

sustainability report 2016

Plastic soup is inviting
grave danger to our
environment

sustainability report 2016

Bank Asia

 Bank Asia



YOUR FEEDBACK

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

EMAIL & WEB

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Sustainability Report 2016

“There will be more plastic than fish in the world’s oceans by 2050 unless people stop using single-use plastic items such as plastic bags and plastic bottles”. This shocking news was revealed in a study done by United Nations (UN) in 2016 and as a result the UN held ‘The Ocean Conference’ in June 5th coinciding with world environment day.

Manmade causes are responsible for this pollution as at least 80% of the plastic rubbish in the oceans are dumped by industries and by people on land. It is carried to sea by rivers, canals, harbors and the wind. On top of this, shipping, fisheries and the off-shore industries are dispensing this unwanted dangerous ‘Plastic soup’, a term which is now used around the world to describe this kind of pollution.

The effect of “Plastic Soup” is absolutely destructive. Plastic degrades and fragments into small pieces and can release toxic substances. All sorts of animals and plants that live in or from the sea, even microbial zooplankton mistakes plastic and micro plastics for food. These toxic substances then enter earth food chain. On top of this, enroute to the sea, plastic fragments absorb all kinds of toxic substances from the sewers and polluted areas that they pass through and gradually become a toxic bomb. As a result these substances are released in the bodies of the organisms that eat the plastic.

As consumption of plastic products in Bangladesh is increasing every day, the Bay of Bengal is also under risk of Plastic Pollution. Use of plastic products has extended from households to industrial purposes and from bulk packing to office equipment, building materials, engineering parts, medical instruments, poultry and fishing, automobile and cycle parts, electronics, engineering products and musical products. It has impact on food and water supply, marine and coastal environment and causing climate change in this region. The world has seen the highest level of natural disasters this year and Bangladesh was amongst the worst-off list as this country never saw this kind of extended flood in the past two decades and the drastic rise in temperature evidenced from extended and a very hot prolonged summer.

Scientists believe that the best way to deal with the plastic debris is to stop the waste from entering the ocean in the first place and that was the main intention behind choosing ‘Plastic Soup’ in our Sustainability Report 2016 theme for creating awareness among our stakeholders. So let us please clean our dear ocean by following the mantra

‘Let’s Replace, Reduce, Reuse
and Recycle our plastics’
and also remember from our past
publication ‘Go green and
paperless banking’.

 **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 People Management Division.

REPORT PARAMETER

Since 2012, Bank Asia has been publishing annual Sustainability Report based on GRI guidelines. 2016 report is the third 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 2016. This is our fifth 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 2016, we have reported in accordance with the Global Reporting Initiative (GRI) G4 Guidelines- 'Core' option. 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 2016 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. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channeling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

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. Mohammad Ibrahim Khalil, FCA, Chief Financial Officer, Mr. Md. Bashir Uddin Ahmed, CSRS, Assistant Vice President, Accounts Department, Mr. Md. Shamim Hasnat, First Assistant Vice President, Group Finance and Ms. Nahid Tania Khan, Senior Officer, Group Finance. They may be reached through

e-mail: sustainability.ba@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, 'Ektee Bari Ektee Khamar' Project, Agent Banking channels, domestic remittance distribution through bank branches and agent banking outlets, Social Safety net Programs in collaboration with Social Welfare Department under Ministry of Social Welfare. Social Safety net Services in collaboration with Social Welfare Department under Ministry of Social Welfare.

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. We also contribute a significant amount to national exchequer in the form of income tax, vat & excise duty.

Customer Satisfaction

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs & creating brand ambassadors, personalized banking, online product innovation, measure and reduce customer efforts for greater 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, reducing 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 CSR 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. 3.01 million and Tk.0.78 million respectively during 2016. 47,678 man-hours training have been provided to 2,577 employees in the year 2016 both in home and abroad.

Bank Asia works with a wide range of suppliers, vendors, agents and others. To create value the Bank works with them 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, 1,813 manhours of training provided to 98 staffs regarding green banking under foundation trainings course in 2016.

PROFIT During 2016 Bank Asia generated operating profit of Tk. 5,921 million.

SUSTAINABLE BANKING OPERATIONS

KEY HIGHLIGHTS 2016

1,150

Agent outlets under 49 districts established for reaching unbanked people

47,678

Man Hours of training for development of our human capital

847

Students received (in 2016) support for education under BA's higher studies scholarship amounting to Tk. 39.47 million. Total beneficiary so far 1,950

1,266,930

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

63%

Cash transactions done through ATM

Tk. 363 million

Financed for solar plant project

31,216

Farmers and rural people (in 2016) so far 500,890 beneficiary benefitted financially through our agricultural/ rural credit

346,002

E-statements delivered to customer

239,744

correspondence through E-mail

109,330

Households of rural and semi-urban areas received remittance of Tk. 3,280 million through our MFI's network

Plastic bottles remain imperished in water for hundreds of years

“CHAIRMAN’S MESSAGE”

Bank Asia has a vision of making a poverty free Bangladesh through serving all segments of people by delivering technology driven different business models. In order to create an inclusive financial ecosystem, Bank Asia has been extending business dynamism through conventional business, Islamic business, off-shore business, and above all reaching unbanked people through EBK (Ektee Bari Ektee Khamar or One Home, One Farm) and Agent Banking.

Bank Asia has continued to play a leading role in the implementation of Agent Banking through networking consists of individual agent as well as UDC (Union Digital Center) based agent. Although this business model targets unbanked and geographically dispersed segment, this service is highly technology driven having safe and secured features. This initiative has given birth to ample opportunity for entrepreneurship development as well as employment generation in the rural underserved areas alongside with augmented economic activities. At present, Agent Banking operation has spread over 256 upazillas under 58 districts through opening 1,321 agent outlets (including UDCs and Post office).



EBEK, a government project aims at poverty eradication by reducing poverty level below 10% within 2021 through incorporating rural poor segment of population where Bank Asia has been playing a leading role from inception. EBEK obtained 1st Prize (E-Business and Financial Inclusion category) in 'Manthan Award' in partnership with World Summit Award, Department of Information Technology, Govt. of India, and with various other stakeholders. This service network is spreading over in 35 districts having 252 Upazillas where 1,266,930 beneficiaries are getting the services under this project. With the experience of implementing EBEK Project, Bank Asia is now providing services to other government projects like Social Safety Net Programs that includes payments of allowances to senior citizen, insolvent autistic population, widow or divorced women, freedom fighters etc.

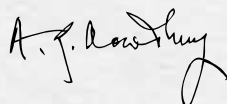
Agriculture sector plays a pivotal role on our sustainable growth of GDP having contribution around 15.4% and employing around 60% of the total labor force. In 2016, the Bank disbursed Tk. 3,319 million in this sector and till now 500,890 farmers have been benefited from the Bank. Bank Asia with the help of USAID Agricultural Extension Support Activity (AESA) project and Dhaka Ahsania Mission introduced A-card (Agriculture card) for the first time in Bangladesh to facilitate marginal farmers to get agri-loan through card and make necessary payments for seeds and fertilizer through the Bank. The Bank disbursed Tk. 15.64 million to 451 beneficiaries in 2016 under the scheme. The Bank has also received appreciation from Bangladesh Bank several times for achieving agricultural credit target set by Bangladesh Bank.

Small and Medium Business has been gaining importance for being focused as growth engine for the economy. Bank Asia is also focusing more on SME and retail segment for sustainable profitability and business potentiality. Previously this segment did not have easy access to finance because of collateral security and stringent terms and conditions, but presently SME products are tailored with best possible flexibility ensuring 'easy access' and 'hassle-free' financing. As a part of empowering woman, MSME introduced separate product focusing woman entrepreneurship. In 2016, MSME portfolio in Trading, Manufacturing, Service and Women Entrepreneurship stood at Tk. 18,692 million.

As a responsible corporate citizen, the Bank always thinks beyond the business and supports building of an equitable society. Social work is embedded in the culture of this Bank. The Bank spent Tk. 109.06 million in 2016 for CSR activities having growth of 65.44% over previous year. Scholarship to poor meritorious students is one of the major CSR activities. So far, 1,342 students have been awarded scholarships. The Bank also extended financial assistance to BSMMU for construction of nurses' hostel, setting up reading room at Badrunnesa College and donated to flood hit and cold hit people on humanitarian ground.

Finally the theme of our Sustainability Report of 'Plastic Soup' is very much important for not only our bank and its stakeholders but also for the whole nation as Bangladesh is amongst top two vulnerable nations as per National Geographic. Therefore, the cost related to the wealth and polluted environment should be addressed for the survival of the future generation and this will be the most critical factor for our existence.

Last but not the least, I take this opportunity to extend my heartfelt 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 services through alternate banking channels and helping the society extend various social services under active guidance of the Board. I also extend my gratitude to the Sustainability Reporting Team for their sincere effort for presenting the Bank's activities under the framework of Sustainability Reporting.



A Rouf Chowdhury
Chairman

“REVIEW FROM THE PRESIDENT AND MANAGING DIRECTOR”



The year 2016 was the first year to begin my journey in this Bank as President and Managing Director. Together with my dedicated and skilled colleagues I desire to contribute more for a sustainable development not only by granting loans but also through investing depositors' money in environment friendly sectors. We are now more committed to engage with our stakeholders so that we utilize our resources effectively to meet these goals.

Bank Asia is publishing the 5th Summary 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 contributions. Our report intends to touch upon all material environmental, economic and social impacts resulting from Bank Asia's activities in the year under report.

Bank Asia has been playing the pioneer role for implementing Agent Banking operation in Bangladesh as an effective tool for financial inclusion of unbanked people in remote areas. At present, Agent Banking operation has spread over 222 upazillas under 49 districts through opening 1,150 agent outlets. Bank Asia also made a unique Agent Banking module backed by technology based banking facilities that ensure proper security and real time banking for customers.

We are the lead partner Bank in implementing Ektee Bari Ektee Khamar (EBEK), a government project for the ultra-poor people of our country and aiming at poverty eradication in this segment. Bank Asia is now operating EBK Banking services to 35 districts having 252 Upazillas and more than 1,266,930 beneficiaries are getting the services under this project. This operation is spread over 21,816 villages of 2,424 unions.

We have financed in Agri/rural sector to create enormous employment opportunities in farms; especially in the fields of crops & fisheries that indirectly help sequestration of carbon and till now 500,890 number of farmers received the benefit from our Bank. Under the special finance program of CMSME, we are also providing financial support to the farmers at 4% concessional rate for cultivation. Bank Asia introduced A-card (Agriculture Card), for the first time in Bangladesh, to facilitate marginal farmers to get agri-loan in Card and make necessary payment for seeds and fertilizer under the scheme. Bank Asia has been providing financial services to account holders of Tk. 10 under refinance scheme @ 9.50%. Currently the total disbursed amount is Tk. 11.69 million and 299 poor people are availing this service.

