insights that are very much essential for feeling the real. In this regard, Bank Asia approved a new customer service policy and carried out a pilot survey with smaller sample size in the previous year. The aim of the assessment was to investigate the quality of service, to assess client's awareness about services, to find out the gap between client expectation and service delivery, to find out the reasons of dissatisfaction, to identify the new trends in client expectation and take proper actions.

Therefore, it is mentionable that our customers can always inform us on their expectations via different channels (i.e. via e-mail, letter, personal visit etc). The bank has an in-house policy and practice of measuring customer satisfaction. In 2015, we conducted 3 trainings of 82 employees on "Customer Service Improvement" of 656 manhours of training for development of our human capital.

## Statement on Compliance

In the year 2015, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding use of product and services, information about product and services, marketing, communications, advertising, promotion. No incident of fines/penalties has been recorded this year concerning the above mentioned issues.

Our bank always maintained the fundamental principle of business regarding protecting customer privacy. Customer's information/ data is not available to anyone other than the client himself and the Bank's concerned personnel who is responsible for maintaining the data. We haven't received any complaint relating to breach of customer privacy and loss of data.

## Brief Economic, Environmental and Social Performance

Economic responsibility	Loans account	+24%
	Deposit customer account	+14%
	Savings customer account	+19%
Environmental responsibility	Electricity consumed	10,517,685 Kwh
	Oil	50,382 Ltrs
	CNG	142,509 m3
	Local business travel	6,873,861 Km
Social responsibility	Paper used	39,982 Reams
	Staff strength	+4%
	Benefits and emoluments	+18%
Shareholders' responsibility	Profit after tax	2,574 million BDT
	Shareholders' Fund	18,979 million BDT
	Share price	16.50 BDT

# CUSTOMER RELATIONSHIP MANAGEMENT

One of the top priorities of Bank Asia is to retain customer service excellence by delivering high quality service. From this viewpoint, as a part of human capital investment, the bank has been arranging training and workshops continuously for making the employees more efficient in service delivery. This effort strengthens Customer Relationship Management (CRM) to adopt strategies in winning new customers while retaining existing ones.

To be successful with CRM, banking organizations must define and develop a business strategy as well as a supporting infrastructure for that strategy. As a part of this strategy Bank Asia has also implemented training programs to teach employees how to recognize and effectively create strong customer relationships. Employees have also been trained in Social psychology and the social sciences to help maintain strong customer relationships.

Bank Asia is giving highest satisfaction to its customers through branches as well as branchless banking. These services are helping the bank to retain customers which ultimately helps the bank to uphold a remarkable position in the banking industry.

## Customer Acceptance Policy (CAP)

Bank Asia has been developing a clear customer acceptance policy and procedures, laying down explicit criteria for acceptance of customers including a description of the types of customer that are likely to pose a higher than average risk to a financial institution. In preparing such policies, factors such as customers' background, country of origin, public or high profile position, linked accounts, business activities or other risk indicators should be considered.

It is important to mention that our customer acceptance policy is not so restrictive that it results in a denial of access by the general public, especially for people who are financially or socially disadvantaged.

Customer satisfaction is the main focus of Bank Asia. To get the highest customer satisfaction and feedback, Bank Asia maintains a relationship with customers. So, Bank Asia provides different banking facilities to customers. Day by day services are increasing. Bank Asia plays the role of advice provider, value aggregator, access facilitator, and so on.