Bank Asia has spent Tk. 109.06 million for CSR purpose with a growth of 65.44% over the previous year. One of our key CSR priorities was education; we have been supporting poor meritorious students by providing scholarships since the inception of our CSR activities. In the year 2016, Bank Asia disbursed around Tk. 61.28 million to 847 students as the Higher Study Scholarship program to rural poor and meritorious students who will become human capital of our country. With a view to mitigate acute accommodation problem of all graduate nursing students of BSMMU, Bank Asia completed construction of Nursing Student Hostel. As Bangladesh is a natural disaster prone country, the Bank contributed Tk. 19.34 million for disaster management.

Bank Asia is also promoting school banking services with an aim to build savings habit of school going children. In 2016, Bank Asia has collected deposit of Tk. 3.60 million from school going children by opening 2,579 school banking accounts.

We also 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 47,678 man hours of training involving 2,577 participants. The current gender mix is female 23% and male 77%. Our 82.54% of staff members are aged below 40 years which signifies that Bank Asia is in young, dynamic and capable hands. Bank Asia has introduced Grievance Handling Policy and Female Anti-Harassment Policy for the betterment of our employees. In Bank Asia all the employees have enjoyed same opportunity - neither gender ethnicity nor any other irrelevant factor are barriers in recruitment, career advancement or personal development.

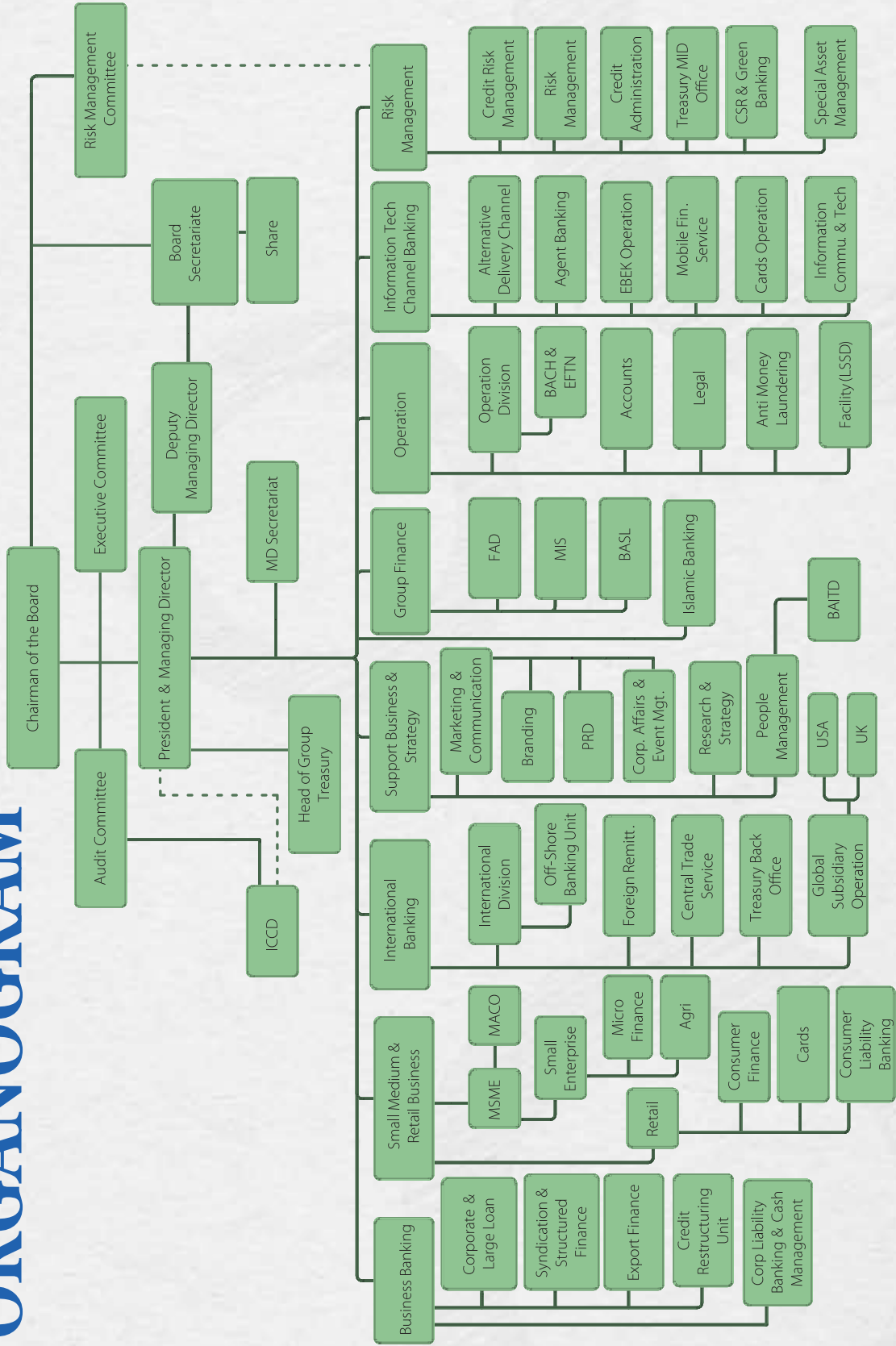
Bank Asia always believes in transparency in disseminating of information to the stakeholders irrespective of positive or negative event. Bank Asia achieved Best Sustainability Report in Bangladesh in the 12th Sustainability Reporting Awards (SRA) 2016 by NCSR, Jakarta, Indonesia for Sustainability Report 2015. It is our immense pleasure to share a news that we are achieving sustainability award every year under different categories by NCSR.

We look to the future with a sense of optimism and a firm belief that our sustainability commitment will be strengthened further by relying on a comprehensive strategy, the dedication of our employees and the continuous support of our stakeholders. I, in fine, express my sincere thanks and gratitude to all stakeholders and sincerely acknowledge their active engagement towards Bank Asia's dream to build a poverty free Bangladesh.



Md. Arfan Ali
President and Managing Director

CORPORATE ORGANOGRAM



AWARDS AND RECOGNITION



- Bank Asia achieved Best Sustainability Report in Bangladesh in the 12th Sustainability Reporting Awards (SRA) 2016 by NCSR, Jakarta, Indonesia for Sustainability Report 2015 of Bank Asia.
- 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) Jakarta, Indonesia.
- Bank Asia achieved Sustainability Reporting Award 2014(SRA 14) awarded for Most Impressive Report 2013 by NCSR Jakarta, Indonesia for Sustainability Report 2013 of Bank Asia.
- Bank Asia achieved commendation for first time Sustainability Report 2012 in the 9th Sustainability Reporting Award by NCSR in Pejaten, Jakarta for Sustainability Report 2012 of Bank Asia.



Bank Asia produces separate full scale Sustainability Report every year following GRI Guidelines including GRI Content Index and page reference. For more details visit www.bankasia-bd.com

**World Environment Day
5th June**



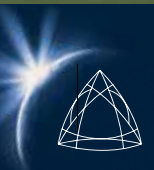
Save wilderness save wild

Royal Bengal Tiger the most majestic but most threatened species in the world is now increasing in numbers after centuries of decline (3,890 from 3,200 in 5 years). Bangladesh is a proud habitat of wild tigers and a wide range of wild animals, birds and fish. Our conscious and concerted efforts to save the wilderness will help saving the wild.

Let us all work together.



Bank Asia



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, Agent Banking, EBK program and many more specialized services with its core banking activities. To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7 ATM service and 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 the bank has strated 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.

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 backhome. '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 overseas branches in Jamaica and Brooklyn for remittance channeling to Bangladesh.

Scale of the Reporting Organization

As of the end of 2016, our Bank's operating profit is Tk. 5,921 million and total assets are Tk. 253,196 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 12.42 %.

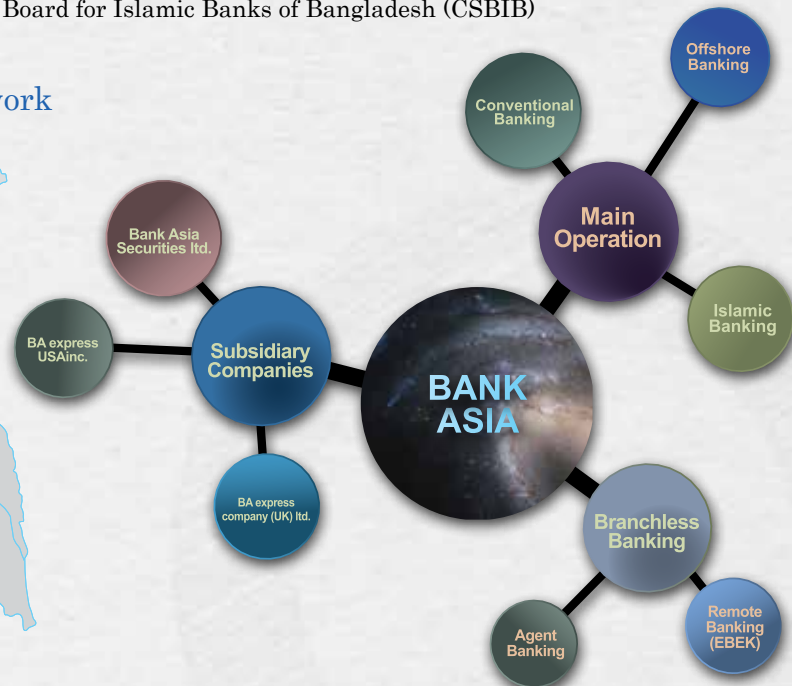
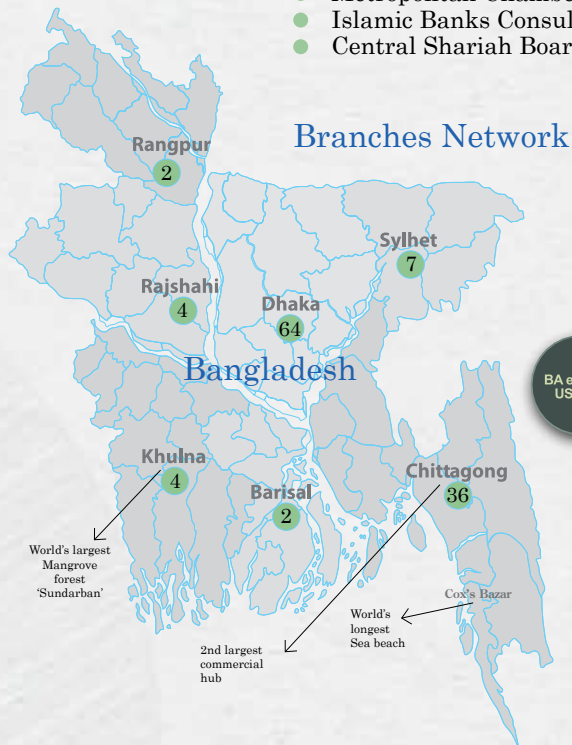
Number of employees	2,005 (1,970 of Bank and 35 of Subsidiaries)
Number of branches	111 (101 branches, 4 SME/Agri branches and 6 SME service centers)
Total operating income	Tk. 10,640 million
Total debt & equity	Tk. 234,157 million & Tk. 19,038 million
Number of ATMs	119 own ATMs and more than 5,000+ shared
Number of credit cards	47,255
Number of VISA debit cards	More than 300,000

Branch Network

Currently we have 111 branches and SME service centers across the country spread over different zones that includes 101 branches, 4 SME agricultural branch and 6 SME service centers. Geographically 64 are placed in capital Dhaka, 36 in Chittagong the 2nd largest commercial hub after Dhaka, 7 in Sylhet zone one of the leading remittance flow area, 4 in Khulna zone the 2nd 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, 2 in Barisal, the main rice producing center of Bangladesh and 1 in Mymensingh, renowned for one of the largest Agricultural University and largest residence of Garo ethnic communities of the country. All these branches and SME centers are efficiently supervised and monitored by Zonal heads 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)



G4-18, G4-25

STAKEHOLDERS' ENGAGEMENT

Bank Asia believes in the proper stakeholders' engagement in every aspect of its banking activities. We identify our stakeholders through conducting 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 our 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 analysis 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 our 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

Stakeholders	Ways of inclusion	Their priorities	Our response
Customers	<ul style="list-style-type: none"> ● Customer Relationship Management ● Complaints and customer satisfaction survey ● Customer feedback Management ● Ongoing market research and product innovation ● Customer Service Enhancement Program 	<ul style="list-style-type: none"> ○ Good return from deposits ○ Fast service delivery with excellence ○ Preferential pricing, charges and commission ○ Strict Shariah compliance in Islamic products and services ○ Product varieties catering market demand ○ Online banking solutions with secured transactions, privacy and confidentiality ○ Ensuring better and uniform services to the customers 	<ul style="list-style-type: none"> ○ ALCO sits every month to decide pricing and rates based on market analyses ○ All network nodes are run by online core banking system (CBS) ○ E-products like mobile banking, internet banking, tele banking, EFT ○ Separate online CBS for Islamic products ○ Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship ○ Proper actions are taken of customers complaints if any service goes against the customer service policy of the Bank ○ First working day in every month is being observed as 'Customer Service Day'
Employees	<p>Business conferences, teleconferences, video conference etc. Training, workshops and orientation program, internal meeting, group emails, intranet circulation, physical fitness, Future Leadership Development Program (FLDP), safe and clean working environment, physical fitness</p>	<ul style="list-style-type: none"> ○ Talents and performances development ○ Regular training ○ Inflation adjustment in pay package planning ○ Job description setting as per individual skill ○ Performance driven career progression ○ Healthy working environment and Policy formulation for safe working atmosphere ○ Ensure hygienic and congenial workplace by observing Cleanliness Day ○ Group Health Insurance ○ Gymnasium at Corporate office and BAITD ○ Transport facilities for female employees ○ Future Leadership Development Program & Sports Tournament 	<ul style="list-style-type: none"> ○ 47,678 man hours training for 2,577 human capital in 2016 ○ Salary package adjusted in line with market competitiveness and inflation ○ Yearly performance bonus for employee motivation ○ Well set KPIs for performance and inherent quality analysis ○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise ○ 278 Claims of insurance received of Tk. 8.45 million in 2016 ○ Pick and drop facilities has been provided through 14 vehicles both in Dhaka and Chittagong region ○ Formulation of 'Female anti harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner ○ Employees under different mentors are being trained as per FLDP program ○ First Saturday of every alternate months is being observed as 'Cleaning Day' where employees are actively participate to clean the office premises
Subsidiaries	<ul style="list-style-type: none"> ● Policies formulation ● Agreed upon strategic goals 	<ul style="list-style-type: none"> ○ Goals and Strategic focuses are based on local environment analyses & regulatory purview 	<ul style="list-style-type: none"> ○ Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries

G4-24

G4-26

G4-27

Stakeholders	Ways of inclusion	Their priorities	Our response
Local Communities	Promoting financial inclusion both for banked and unbanked people, CSR contribution Scholarship to poor meritorious students	<ul style="list-style-type: none"> ○ Provide banking facility to geographically dispersed poor segment of the society through Agent Banking network ○ Benefit economy by poverty reduction through banking services to rural poor people by EBK Project ○ Support under privileged people through Social Safety Net programs 	<ul style="list-style-type: none"> ○ Strongly consider environmental and social impact and restrain from adverse impact upon society ○ Target segment is underdeveloped and under privileged people ○ Services to old citizen, widow and disable beneficiaries ○ Significant contribution to education, health, disaster management, art & culture, environmental and sports sector
Business Partners	Procurement management, training and communication	<ul style="list-style-type: none"> ○ Fair trade, fair enlistment, ○ Sustainable and stable growth of the bank 	<ul style="list-style-type: none"> ○ Free from any bias or coercion from influencing quarters ○ Fair play & competition to award work order ○ Timely payment to vendors
Shareholders/ investors	AGM, EGM, annual & semiannual report, publishing quarterly financials, credit rating and PSI in newspapers	<ul style="list-style-type: none"> ○ Healthy return on investments and stable dividend policy ○ Growing earnings ○ Sound governance and risk management, ratings of the bank based on overall financial performances 	<ul style="list-style-type: none"> ○ Maintained attractive plough back ratio ○ Timely payment of debt with stated return ○ Established risk management culture ○ Transparency & integrity in financial reporting ○ Maintained consistent ratings through financial commitments ○ Each queries of the investors meet up through our share department efficiently and fairly
Board & Management	<ul style="list-style-type: none"> ● Decisions based on financial and business delegation of different levels ● Major decisions must be placed to board for approval 	<ul style="list-style-type: none"> ○ Governance principles, policies & procedures formulation ○ Strategic focus & value creation ○ Strategic business planning 	<ul style="list-style-type: none"> ○ At least one board meeting in every month, frequent executive committee meeting, audit committee meeting ○ Board members meet management on various occasions like annual & semi-annual business conferences, bank's anniversary celebration
Government & regulatory Authority	Strict ethics & compliance with applicable laws, rules and regulations	<ul style="list-style-type: none"> ○ Proper compliance with laws & regulations ○ Timely reporting as per requirement ○ Timely payment of income tax and VAT accurately 	<ul style="list-style-type: none"> ○ We ensure proper compliance and timely reporting to government bodies and regulators ○ Contributed Tk. 4,349.34 million to National Exchequer which significantly contributed to Government's revenue collection

MATERIAL

ASPECTS AND BOUNDARIES

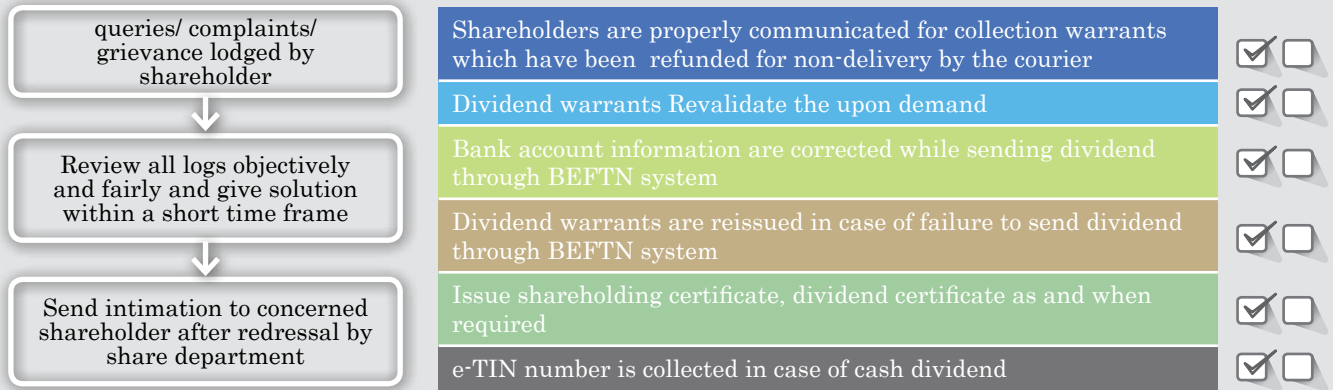
Material Aspect	Boundaries inside the organization	Boundaries outside the organization
Financial Inclusion	Client base of the organization increases with diversity, tapping business opportunities, increase of revenue generation.	The community including the overall economy benefited from reduction of 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 benefitted from customer friendly efficient services and will be more loyal to bank
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



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's 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;
- Mitigation for non-receipt of Annual Integrated Report, half-yearly financial position;
- Clarification of any price sensitive information over telephone;
- 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 upcoming price sensitive information over telephone, etc.

Any investors may lodge their complaint related to their investment in the company through formal letter, Bank's official e-mail ID i.e. bankasia@bankasia-bd.com and phone call to the Company Secretary and/or Share Department. We focus in addressing those complaints within the shortest possible time.



G4-24, G4-26, G4-27

Redressal Statistics 2016

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> ● Demat 50,120,57 shares; ● 8,440,408 bonus shares credit among 98 shareholders from suspense account ● Re-issue 2(two) dividend warrants; ● Issuance of 71 shareholdings certificate for income tax purpose; 	<ul style="list-style-type: none"> ● Demat confirmed 50,120,57 shares timely; ● 98 request responded; ● 2 (two) duplicate dividend warrants issued; ● 71 shareholdings certificate were issued;

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 2016, the Bank received 87 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.

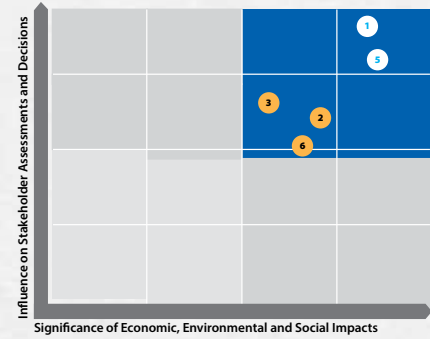
Employees' Perspective

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 People Management Division (PMD) takes necessary measures to redress if any adverse situation arises. In 2016, we didn't receive any complaints related to our employees.



General Shareholders at 17th AGM

MATERIALITY MAPPING



Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L	M		H		
		1	2	3	4	5	
1	Financial inclusion						<ul style="list-style-type: none"> 1,266,930 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 132,353 bank accounts opened in 33 districts through 1150 agent outlets under the Agent Banking (started in 2013) of the Bank, an initiative to bring most geographically dispersed poor segment within banking channel Operating School Banking through Agent Banking for building up future generation with savings habit and banking culture; till now deposit of Tk. 3,656,852 by opening 2,579 accounts
2	Human Capital and Talent Management						<ul style="list-style-type: none"> 47,678 man hours of training to 2,577 employees for skill development 83% of staff members are aged below 40 years which signifies that Bank Asia is in young, dynamic and capable hands Established 6 storied fully equipped own training institute Initiated Future Leadership Development Program (FLDP) for career progression and building of leadership quality with a total of 386 employees
3	Agricultural credit						<ul style="list-style-type: none"> Introduced Agricultural Card in 2016 to facilitate marginal farmers for getting agri loan where Tk. 15.64 million disbursed to 451 beneficiaries Achieved 110% of target set by Bangladesh Bank for agri/rural credit disbursement
4	Building the Community						<ul style="list-style-type: none"> + 65.44% growth in CSR expenditure of Tk. 109.06 million for the overall betterment of the nation Under CSR 847 students received higher study scholarship in 2016, total beneficiary so far 1,950 Establishment of Bank Asia Foundation for more specialized community services
5	Environment friendly Investment						<ul style="list-style-type: none"> Financed Tk. 97 million in 11 projects to set up zigzag chimney for better energy efficiency and lower emissions During the year 2016 we have disbursed Tk. 3,319.11 million to 31,216 farmers which helps sequestration of carbon.