Bank Asia received  
"Award of Excellence"  
for Customer  
service, Discipline  
& Branding in  
the 'Banking Fair  
Bangladesh- 2015'



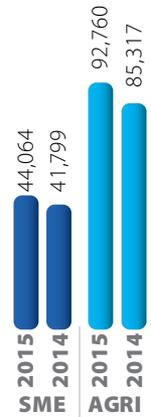
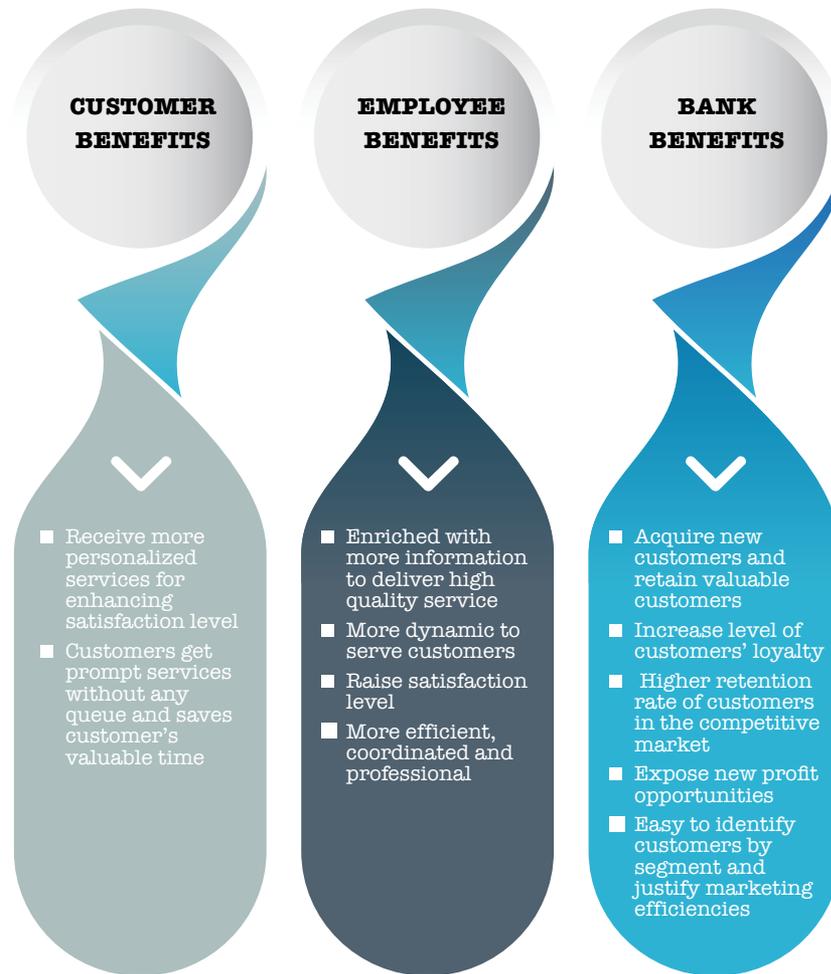
$$\text{Customer Relationship Management} = \frac{\text{Customer interaction}}{\text{Customer intelligences}}$$

Cycle to build up strong CRM



656 manhours of training to 82 employees on 'Customer Service Improvement' in 2015

## Benefits from CRM



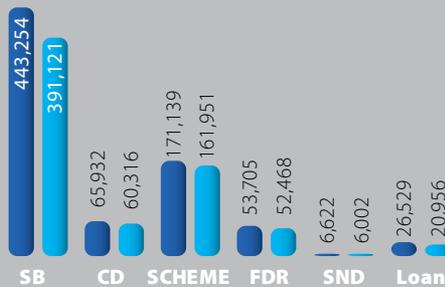
### SME/Agri

SME and agricultural sectors are the most preferential sector of Bank Asia. The beneficiaries number of SME and Agri has been increased to 5.42% and agricultural 8.72% respectively.