GOVERNANCE

COMMITMENT AND

STAKEHOLDERS

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 12 (twelve) excluding the managing director as of December 31, 2016. In the Board 4 (four) 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 2016, 23 meetings held where 973 memos were presented.

Meeting held by board of directors

23

Major agenda covered in 2016

- Proposal for approval of MSME & Agri Divisional (Unit Wise) Organizational Structure, ARO recruitment policy, CMSME ARO sales & recovery commission pay structure, CMSME approval process flow and market survey format.
- Proposal for approval of Retail Banking Organogram, Human Resource recruitment, ARO policy and commission structure.
- Proposal to Introduce Regional Concept for the Branches.
- Proposal for Revision/Change/Addition in Employee/Staff House Building Loan.
- Reconstitution of the Board of Trustees of Bank Asia Contributory Provident Fund, Gratuity Fund, Superannuation Fund and Benevolent Fund.
- Revised incentive and commission structure of AROs (Contractual).
- Review of formation of Risk Management Division (RMD).
- Proposal for approval of "Motorcycle Loan" and Bicycle Loan" product program guidelines (PPG) of Consumer Finance.
- Proposal for approval of revised "Home Loan" product program guideline (PPG) of Consumer Finance.
- Recruitment & Governing Policy of Assistant Relationship Officer (ARO), CMSE and Retail Banking.
- Revision of Credit Proposal Processing Limit of SE (small segment) and MACO (Medium segment).
- Amendment of Delegation Authority for Sanctioning Leave.
- Policy Paper for extending agri/rural credit through NGO/MFI.
- Review of existing Delegation of Business Power.
- Formation of Senior Management Team in the Bank.
- Revision of Staff Transport Policy.
- Approval of Brand Identity Manual of Bank Asia.

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 2016, 44 meetings held where 687 memos were presented.

Meeting held by executive committee			50
Loan approval in 2016			Million Taka
	No. of Memo	Funded	Non-funded
New sanction	264	31,906.70	19,374.10
Enhancement	115	8,592.20	8,716.40
Rescheduling	11	867.00	
Forced Loan	4	110.10	

Audit Committee

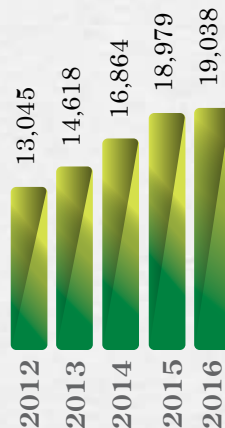
The audit committee of the board of Bank Asia was first constituted in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no SEC/ CMRRC/2006-128/134/admin/44 dated 7, August 2012 Audit Committee must consists of at least 3 (three) members with 1(one) Independent director. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. 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 3 (three) members. Mr. Mashiur Rahman, the chairman of the audit committee is an Independent Director and has more than four decades of banking experience in nearly all areas of banking industry. All the members are financially knowledgeable and have long experience in banking industry. More information is available in the Director's Profile at pages 20 to 24 and the 'Report on the activities of the Audit Committee' at page 196 in the Annual Integrated Report 2016. 12 meetings held where 148 memos were presented in 2016.

Major agenda covered in 2016

- External Audit Report of the Bank and the recommendations of the Bank
- Bangladesh Bank comprehensive inspection report and the recommendations
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank
- 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 on 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 compliance
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs

Total Shareholders' Equity

Million Taka



Capital Structure

December 31, 2016

Million Taka

Particulars	Taka	USD
Paid up Capital	8,812.60	112.05
Statutory Reserve	6,533.63	83.07
Revaluation Reserve	2,239.61	28.48
General Reserve	8.17	0.10
Retained Earnings	1,444.47	18.36
Total Shareholders' Equity	19,038.48	242.06

Exchange rate is used 1 USD equivalent to Tk. 78.65

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 2016, 07 meetings held where 31 memos were presented.

Meeting held by Risk Management Committee

07

Major agenda covered in 2016

- Memo on Capital Management Function-MCR (Pillar-1)
- Submission on policy weaknesses in the operations of the Bank reported in the Internal Audit & Inspection reports
- Memo on Rating against Core Risk (RCR) of Bank Asia Ltd. for 2015
- Memo on Core Risk Assessment (Internal) and Scope of Development
- Early Alert System
- Memo on Surveyor Enlistment Policy.
- Outcome of Stress Testing
- Memo on Risk Management Paper
- Risk Appetite and Management Action Trigger (MAT) of Bank Asia Ltd.
- Outcome of Additional Capital Assessment 2015
- Memo on Risk Management Structure of Bank Asia Ltd
- Mandatory Credit Rating for all customers required credit facilities (Tk. 1 million & above)
- Memo on Risk Appetite for the year 2016 & 2017
- Outcome of Additional Capital Requirement for 2015 under SRP
- Memo on Risk Control Self Assessment (RCSA)

Senior Management Team (SMT)

The highest committee of Management is the Senior Management Team(SMT),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 SMT 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 11. The name of the SMT members and their photos can be seen at pages 30 to 31 of the Annual Integrated Report 2016.

Major agenda covered in 2016

- PPG of Home Loan, Motor Cycle Loan and Bicycle Loan
- Finalization of Policy & manual for FRD, Draft Operation Manual, Treasury Manual, Operation Guideline & AML risk management guidelines
- Policy for extending Agri/Rural Credit through NGO/MFI
- Restructuring of Revolving SOD(FO), One Time SOD(EM), One time BG, One time LC, one time LDBP
- Improvement of Foreign Currency Module, Online Credit Approval System(OCAS) and Policy on Early Alerts System(EAS)
- Engaging ACNABIN to review Financial Reporting Policy
- Inclusion of Bangladesh Bank observation & compliance on Bank's Health Report
- Improving System to manage AML risk and train up all agent, officials & AROs to inspect the operation of Agent Banking
- Approval of Online Credit Approval System(OCAS) under Diganta Project
- AML risk management guidelines and designating AML Compliance Officers at International Banking & each departments of CO
- Incentives to the Good Borrowers and Policy on Surveyor/Valuer Company Enlistment
- Collection of IT-10 B form from bank's employees (VP & above) by PMD
- Approval of Policy on Surveyor/Valuer Company Enlistment

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 2016, there are 7 members in ALCO. The committee may be reconstituted as and when deemed necessary.

Major agenda covered in 2016

- 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 & forecasting
- Review of key ALM indicators and its impact
- FC Inflow-outflow & commitments scenario
- Re-pricing gap of Asset-Liability
- Investment analysis of Banking & Trading book
- Currency wise B/S position & gap analysis

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
Facility Approved in 2016	
New	483
Renewal	751
Enhancement	171
Renewal with Enhancement	319
Reduction	20
Renewal with Reduction	49
Restructuring	9
Renewal with Restructuring	11
Rescheduling	15
One-time	4,137
Others	1,168

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
Major agenda covered in 2016
<ul style="list-style-type: none"> ■ Additional Capital Requirements for the year 2015 ■ Calculation Methodology of ICAAP 2015

Independent Director

Participation of independent opinion in the Board is considered as an important element of good governance. Independent directors exert an independent view on the policies and decisions of the Board and emphasize that the policies and decisions are for the best interest of the whole bank. Bank Asia has 4 (four) independent directors in the Board.

They are : Mr. A M Nurul Islam, a renowned bureaucrat, two renowned retired bankers Mr. Mashiur Rahman, Mr. M Shahjahan Bhuiyan, and Mr. Md. Nazrul Huda, a retired central banker. This is a matter of great sorrow that Mr. A M Nurul Islam & Mr. Shah Md. Nurul Alam, passed away on 18.10.2017 & 22.10.2016 respectively. The Independent Directors are also member of the sub-committees of the Board. Two of them are the members of the Executive Committee, two are the members of the Audit Committee, and two are the members of the Risk Management Committee. One of the independent director Mr. Mashiur Rahman is the Chairman of Board Audit 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 is 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. Arfan Ali 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.

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 2016, the expenditures incurred related to directors were Tk. 3,192,000 for Directors' honorarium and Tk. 93,368 for Directors' Traveling purpose. During 2015, the expenditures incurred related to Directors' honorarium was Tk. 4,692,000 and Traveling was Tk. 196,590.

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 17 AGMs and 11 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 Integrated 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, 2016

Category	No. of Shareholders
Sponsor & Director	24
General Public	10,329
Foreign Investments	3
Investment Companies	87
Institutions	246
Non Resident Bangladeshi	85
Total	10,774



Share Holding Structure

Sponsor & Director **45.32%**
 General Public **17.27%**
 Foreign Investments **0.39%**
 Investment Companies **3.67%**
 Institutions **32.67%**
 Non Resident Bangladeshi **0.68%**

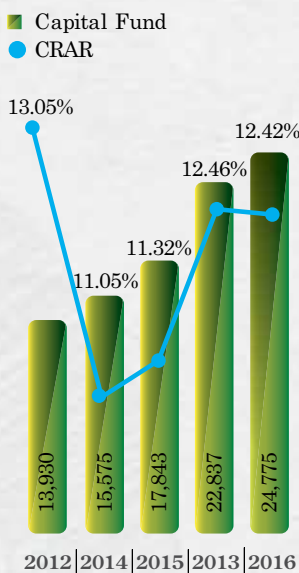
CAPITAL MANAGEMENT

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		2016	2015
Tier-1: Core Capital		16,735.57	16,400.10
		67.55%	71.81%
Tier-2: Supplementary Capital		8,039.04	6,436.73
		32.45%	28.19%
Capital Fund		24,774.61	22,836.83
RWA		199,490.69	183,247.39
Capital to Risk Weighted Asset Ratio (CRAR)		12.42%	12.46%

Capital Fund Trend (Million Taka)



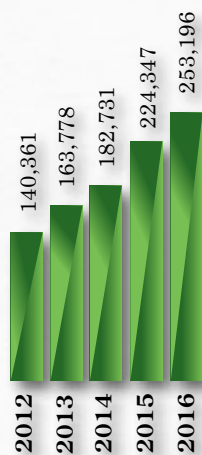
- Standard MCR is 10% on risk weighted assets (RWA), which will gradually increase up to 12.50% in the year 2019 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will by 3%, liquidity coverage ratio will be $\geq 100\%$ and net stable funding ratio will be $> 100\%$.
- Bank Asia is always committed to ensure sustainability in doing business including capital adequacy to support healthy growth of business. In this pursuit Bank Asia successfully closed its second subordinated bond of Tk. 3,000 million in February 2015.
- Upon the issuance of this 7 year floating rate non-convertible subordinated bond as Tier 2 capital of the bank the CRAR (Capital to Risk weighted Asset Ratio) reached to 12.42% as on December 31, 2016 against required 10%.
- To support healthy business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap Bank Asia has decided further issuance of Subordinated Bond of Tk. 5,000 million as Tier 2 capital in 2016.

FINANCIAL PERFORMANCE

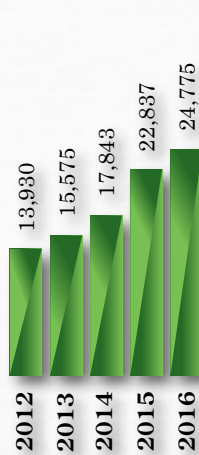
Major Financial Highlights

	2016	2015	2014	2013	2012
	Million Taka				
Paid up Capital	8,812.60	8,392.95	7,629.96	6,936.32	6,305.75
Deposits	191,272.58	169,827.34	140,869.29	133,489.37	110,061.78
Loans and Advances	163,609.78	136,396.34	116,808.85	104,911.26	92,328.82
Import	148,724.27	129,930.43	110,192.54	110,738.08	106,746.15
Export	103,139.15	89,275.32	77,646.91	71,968.83	66,478.34
Inward Remittance	41,665.14	42,996.80	41,732.50	34,334.40	32,110.10
Total Income	21,240.83	21,497.24	20,385.97	19,672.29	17,437.02
Total Expenditure	15,320.20	15,491.57	14,607.14	14,256.53	12,385.22
Operating Profit	5,920.63	6,005.66	5,778.83	5,415.76	5,051.80
Net Profit After Tax	1,545.91	2,573.92	2,218.69	1,459.82	908.00

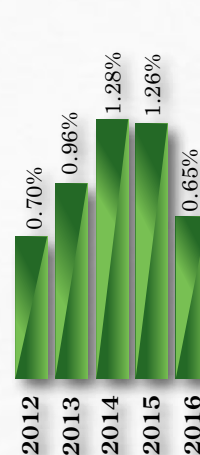
Total Assets
Million Taka



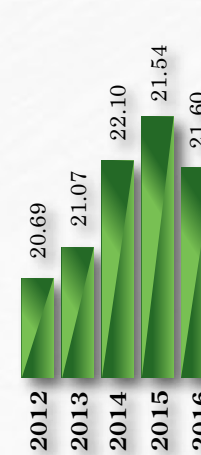
Total Capital
Million Taka



Return on Assets (ROA)



NAV per Share
Taka

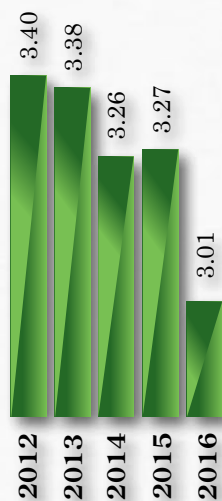


Key Management Ratios

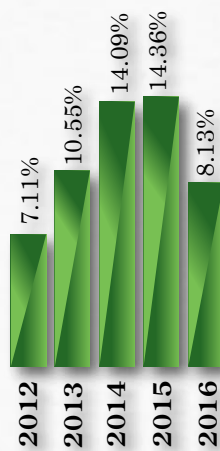
Million Taka unless otherwise specified

	2016	2015	2014	2013	2012
Credit Deposit Ratio	85.54%	80.31%	82.92%	78.59%	83.89%
Cost of Deposit	5.66%	6.87%	7.53%	8.82%	9.22%
Administrative Cost	2.51%	2.85%	2.93%	2.66%	3.08%
Yield on Loans and Advances	9.86%	10.97%	12.77%	14.22%	14.50%
Spread	4.20%	4.10%	5.24%	5.41%	5.27%
Burden Ratio	0.40%	0.21%	0.52%	0.42%	0.01%
Salary Exp. to total Overhead Exp.	49.84%	50.28%	46.98%	46.90%	46.74%
Cost to Income/Efficiency ratio	44.35%	41.84%	40.34%	36.53%	35.40%
Earnings Per Share (Taka)	1.75	2.92	2.64	1.91	1.31
Dividend Coverage ratio	1.46	1.53	1.94	2.10	1.44

Profit per Employee Million Taka

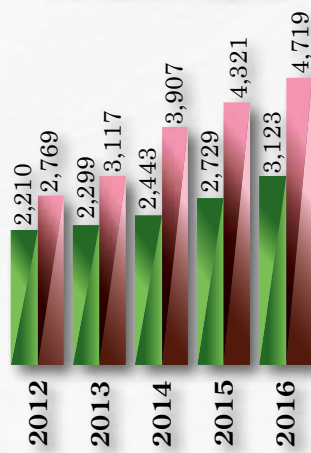


Return on Equity (ROE)



Non Interest Income & Non Interest Expense Million Taka

■ Non-Interest Income
■ Non Interest Expense



PRIMARY BRANDS PRODUCTS AND SERVICES

Brand has become an indispensable part of marketing efforts in current world. The most successful product in the world has some special kind of brand identity. In line with this, Bank Asia has a number of communication projects such as Corporate Communications, Product Communications, Event Management, Production, OOH Branding, etc. under its Corporate Affairs and Branding Department (CAB).

Branding of Airport, Rebranding of Islamic Banking Services, Retail Deposit and Cards products, Launching of ID products and Agent Banking, etc. are some of the significant activities. CAB has done an excellent job to establish consistent and uniform communication of the Bank. On top of that, cost perception has been redefined. Principle of budget optimization has been implemented in every single activity starting from production, event management, item purchase, etc. CAB under the Public Relations Department contributed to media innovations.

It produced and distributed branded gift items for clients on the occasion of 'Bangla Nabobarsha' and 'Mahe-Ramadan' that created an impulse in brightening image. Ramadan Schedule, Engraved wooden box, Branded wooden pen, pocket diary etc. created huge appeal among general people.

Bondhon CMSE product

Bank Asia introduced a new asset product "Bondhan" in 2016 for the micro and small entrepreneurs involved in processing of production of Blankets, Towels, Bed Sheets, Warm cloths, other clothes and related products from wastage of garment industries at Adhamdighi handloom and specialized cloths cluster in Bogra, Bangladesh. A big group of household and enterprises have been engaged in this 100% recycle product business and was looking for financing with joint collaboration by SME Foundation and Bank Asia Limited. We launched this collateral free loan financing size up to Tk. one million @ 9% interest rate through Agent Banking channel. This product designed for those micro and small entrepreneurs who remain out of banking services due to lack of capacity, experience, documentation, collaterals etc.



ব্যাংক এশিয়া এজেন্ট ব্যাংকিং এর সেবা সমূহ

- বৈদেশিক রেমিটেন্স এর অর্থ প্রদান
- সঞ্চয়ী ও চলতি হিসাব
- বিদ্যুৎ বিল গ্রহন
- স্কুল ব্যাংকিং হিসাব
- পাসপোর্ট ফি গ্রহন
- মাসিক সঞ্চয়ী হিসাব
- ফুড ও মাঝারি ঋণ প্রদান
- মেয়াদী সঞ্চয়ী হিসাব
- ভোক্তা ঋণ প্রদান
- নগদ জমা ও উত্তোলন
- কৃষি ঋণ প্রদান
- ফাড ট্রান্সফার
(ব্যাংক এশিয়ার যে কোনো হিসাবে)
- ডেবিট কার্ড প্রসেসিং
- ব্যাংকিং সকল কার্যক্রম ও
অন্যান্য সুবিধা
- ই.এফ.টি.এন এর মাধ্যমে ফাড ট্রান্সফার
(যে কোনো ব্যাংকের হিসাবে)

A-CARD TO MARGINAL FARMERS

Bank Asia with the help of USAID Agricultural Extension Support Activity (AESAs) project and Dhaka Ahsania Mission introduced A-card (Agriculture card) for the first time in Bangladesh to facilitate marginal farmers to get agri-loan in card and make necessary payments for seeds and fertilizer through the Bank.

The project also facilitates 'Farmer Producer Groups' linkages with different MFIs to start saving process and have access to finance. This pilot project is the unique example in Bangladesh where a bank and MFIs have partnered to extend micro-credit agricultural loans to farmers. Marginal farmers have traditionally had a difficult time securing loans from banks due to the rigorous due diligence process.

The project identifies the potential agriculture inputs retailers having Near Field Communication (NFC) enabled smart phone for payment mechanism and progress with their business through joining alliance. A-Card project was inaugurated in partnership with Society Development Committee (SDC), a local NGO and Bank Asia Ltd. in Faridpur on August 17, 2016 where 30 project farmers received A-Cards. Thereafter the project has been extended to Bhola and Khulna to support the small holder farmers. The project targets approximately 110,000 farmers and organizes them into 3,854 value chain based farmer producer groups (FPGs) by 2017. We disbursed Tk. 15.64 million among 451 farmers in 2016 through A-Card.

Emphasizing the needs of smallholders' access to finance, we hope that with the help of 'A-Card' and access to finance, the farmers will be more benefited in their agricultural productions.



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 2016

SL.	Transaction Type	No. of Transaction	Taka
1	Deposit	406,616	9,562,975,853
2	Withdrawal	277,598	5,894,400,861
3	Fund Transfer	257,585	10,212,806,425
4	Foreign Remittance	71,795	1,694,350,611
5	Palli Bidyut	726,270	393,853,907
6	Passport	175,509	675,187,163
	Total	1,915,373	28,433,574,820

Balance as on Dec. 31, 2016

SL.	Account Type	No. of Account	Taka
1	Savings	107,080	590,426,123
2	Current	8,120	129,373,560
3	DPS	13,506	180,402,839
4	TDS	1068	180,400,569
5	School Banking	2,579	3,656,852
	Total	132,353	1,084,259,943



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 Union Digital Centres
- Agent Banking partnership with SFDF, BURO Bangladesh
- Strategic Alliances with WFP, USAID, Good Neighbour Bangladesh , SWAPNO, E-commerce solution to be established with the Agent Banking network, CARE, Swiss contact and Metlife Foundation for Sarathi project, Padakhep Manabik Unnayan Kendra, Insurance companies, Ministry of women and children affairs for grant disbursement, USAID for introducing A-Card for farmers
- Innovative Payment platform for Social Safety Net disbursement through NFC card
- Mobile Application for Agent Banking Customer

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 2017

- To ensure bank account for every citizen of the country
- Extending Agent Banking Service up to union level through a number of 2000 Agent outlets by 2017
- Collaboration with different development organization and institution
- Establishment of an e-Commerce platform to provide financial flexibility
- Introduction of Insurance Product selling through Agent Outlet
- Service diversification through School Banking, RMG workers, smallholders' farmers, street children etc.
- Facilitation of Social Safety Net payment to cover wider range of the society



Bank Asia Social Safety Net officers heavily engaged for account opening purpose

SOCIAL SAFETY NET PROGRAM

With experience to implement the EBK Project, Bank Asia is now capable enough to provide services to other government projects like Social Safety net Programs in collaboration with Social Welfare Department under Ministry of Social Welfare. The services cover under this program