### Corporate Client

■ 2015 ■ 2014

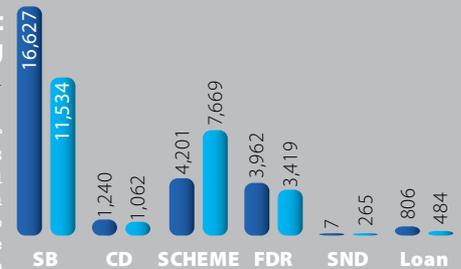
In 2015 Bank Asia Limited has experienced with 10.73% growth of corporate clients



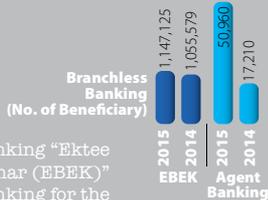
### Islamic Banking

■ 2015 ■ 2014

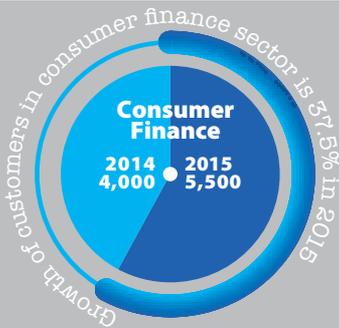
The number of savings account of Islamic Banking has been increased 44.16% and all other type accounts has also a positive growth.



## Customer Relationship Management



Both the Remote Banking "Ektee Bari Ektee Khamar (EBEK)" and Agent banking for the ultra poor people are showing a positive growth whereas in case of Agent Banking the growth of beneficiaries is about three time more than the previous year.



# BUILDING THE COMMUNITY

With an aspire to ensure the Bank as a socially responsible corporate entity, Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In the year 2015, Bank Asia spent an amount of Tk. 65.92 million for the overall betterment of the nation.

Since the inception, Bank Asia Ltd. concedes CSR activities as a part of its culture, identity and business practice. The basic driver of our CSR practice consists of values that have been taken place within business where our efforts continues to look beyond short-term quantitative gains, and concentrate on issues that make the bank a socially responsible institution. We are dedicated to social and environmental well being and endeavor to ensure sustainable balanced growth in economic, social and ecological arena. In the year 2015, Bank Asia has performed various CSR activities.

## Donation in Social Projects

Initiatives	Donation
Education	17,368,000.00
Health	18,253,726.76
Disaster Management	9,775,260.00
Environment	51,750.00
Art & Culture	2,117,750.00
Sport	4,500,000.00
Others	13,852,750.00
<b>Total</b>	<b>65,919,236.76</b>

Hon'ble Prime Minister Sheikh Hasina is receiving a token of appreciation from Bank Asia for her winning the Champions of the Earth Award



## Education **Bank Asia Higher Studies Scholarship**

Higher Study Scholarship program for rural poor and meritorious students, who are studying in public universities, is the major CSR activity of Bank Asia Ltd. The Bank initiated the program in 2005 for those students who have merit and dream to serve society, but not the means to pursue higher studies. The scholarship is given through the Bank's rural branches on the basis of SSC and HSC results. So far, 610 students have been provided the scholarship. Each of the students gets Tk. 34,000 annually as scholarship. In the year 2015, Bank Asia Ltd. spent around Tk. 17.37 million for this purpose.

## Health **Construction of Nurses' Hostel in BSMMU**

With a view to mitigate acute accommodation problem of all graduate nursing students of BSMMU, Bank Asia completed construction of 37,647 square feet 'Nursing Student Hostel' with a spending of Tk. 95.87 million. The building can be further constructed up to 9th floor.

### **OPD of HFRCMCH**

To contribute further to the health sector for a healthy community, the bank also completed construction of 17,810 square feet Outdoor Patient Department (OPD) building for Holy Family Red Crescent Medical College & Hospital with a spending of Tk. 53.59 million. The OPD can also be raised up to 9th floor.

### **Blood Donation Program**

As part of socially responsible people, the members of Bank Asia formed Bank Asia Donor Group. The objectives of the group are to donate blood when and where necessary, to donate eye posthumously, to promote and to encourage all levels of people to come forward to this priceless donation. Already about 152 members formally joined the



Bank Asia  
Higher  
Studies  
Scholarship  
Program  
2015 in  
Munshigonj

# COMMUNITY INVESTMENT

## Education

Initiatives	Taka
Scholarship	17,368,000.00
<b>Total</b>	<b>17,368,000.00</b>

## Health

Initiatives	Taka
Cancer patient	200,000.00
Contribution to Child Day Care Centre	1,400,000.00
Cosmetic surgery for poor patients	300,000.00
Construction of Graduate Nursing Hostel at BSMMU	9,149,982.78
Red Crescent Medical College & Hospital	5,404,947.98
BADHAN Blood Donor Organization	249,210.00
Sandhani	51,750.00
Rotary	180,500.00
Donation for individual patient	438,306.00
Ophthalmological operation	879,030.00
<b>Total</b>	<b>18,253,726.76</b>

## Disaster Management

Initiatives	Taka
Emergency Disaster Relief	9,775,260.00
<b>Total</b>	<b>9,775,260.00</b>

Tk. 1.5 million  
paid as humanitarian  
assistance for earthquake  
victims of Nepal in 2015

## Environment

Initiatives	Taka
Awareness building on Environmental issues	51,750.00
<b>Total</b>	<b>51,750.00</b>

## Sports

Initiatives	Taka
Bangladesh Football Federation	4,500,000.00
<b>Total</b>	<b>4,500,000.00</b>

## Arts & Culture

Initiatives	Taka
Promotion of Art, Culture, and Literacy	1,390,000.00
Exhibition of Rare Photographs of Liberation War	107,500.00
Bangladesh National Musuem	115,000.00
Nagorik Nattyagon	23,000.00
Bangladesh Itihash Samity	20,000.00
Bangla Barsho Boron	23,000.00
Chandraboti Academy	100,000.00
Abriti Academy	11,500.00
Lok	57,500.00
Wrishiz Shilpi Gosthi	17,250.00
Oporajeo Bangladesh	11,500.00
SARGAM	11,500.00
Bangladesh Academy of Sciences	230,000.00
<b>Total</b>	<b>2,117,750.00</b>

## Other Social Projects

Initiatives	Taka
Bangladesh Science Fiction Society	50,000.00
Support to BDR Carnage Victim family	480,000.00
Anandaniketan	587,500.00
PM Relief and Welfare Fund	10,000,000.00
Zilla Muktijoddha Complex Bhaban	2,200,000.00
Support to Former Enclave Dwellers	477,750.00
Bangladesh Mathematical Society	28,750.00
Bangladesh Archives and Records Management	28,750.00
<b>Total</b>	<b>13,852,750.00</b>



Donated 30,000 pieces of blankets to Prime Ministers Relief and Welfare Fund for disaster management

donor group platform and started donating blood. Bank Asia Awarded as the Best Blood Donor Organization from Bangladesh Red Crescent Society on the occasion of World Blood Donor Day on June 14, 2015.

#### Other Health Related Donations

Bank Asia donated Tk. 0.20 million to a cancer patient for treatment purpose. It also supported Badhan and sandhani, a volunteer blood donor organization for promoting their services. The Bank also extended support to individuals and institutions as a part of its CSR activities.

### Disaster Management

Bank Asia is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2015, the Bank distributed warm cloths among cold-hit people in different parts of the country. In this purpose this bank donated Tk. 8.28 million and also Tk. 1.50 million paid against humanitarian assistance for earthquake victims of Nepal in 2015.



Inauguration program of 40,000 sqft BSMMU Nursing Students Hostel constructed under financial support of Bank Asia

Celebration of Bangla Noboborsho 1422, i.e. Bangla Newyear, with stakeholders



**Environment** During the year 2015, Bank Asia spent Tk. 0.052 million to protect the environment and concerned people to environmental issues.

**Sports** During the year 2015, Bank Asia contributed Tk. 4.5 million to Bangladesh Football Federation through Bangladesh Association of Banks (BAB).