- Senior Citizen allowances
- Insolvent Autism Allowances
- Payments for widow or divorced women allowance
- Payments of Freedom Fighters allowance
- Wages of road maintenance workers
- Student Stipends and related allowances
- Food security allowances (Cash payments)
- Teachers Salary both Government Primary and Non-Government High school Teachers and others

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

Particulars	EBEK (3 rd Revision)	EBEK (Phase I & II)	Social Safety net	SWAPNO	EWFSAB (RMG)	SHOUHARDO	Local Govt. Salary/ Allowance Disburse	Total
Districts	31	35	05	02	01	08	01	39
Upazillas	220	252	09	02	01	23	01	264
Union	2,200	2,424	58	06	02	115	10	2,598
Village	21,000	21,816	520	54	16	479	89	22,835
Beneficiaries	120,000*	13,20,000	65,000	218	220	**	256	3,357,418

* Project end beneficiary will be 2 million

** Project end beneficiary will be 0.169 million



Old age beneficiaries account opening on boat at Shaguna union, Sirajganj



Cash allowance disburse through Mobile apps technology at Jawar Union, Kishoreganj by Joint Secretary of Social Welfare Department, Deputy Commissioner of Kishoreganj & UNO of Tarail Upazila



Widow allowance disburse to allowance holder at Isswaripur Union digital Center, Shyamnagar, Satkhira



SWAPNO projects beneficiary payment at Kadakathi Union, Satkhira



Widow beneficiaries account opening at Nawgaon union, Sirajganj



Disable beneficiaries account opening at Rupsha, Chandpur

We have already got permission to cover new five districts of Social Safety Net Payment within short time. We will cover 50% of total Social Safety Net Payment by mid of 2018 with a number of 3 million beneficiaries. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and they offered another 10 districts to expand within shortest time.

We have another two prestigious projects named SHOUHARDO covering 8 districts, 23 upazillas, 479 villages and 169,000 beneficiaries. EWFSAB is another pilot project of CARE where we have joined our hand with VISA and CARE International.

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 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. The bank distributed 120 & 148 SJS account holders in 2013 & 2014 respectively. For 2015 & 2016 we have finalized 140 students to distribute gifts with certificates for scoring bright result. In 2016, the Bank approved scholarship / financial aid to continue education of 3 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 October 31, 2016, Bank Asia has more than 7,000 Smart Junior Saver accounts (including DPS) with a balance of Tk. 134.62 million.

SCHOOL BANKING



Bank Asia brings School Banking Account for those kids who aspire to be in the mainstream 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

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 2016, Bank Asia approved the non funded limit of Export financing for ETP of Tk. 53.20 million to Robintex (Bangladesh) Ltd. For bio gas plant and realizing the importance of producing bio energy, our Agriculture department has been financing biogas plant projects. The outstanding amount was Tk. 1.31 million in 2016. Moreover, we have saved Tk. 21.85 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E- Fund Transfer, Digital Attendance, E –Mail correspondence etc.

Bank Asia
financed
ETP Project



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. As greening of mind, 3 external training were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2016, Training Institute of Bank Asia has provided 3 trainings on Green Banking under Foundation training course to 98 employees.

In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, 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.

During 2016, 148 proposals deals through OCAS (Online Credit Approval System) have been developed as a part of Technological improvement of the Bank. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier and will provide a competitive edge over other banks on online banking.

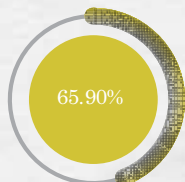
Transport

At present 14 vehicles used for pick and drop facility specially for female employees of Bank Asia in Dhaka and Chittagong region where majority of the pool vehicles have been converted into CNG driven. Bank Asia provides full-fledged transport facilities for employees during and beyond usual working hours.

Business Portfolio
(as on December 31, 2016)

Corporate & Large Loan

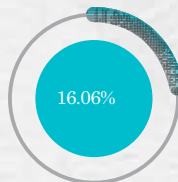
Portfolio of Loans & Advances of Bank Asia has always remained focused on Corporate and Large Loan Financing



Outstanding
Tk. 107,824 million

CMSME

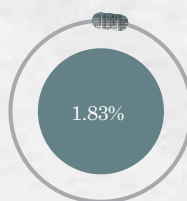
Bank Asia has been sincerely putting its efforts to amplify its CMSME related activities.



Outstanding
Tk. 26,278 million

Agricultural

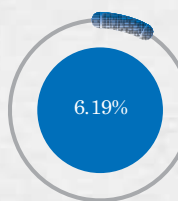
To contribute in the rural development, Bank Asia has been working in Agricultural sector. In 2016 Tk. 3,319.11 million has been disbursed to serve 31,216 beneficiaries.



Outstanding
Tk. 3,000 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.



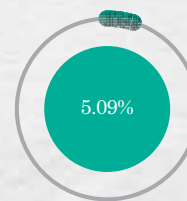
Outstanding
Tk. 10,129 million

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.

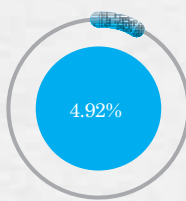
Several new products were introduced and sanctioned credit through different products like House Finance, Auto Loan, Consumer Durable Loan, Unsecured Personal Loan, Loan for freelancers and Loan for Professionals.

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. 7,070 million
Credit Cards
Tk. 1,252 million

OBU



Outstanding
Tk. 8,057 million

OBU acts as a unique solution for the banks around the globe to carry out international banking business which involves foreign currency denominated assets and liabilities taking the advantages of low or non-existent taxes/levies and higher return on investment.

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. 97 million in 11 projects to set up Zigzag chimney. More over In 2016, Bank Asia approved the non funded limit of Export financing for ETP of Tk. 53.20 million to Robintex (Bangladesh) Ltd. (a sister concern of Robintex Group) and approved Tk. 2,010 million to Saiham Knit Composite Ltd. having USGBC Certified LEED Certificate for environment friendly infrastructure in the construction for reducing carbon footprint through established environment friendly composite knit industry.

Region wise Portfolio

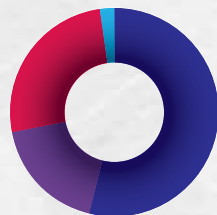
Region wise portfolio summary as on December 31, 2016 was as under

Division	Million Taka			
	Urban	Rural	Total	%
Dhaka	116,260.98	8,208.89	124,469.87	76.08%
Chittagong	25,597.30	2,873.18	28,470.48	17.40%
Khulna	2,333.68	735.33	3,069.01	1.87%
Rajshahi	2,583.63	1,948.98	4,532.61	2.77%
Barisal	307.93	-	307.93	0.19%
Sylhet	1,512.24	389.71	1,901.95	1.16%
Rangpur	666.73	-	666.73	0.41%
Mymensingh	191.20	-	191.20	0.12%
Total	149,453.70	14,156.08	163,609.78	100.00%

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 2016, the MSME portfolio stood at Tk. 18,692 million.



MSME Portfolio in 2016

Million Taka

Trade **10,187** | **54%**

Manufacturing **3,368** | **18%**

Service **4,757** | **26%**

Women Entrepreneur **380** | **2%**

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	2016		2015	
		Million Taka	% of Funded Loan	Million Taka	% of Funded Loan
1	Industries				
	Agriculture and Jute	2,340.58	1.43%	1,758.34	1.29%
	Cement	517.00	0.32%	491.26	0.36%
	Chemicals	1,983.39	1.21%	619.93	0.45%
	Electronics	2,549.37	1.56%	1,638.68	1.20%
	Food & Allied	12,282.27	7.51%	13,090.57	9.60%
	Paper	7,739.05	4.73%	3,633.85	2.66%
	Readymade Garments	18,153.01	11.10%	15,002.06	11.00%
	Real Estate	11,992.02	7.33%	10,443.77	7.66%
	Steel	9,475.07	5.79%	5,878.55	4.31%
	Textile	13,617.37	8.32%	9,680.05	7.10%
	Others	13,313.31	8.14%	16,065.00	11.78%
	Subtotal	93,962.44	57.43%	78,302.07	57.41%
2	Infrastructure				
	Power	50.52	0.03%	690.12	1.19%
	Telecom	453.30	0.28%	528.51	0.91%
	Construction	5,758.25	3.52%	4,913.52	8.46%
	Transport	2,359.10	1.44%	3,023.32	5.20%
	Sub total	8,621.17	5.27%	9,155.46	6.71%
3	Commercial Lending	32,044.40	19.59%	31,280.13	63.92%
4	Export Financing	12,668.20	7.74%	6,003.30	12.27%
5	House Building Loan	923.36	0.56%	363.24	0.74%
6	Consumer Credit Scheme	7,076.44	4.33%	5,482.24	11.20%
7	Small & Medium Enterprise	3,957.23	2.42%	3,414.66	6.98%
8	Staff Loan	1,329.10	0.81%	1,241.68	2.54%
9	Credit Card	1,252.44	0.77%	1,147.96	2.35%
10	Non-Banking Financial Institution	1,775.00	1.08%	5.6	0.01%
	Total	163,609.78	100.00%	136,396.32	100.00%

PRODUCTS AND SERVICES

RETAIL BANKING PRODUCTS

Deposits

Low Cost/No Cost Deposit Accounts

- Current Deposit Account
- Savings Bank Account
- Star Savings 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 KotiPoti

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

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 (both Local and Post Import)
- Hire Purchase Shirkatul Melk (HPSM)
- Musharaka
- Murabaha Import Bills
- Guard against Accepted Bills
- Guard against MTDR
- Guard against Schemes

MICRO, SMALL, MEDIUM AND AGRICULTURE BANKING PRODUCTS

Deposits

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

Micro & Small Enterprise Finance

- Shomadhan - Over draft for Trading, Manufacturing, Service & Women Entrepreneur
- Utshob- Collateral free Seasonal loan
- Shubidha - Collateral free Term loan for Trading
- Sristi - Collateral free Term loan for Manufacturing

EXPERIENCE LUXURY WITH BANK ASIA PLATINUM CARD

- Priority Pass
- Access to Airport Balaka Lounge
- Meet & Greet services at Airport
- Easy Buy (0% interest on installment)
- e-commerce Transaction
- Reward Points
- Chip based card to ensure data security

শুদ্ধতায় প্রয়োজনে পাশে

- Shofol - Collateral free Term loan for Service
- Shondhi - Term loan for Trading
- Shombridhi - Term loan for Manufacturing
- Sheba - Term loan for Service
- Subarno- Term loan for Women Entrepreneur
- Probaho - Term loan for Electric Cluster at Dhaka
- Shombhabona- Term loan for New Entrepreneur
- Bondhon- Term & seasonal loan for Hand-loom & Specialized cloth Cluster at Bogra

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
- 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

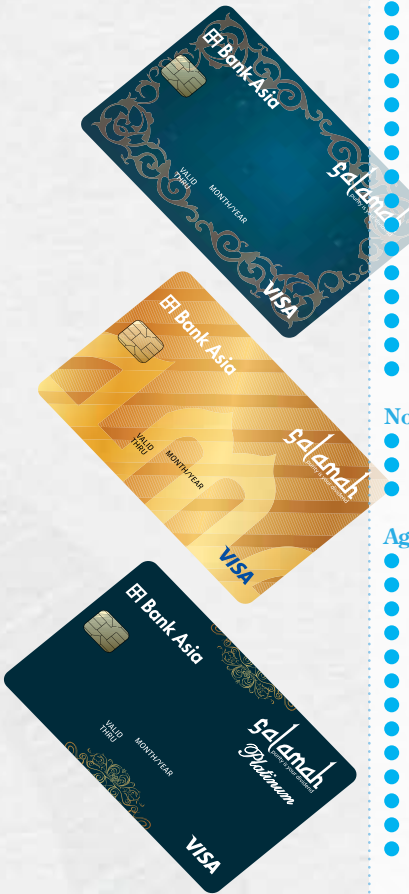
Bank Asia provides corporate customers a full range of cash management products and services. A wide range of solutions are offered to help them plan, monitor and manage their liquidity and meet payments, receivables, accounts and information requirements.