**Arts & Culture** Bank Asia always supports promotion of art and culture. The Bank sponsored Tk. 2.12 million for various arts and cultural program including Chandraboti Academy, Bangla Barsho Boron, Nagorik Nattyagon, exhibition, Bangladesh Itihash Samity, Abriti Academy, Wrishiz Shilpi Gosthi, Support to Bangladesh National Musuem and Bangladesh Academy of Sciences.

**Other Social Projects** Bank Asia donated/sponsored/spent Tk. 13.85 million on the occasion of social project including Bangladesh Science Fiction Society, Bangladesh Mathematical Society Prime Minister Relief and welfare Fund, Zilla Muktijoddha Complex Bhaban, and others. In 2015, Bank Asia donated Tk. 10 million to the Prime Minister's Relief & Welfare Fund to help government carry out its humanitarian activities smoothly.



Inauguration of Cricket Festival of Bank Asia, a unique inhouse tournament consisting of 25 teams

# GRI G4 Content Index

## ‘In Accordance’ Option: Core General Standard Disclosures

	Disclosure	Page no.	Comments	External Assurance
	<b>Strategy &amp; Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organization	10-15		No
	<b>Organizational Profile</b>			
G4-3	Name of the organization.	18		No
G4-4	Primary brands, products, and services	38		No
G4-5	Report the location of the organization’s headquarters.	6		No
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	18		No
G4-7	Nature of ownership and legal form	18		No
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	18-19, 47-49, 84-87		No
G4-9	Scale of the organization	18		No
G4-10	Total number of employees by type	70-76		No
G4-11	Percentage of total employees covered by collective bargaining agreements		No private commercial Bank in Bangladesh has trade union	No
G4-12	Supply chain	82		No
G4-13	Significant changes during the reporting period	6		No
G4-14	Precautionary approach	29-32		No
G4-15	External charters, principles, or other initiatives		Policy set by Bangladesh Bank regarding environmental risk management, green banking are adopted by Bank Asia	No
G4-16	Membership associations	19		No

	Disclosure	Page no.	Comments	External Assurance
	<b>Identified Material Aspects &amp; Boundaries</b>			
G4-17	Entities included in the organizations's consolidated financial statements	6, 15		No
G4-18	Process for defining report content and the aspect Boundaries	20, 23		No
G4-19	Material aspects	26		No
G4-20	Material aspect boundaries within the organization	23		No
G4-21	Material aspect boundaries outside the organization	23		No
G4-22	Effects of any restatements	6		No
G4-23	Significant changes during the reporting period	6		No
	<b>Stakeholder Engagement</b>			
G4-24	Stakeholder groups engaged by the organization	21-22, 24-25		No
G4-25	Basis for identification and selection of stakeholders	20		No
G4-26	Approach to stakeholder engagement	21-22, 24-25		No
G4-27	Key topics raised during stakeholder engagements	21-22, 24-25		No
	<b>Report Profile</b>			
G4-28	Reporting period	6		No
G4-29	Date of most recent previous report	6		No
G4-30	Reporting cycle	6		No
G4-31	Contact point for questions regarding the report	6		No
G4-32	In accordance option chosen	6		No
G4-33	Policy regarding report assurance	6		No
	<b>Governance</b>			
G4-34	Governance structure of the organization	27-34		No
	<b>Ethics &amp; Integrity</b>			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	4-5		No

## Specific Standard Disclosures

### Disclosures on Management Approach (DMAS)

	Disclosure	Page no.	Comments	External Assurance
	<b>Product profile</b>			
FS1	Policies with specific environmental and social components applied to business lines	45-46		No
FS2	Procedures for assessing and screening environmental and social risks in business lines	46		No
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	46		No
FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	46		No
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	46		No
	Audits	54		No