Specific products and services are as follows:

- 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 (Work order)
- Loan against Imported Merchandize
- 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)



MAKE YOUR DREAM HOME A REALITY



www.bankasia-bd.com

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/ Agri business Loan etc.)

OFF-SHORE BANKING UNIT (OBU) PRODUCTS

- On-shore Import & Export Bill
 - Discounting
 - UPAS Loan
 - Bill Purchase
- Working Capital Finance
 - LTR
 - Packing Credit
 - Term Loan
 - Lease Finance
- Trade Finance
 - Import, Export
- Loans & Advances to wholly foreign owned entities
 - LTR
 - Term Loan
 - Demand Loan
- Term loan to local entities
- Nostro account services to other local banks

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
- Term Deposits
- Remote Banking (EBEK)
- 10 Tk. Accounts
- Account Opening
- Deposit & Withdrawal from account
- Fund Transfer within bank and to any bank in Bangladesh
- Inward Foreign Remittance payment
- Utility Bill Payment
- Balance Inquiry
- Account Statement (mini)
- Insurance Premium Collection
- Passport Fee Collection
- SME Loan Processing
- Agricultural Loan Processing
- Retail Loan Processing
- Repayment of Loan Installment
- Disbursement and Payment of Social Safety Net
- Salary Disbursement Solution
- A-Card for farmers
- Debit/NFC Card Services
- Mobile Top Up
- Agent Banking Apps

TREASURY PRODUCTS

Money Market, Fixed Income, & Capital Market

- Call Money
- Notice money
- LCY/FCY Term
- Fixed income & Capital market securities
- Repo
- ALS (Assured Liquidity Support)
- Reverse Repo
- Currency SWAP

Foreign Exchange

- Spot Foreign Exchange
- Forward Foreign Exchange
- Forex Swaps
- Cross Currency Swaps
- Interest Rate Swaps
- Interest Rate Cap and Collar

CAPITAL MARKET SERVICES

- Brokerage Services
- Attractive Commission Rate
- Wide Branch Network
- Margin Loan
- CDBL Services
- Research
- Daily Market Update and News Summary
- Institutional and Foreign Trade
- Panel Broking
- Portfolio and Risk Management
- Internet and Smartphone trading

Agricultural / Rural Credit

Bank Asia Ltd. has been working for rural development of our country since long. Total 500,890 farmers have been benefited from the Bank till date.

Million Taka

Particulars	Direct Network	NGO Network	Total
Disbursement (from 01-01-2016 to 31-12-2016)	211.26	3,107.85	3,319.11
Outstanding (as on 31-12-2016)	165.90	2,834.75	3,000.65
No. of beneficiary	1,052	30,164	31,216

Financial Inclusion

Bank Asia has been financing to account holders of 10 Taka under refinance scheme @ 9.50% interest rate.

Bank Asia with the help of USAID Agricultural Extension Support Activity introduced A-card (Agriculture card), for the first time in Bangladesh, to facilitate marginal farmers get agri-loan in card and make necessary payment for seeds and fertilizer. We have disbursed Tk. 15.64 million to 451 beneficiaries in 2016 under the scheme.

Special Finance Program of 2016

Financial Support to 10 Taka account holders @ 9.50%

Amount: Tk. 11.69 million

Beneficiary: 299 poor people

Branch: Faridpur, Bogra, Aglabazar, Nimtola, Rajshahi, Sirajdikhan SME/Agri Branch.

Financial Support in special crop sector @ 4% concessional rate

Amount: Tk. 1.09 million

Beneficiary: 13 poor people

Branch: Bogra, Rangpur



Poultry farm
financed by
Bank Asia

Financing Effluent Treatment Plant (ETP)

In 2016, Bank Asia approved the non funded limit of Export financing for ETP of Tk. 53.20 million to Robintex (Bangladesh) Ltd. that will help to reduce discharge of untreated factory waste water into the rivers.

Financing Environment Friendly project

In 2016, Bank Asia financed Tk. 97 million in 11 projects to set up Zigzag chimney for better energy efficiency and lower emissions. we approved the limit of Tk. 2,010 million to Saiham Knit Composite Ltd. having USGBC Certified LEED Certificate for environment friendly infrastructure in the construction.

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 2016, we have done 2,145 transactions and paid an amount Tk. 35.42 million through 'Payza' and 18,682 transactions amounting Tk. 874.89 million through 'Payoneer'. We are also targeting to excel our service tremendously in 2016.

Bank Asia, a Tech savvy bank, has arranged a reception program on November 19, 2016 for the "TOP IT Service Exporter in Bangladesh awarded by the BASIS in 2015."

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. As per approved audit plan, the ICCD completed the audit and inspection tasks of 111 branches, 5 Islamic windows, 80 agent points, 29 Corporate Office divisions/ departments and 17 branches on anti-money laundering issues in 2016.

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'.

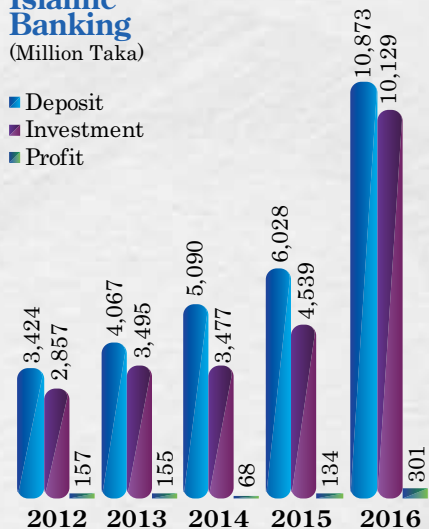
Islamic Banking Services

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 Taka)

- Deposit
- Investment
- Profit



ENVIRONMENTAL PERFORMANCE

Energy [Energy Savings](#)

Our Corporate Office as well as our branches 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	2016 Total
Electricity	88.22
Fuel & CNG	12.17

[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 and Nimtola Branch.

[Financing Renewable Energy and Carbon Offset Projects](#)

During the year 2016 we have disbursed Tk. 3, 319.11 million to 31,216 farmers which helps sequestration of carbon.

[Direct Energy Consumption by Bank Asia](#)

Source	Consumption		Megajoules
Electricity	9,079,000	kwh	32,684,400
Diesel	12,965	ltrs	466,740
Octane	51,793	ltrs	1,657,376
CNG	164,671	m3	5,269,472
Total			40,077,988

[Reducing Energy & Resource Consumption](#)

Instruments of Green Banking offered by Cards Division and Alternative Delivery Channel includes E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, and Digital Attendance and E Mail corresponding, which help reducing printing paper. In 2016, our Cards Department through its digital filing system have been archived more than 76,320 pages. Moreover new issue, replacement, activation and PIN request are automated which reduced Debit Card issuance time as well as saved paper and courier service cost. 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	346,002	3.46	NIL
2	SMS Banking	387,027	3.87	0.097
3	SMS Alert	788,863	7.89	0.197
4	Net Banking	213,284	2.13	NIL
5	E-Fund Transfer	172,833	1.73	NIL
6	Digital Attendance	2,505	0.001	NIL
7	E-Mail Corresponding	306,152	3.06	NIL
	Total		22.14	0.294
Net Savings Taka 21.85 Million				

Solar Home System

Bank Asia is committed to enlighten every rural home with green electricity. At present, only about 42.49% of the rural households in Bangladesh have access to grid electricity. Life comes to almost a standstill there after sun-set for the rest of the areas. Giving priority in this sector, Bank Asia has been supporting to import and install solar home systems in the off grid area. During 2016 Bank Asia disbursed Tk. 362.56 million for Engreen Sharisha Bari Solar Plant Ltd.

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 none 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 2016, Bank Asia spent Tk. 175.87 per month for each employee to ensure safe drinking water.

Waste Management

This process is involved in dealing with the waste generated from 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 CO₂ Emission

Since 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 CO₂e 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.

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 in 2011 for lending in solar energy, bio- gas, and effluent treatment plant (ETP) and Hybrid Hoffman Kiln (HHK) technology based brick field.

In 2016, Bank Asia approved the non funded limit of Export financing for ETP of Tk. 53.20 million to Robintex (Bangladesh) Ltd. (a sister concern of Robintex Group) one of the valued client of MCB Banani branch. The Bank Asia also financed Tk. 97 million in 11 projects to set up Zigzag chimney for better energy efficiency and lower emissions. Moreover, we approved the limit of Tk. 2,010 million (Funded Tk. 935 million and Non funded Tk. 1,061 million) to Saiham Knit Composite Ltd. having USGBC Certified LEED Certificate for environment friendly infrastructure in the construction. In addition, our Agriculture department has been financing biogas plant projects. The outstanding amount was Tk. 1.31 million in 2016.

Green House Gas Emission Table

Source	Consumption		Co2 Emission (tons)
Electricity	9,079,000	kwh	8,534.26
Diesel	12,965	ltrs	18.99
Octane	51,793	ltrs	79.49
Air Travel	3,356,000	km	1045.48
Road Travel	5,034,000	km	246.67
Paper	42,633	Reams	136.43

Source
www.carbonneutral.com.au

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. As a Bank, we play an intermediary role between economic development and conservation of the 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. These steps show the Bank's efforts towards encountering in-house environment management as part of supporting green banking. 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.

For a sustainable economy Bank Asia plays a crucial role for financing the project that enhance the positive impact over the society. In 2016, Bank Asia financed for Valmont Fashion Ltd. of Tk. 10.10 million and disbursed Tk. 4.95 million for importing Fire Alarm, Fire Detection system and Fire hydrant system for compliance of the project and procuring materials/ equipments/ accessories from local sources and installation of fire system.

As part of green banking initiative, Bank Asia ICT Division has introduced green data center which is entirely built, managed and operated on green computing principles. It provides the same features and capabilities of a typical data center but uses less energy and space, and its design and operation are environmental friendly. During the year Bank Asia ICT Division has deployed Blade servers, which provide high performance with low power consumptions and occupy less space. Moreover Bank Asia ICT Division has been providing email IDs to all permanent employees of Bank for communication which significantly reduced the paper based communication.