	Disclosure	Page no.	Comments	External Assurance
Aspects	<b>Economic (EC)</b>			
	Economic Performance	58, 61-69, 88-93		No
	Market Presence Procurement Practices	62-69	All our suppliers are local	No No
Aspects	<b>Environmental (EN)</b>			
	Energy	56		No
	Emissions	58-59		No
	Effluents and Waste	57		No
	Products and Services	58-59		No
	Compliance	60		No
	Transport	46		No
	Overall	58-60		No
	Environmental Grievance Mechanisms		We faced no grievances in 2015	No
Aspects	<b>Labor Practices and Decent Work (LA)</b>			
	Employment	70-75		No
	Labor/Management Relations	70		No
	Occupational Health and Safety	80		No
	Training and Education	73-76, 82		No
	Diversity and Equal Opportunity	71-73		No
	Equal Remuneration for Women and Men	70		No
	Labor Practices Grievance Mechanisms	81		No
Aspects	<b>Human Rights (HR)</b>			
	Investment	81		No
	Child Labor	81		No
	Forced or Compulsory Labor	81		No
	Security Practices	81-82		No
	Indigenous Rights	81-82		No
	Human Rights Grievance Mechanisms	81		No
Aspects	<b>Society (SO)</b>			
	Anti-corruption	82		No
	Compliance	69, 83		No
	Grievance Mechanisms for Impacts on Society		We faced no grievances in 2015	No
Aspects	<b>Product Responsibility (PR)</b>			
	Product and Service Labeling	50-52, 55, 87		No
	FS15: Policies for the fair design and sale of financial products and services	54		No
Aspects	Marketing Communications	83		No
	Customer Privacy	83		No
	Compliance	83		No
	<b>Product Portfolio</b>			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	47-49		No
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	47-49, 53-55		No
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	47-49, 53-55		No

	Disclosure	Page no.	Comments	External Assurance
	<b>Audit</b>			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	54		No
<b>Category: Economic</b>				
	<b>Economic Performance</b>			
G4-EC1	Direct economic value generated and distributed	61-69, 88-93		No
	FSS: Commentary added to the value generated by the organization's community investment programs and breakdown of community investment by theme			
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	58		No
G4-EC3	Coverage of the organization's defined benefit plan obligations	70		No
G4-EC4	Financial assistance received from government	69		No
	<b>Market Presence</b>			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		Bank Asia practices competitive salary package in all level in line with the industry best practices	No
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		All the employees of Senior Management are hired from Bangladesh	No
G4-EC7	Development and impact of infrastructure investments and services supported	63-69		No
G4-EC8	Significant indirect economic impacts, including the extent of impacts	68		No
	<b>Procurement Practices</b>			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		All our suppliers are local	No
<b>Category: Environmental</b>				
	<b>Energy</b>			
G4-EN3	Energy consumption within the organization	56		No
G4-EN6	Reduction of energy consumption	56-57		No
G4-EN7	Reductions in energy requirements of products and services	56-57		No
	<b>Emissions</b>			
G4-EN15	Direct greenhouse gas (ghg) emissions (scop1)	59		No
	FSS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel			
G4-EN19	Reduction of greenhouse gas (ghg) emissions	57-58		No
	<b>Effluents and Waste</b>			
G4-EN23	Total weight of waste by type and disposal method	57		No
	FSS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions.			
	<b>Products and Services</b>			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	58		No

	Disclosure	Page no.	Comments	External Assurance
	<b>Compliance</b>			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	60		No
	<b>Transport</b>			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	46		No
	<b>Overall</b>			
G4-EN31	Total environmental protection expenditures and investments by type	58		No
	<b>Environmental Grievance Mechanisms</b>			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2015	No
<b>Category: Social</b>				
<b>Sub Category: Labor Practices and Decent Work</b>				
	<b>Employment</b>			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	71-73		No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	70		No
G4-LA3	Return to work and retention rates after parental leave, by gender	77		No
	<b>Labor/Management Relations</b>			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	70		No
	<b>Occupational Health and Safety</b>			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	80		No
G4-LA8	Health and safety topics covered in formal agreements with trade unions		No private commercial bank in Bangladesh has trade union	No
	<b>Training and Education</b>			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	73, 76		No
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	76		No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	73		No
	<b>Diversity and Equal Opportunity</b>			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	71-72, 74-75		No

	Disclosure	Page no.	Comments	External Assurance
	<b>Equal Remuneration for Women and Men</b>			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	70		No
	<b>Labor Practices Grievance Mechanisms</b>			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	81		No
<b>Category: Social</b>				
<b>Sub Category: Human Rights</b>				
	<b>Investment</b>			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	81		No
	"FSS: Commentary added to report on investment agreements for the financial services"			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	81		No
	<b>Child Labor</b>			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	81		No
	<b>Forced or Compulsory Labor</b>			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	81		No
	<b>Security Practices</b>			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	82		No
	<b>Indigenous Rights</b>			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	81, 83		No
	<b>Human Rights Grievance Mechanisms</b>			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	81		No
<b>Category: Social</b>				
<b>Sub Category: Society</b>				
	<b>Local Communities</b>			
FS13	Access points in low-populated or economically disadvantaged areas by type	65-66		No
FS14	Initiatives to improve access to financial services for disadvantaged people	65-69		No
	<b>Anti-corruption</b>			
G4-SO4	Communication and training on anti-corruption policies and procedures	82		No

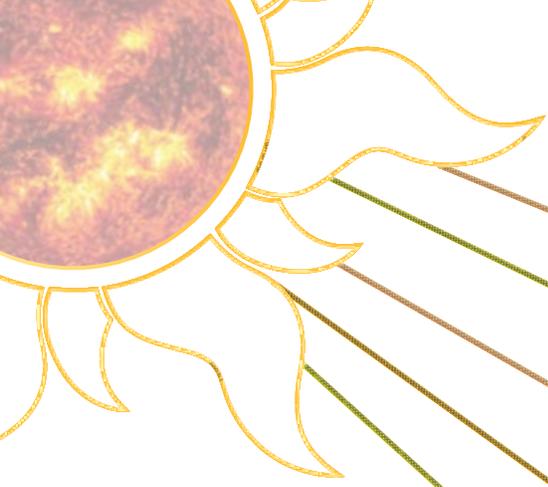
	Disclosure	Page no.	Comments	External Assurance
G4-S05	Confirmed incidents of corruption and actions taken		After proper investigation corrective actions were taken against corruption in 2015	No
G4-S06	Total value of political contributions by country and recipient/beneficiary	69		No
<b>Compliance</b>				
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	69, 83		No
<b>Grievance Mechanisms for Impacts on Society</b>				
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2015	No

## Category: Social

### Sub Category: Product Responsibility

<b>Product and Service Labeling</b>				
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	50-52		No
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	83		No
G4-PR5	Results of surveys measuring customer satisfaction	83-87		No
FS16	Initiatives to enhance financial literacy by type of beneficiary	56		No
<b>Marketing Communications</b>				
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	83		No
<b>Customer Privacy</b>				
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	83		No
<b>Compliance</b>				
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	83		No





The Moon  
384,400km

Exobase  
>700 to 1,000 km

UVA

UVB

UVC

Karman Line  
100 km

EXOSPHERE  
> 700-190,000 km

THERMOSPHERE  
80-700 km

MESOSPHERE  
50-80 km



**YOUR FEEDBACK**

If you have any feedback on our sustainability approach and reporting, we would like to hear from you.



**EMAIL & WEB**

Email us at:  
sustainability.ba@bankasia-bd.com  
web: www.bankasia-bd.com



**CONTACT**

contact us on  
Phone : +88 02 71 10062  
Fax: +88 02 9577841



**WRITE**

write us at:  
Sustainability Reporting Team  
Bank Asia, Corporate Office  
Rangs Tower(2<sup>nd</sup> - 8<sup>th</sup> Floor)  
68,Purana Paltan, Dhaka-1000