We also deployed Smart Clients instead of conventional PCs which were centrally managed, highly secured and easy to deploy but low maintenance cost solution and low power consumption. The results are of robust solutions that use the Internet as a worldwide LAN with true desktop functionality and performance.

As greening of mind, 3 external training were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2016, Training Institute of Bank Asia has provided 3 trainings on Green Banking under Foundation training course to 98 employees. In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, 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.

This year Bank Asia arranged a Painting Competition for the children of the bank employees marking the World Environment Day. The theme of the painting competition was "Our World" where Tk. 3,34,000 (approx.) spent for this program. Moreover, to create awareness, Bank Asia published an advertisement in two daily newspapers on World Environment Day, 2016.

Like the previous year, the Bank has published Sustainability Report and achieved 'Best Sustainability Report in Bangladesh' for Sustainability Report 2015 in Sustainability Reporting Award 2016 (SRA 16) by NCSR, Jakarta, Indonesia.

Online Banking

Technology continues to be a strong pillar in the Bank's idea to attract the banking experience of its customers. Bank Asia has been one of the pioneers in introducing Online Banking. In 2016, it covers 101 branches, 4 Agri/SME branches, 6 SME centers, 119 own ATMs, more than 5,000+ shared ATMs and others. Clients can also have access to their accounts through Internet & Mobile Banking via Smartphone's apps which can be used for internet based applications for transactions. Online banking system is a great way to reduce wastage of paper.

Bank Asia has implemented most advanced solution in receiving WASA, DESCO bill payment and e-Government Procurement (e-GP), Passport fee collection systems through a full real time online web based which enables the payment in a smooth and hassle free manner. We have recently integrated Internet banking system to NPBS on first phase among the three Banks. With this connectivity our customers can transfer fund from their account to Inter-Bank accounts.

In our banking system recently 'e-Commerce' has been 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 and in faster time from any time anywhere. Through SSL, clients can purchase products & services from 175+ Merchant websites.

Others

Bank Asia spent Tk. 109.06 million as CSR activities mainly to Prime Minister Relief and Welfare Fund, Higher Studies Scholarship, construction of BSMMU and HFRCMCH, different socio cultural and religious program in 2016.

Compliance

During 2016, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.



ECONOMIC PERFORMANCE

Bank Asia's Value addition during 2016

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.

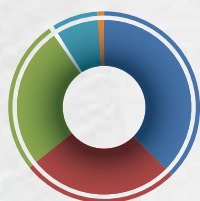
In the year 2016, bank's net value addition was Tk. 6,460 million; 36% distributed to employees as salaries, 32% to shareholders as dividend & reserve, 27% to government as income tax and rest of the amount used for business expansion and growth.

Value Added Statements

Million Taka

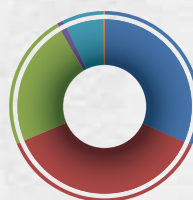
Items	2016	2015
income from banking services	21,241	21,497
Less: Cost of services & supplies	(12,499)	(12,878)
Value added by banking service	8,742	8,619
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(2,634)	(1,562)
Total	6,108	6,738

Distribution of value addition	Year			
	2016		2015	
	Amount	%	Amount	%
To employees as salaries	2,352	39%	2,173	32%
To providers of capital as dividend & reserve	1,715	28%	2,503	37%
To Government as income tax	1,678	27%	1,535	23%
To expansion & growth				
Retained profit	(169)	-3%	71	1%
Depreciation	469	8%	441	7%
Deffered Taxation	63	1%	15	0.23%
	363		527	
Total	6,108	100%	6,738	100%



Value Added Statement 2016

39% To employees as salaries
28% To providers of capital as dividend & reserve
27% To Government as income tax
3% Retained profit
8% Depreciation
1% Deffered Taxation



Value Added Statement 2015

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

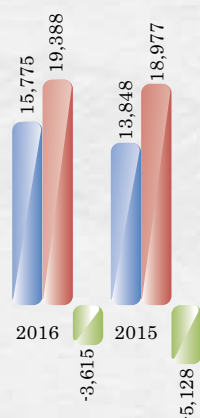
Economic Value addition during the year 2016

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		
	2016	2015	2014
Invested fund by shareholders			
Shareholders equity	19,038.48	18,979.33	16,864.42
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	8,938.44	7,264.26	6,312.15
Total invested fund by shareholders	27,976.92	26,243.59	23,176.57
Average invested fund by the shareholders [A]	27,110.26	24,710.08	21,447.63
Earnings for the year			
Profit after taxation	1,545.91	2,573.92	2,218.69
Add: Provision for loans/ investment, off-balance sheet items and offshore banking units	2,633.73	1,881.74	1,561.88
Less: Written off during the year	920.45	1,075.79	471.38
Earnings for the year [B]	3,259.19	3,379.87	3,309.19
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]	3,524.33	3,212.31	2,788.19
Economic Value Added [B-D]	(265.14)	167.56	521.00



Market Value Added

Million Taka

Total market value of the equity

Total book value of the equity

Market Value Added

Market Value Addition during 2016

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 2016, total market value of the bank was Tk. 15,774.55 million and total book value of equity is Tk. 19,387.72 million i.e. addition of market value was Tk. (3,615.00) million.

Market Value Added Statement

Million Taka

Particulars	No. of shares (in Million)	Share price (in Taka)	Taka
Market value	881.26	17.9	15,774.55
Book value	881.26	22	19,387.72
Market Value Added			-3,615.00

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, suppliers and deposits the same to the national exchequer. During the year 2016, the Bank contributed Tk. 4,349.34 million to national exchequer.

Contribution to National Exchequer

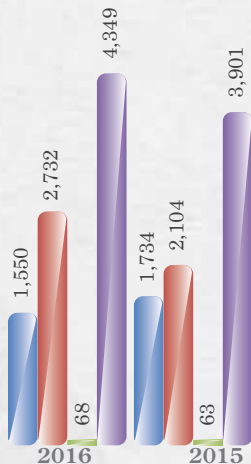
Million Taka

Particulars	2016	2015
Income tax payment on Bank's earnings	1,550.00	1,733.85
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	2,731.65	2,104.05
Income tax payment by the employees	67.69	62.65
Total Payment	4,349.34	3,900.55

Contribution to National Exchequer

Million Taka

Income tax payment on bank's earnings
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank
Income tax payment by the employees
Total Payment



Financing Green Power Project

For a sustainable economy Bank Asia plays a crucial role on financing the project that enhance the positive impact over the society. In 2016, Bank Asia financed to Valmont Fashion Ltd. for Tk. 10.10 million and disbursed Tk. 4.95 million for importing Fire Alarm, Fire Detection system and Fire hydrant system for compliance of the project and procuring materials/ equipments/ accessories from local sources and installation of fire system.

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 & 101 branches in urban & rural areas Bank Asia provides its services for promoting and expanding of businesses which ultimately helps create productive new off-farm employment. 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

3rd SME
Banking
Matchmaking
Fair 2016



develop the MSEs from rural level the bank opened 1,150 Agent Banking outlet throughout the year 2016. 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.

Focusing on cluster financing, grooming-up new entrepreneurship development, promoting women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to underserved people. Banks Asia's CMSE Department always engaged for opening the door of prosperity to many entrepreneurs of the country. Bank Asia also adopted a cluster-based approach for financing cottage, micro, small and medium enterprises (CMSMEs) as a full-fledged commercial bank.

In 2016, CMSE Department has arranged Women Entrepreneur Gathering & Product Display Fair 2016. Moreover, the CMSE Department also launched a new product titled 'Bondhon' for the Handloom & specialized Cloth Production Entrepreneurs at low interest rate in Bogra. The Bank participated in MSME Banking Fair, International Conference on Development of MSMEs in Bangladesh and "3rd SME Banking Matchmaking Fair 2016" held at 10th Int'l Women's SME Expo Bangladesh – 2016 Fair in Chittagong. Apart from the above, the Bank arranged different business meeting with the existing and potential clients throughout the year.

Financial Inclusion in Economically Disadvantaged Areas

Agent Banking

With the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population, Bank Asia has introduced Agent Banking services as the pioneer in Bangladesh. Our Bank made a unique Agent banking module with technology based banking concept ensuring security with real time banking for customers. The Bank has implemented 1,150 Agent outlets in 49 districts in most geographically dispersed poor segment of the society. During the year, the Bank provides Agent Banking services through Union Digital Centres, E-commerce solution to be established with the Agent Banking network, introducing A-Card for farmers to be benefited in their agricultural productions, Mobile Application for Agent Banking Customer (both in English and Bengali).

In 2016 the amount of deposits of Agent Banking was Tk. 1,084.25 million. We are determined to support Government's commitment in building 'Digital Bangladesh' as charted out in the vision 2021 by bringing rural people under the Agent Banking platform across the country through our local and international partners for developing their lives and livelihood. We remain committed, and see it as its duty to the nation to facilitate and encourage various formal and approved channels for providing convenient and accessible services, especially by bringing underprivileged sections and rural people into the fold of basic banking services.



Widow allowance disburse to beneficiaries at Dhola Union of Tarail Upazila in Kishoreganj

EBEK (Ektee Bari Ektee Khamar)

Bank Asia limited is the leading Bank in implementing Ektee Bari Ektee Khamar (EBEK), a government project for the ultra-poor people of Bangladesh focusing poverty eradication and reduce poverty level below 10% within 2021. Government wants to help the poor people by encouraging savings, providing grants, engaging & monitoring their economic activities as a group (Samitee) in each village of Bangladesh. Bank Asia is now operating EBEK Banking services for Phase I & II to 35 districts having 252 Upazillas and 1,320,600 beneficiaries, and 3rd Revision with 1.8 million in same geographical area. This operation has spread over 21,816 villages of 2,424 unions. Bank Asia provides online banking services through this EBEK project to unbanked people with good reputation in the above districts in Bangladesh. With experience to implement the EBEK Project, Bank Asia has now become capable enough to provide services to all government projects like Social Safety Net Programs. By this time we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to old citizen, widow and disable beneficiaries. We have already get permission to cover new 5 (Five) districts of Social Safety Net Payment with in short time. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and they offered another 10 Districts to expand within shortest time. Moreover, we have another two prestigious project named SHOUHARDO and EWFSAB (a pilot project of CARE International) .

EBEK Operation at a Glance

Particulars	December- 2016	December- 2015
No. of Agents	450	520
No. of Upazilla	252	252
No. of Samitees	21,551	22,000
Total Beneficiary Enrolled	1,266,930	1,147,125
Number of Loan Disbursement	1,999,671	1,033,268
Total Transactions (Taka)	531,000,000	3,200,000

In addition, Bank Asia has also disbursed Tk. 8,836 million Government grants among group members and Samitees since 2012



Disable allowance disburse to beneficiaries at Burigoalini Union of Satkhira, Khulna

Foreign Remittance

Remittance is the second most important sources of foreign exchange earnings for Bangladesh, after readymade garments (RMG). Bangladesh's foreign exchange reserves hit a record high of USD 32 billion at the end of December 2016. However, country remittance inflows slumped by about USD 2 billion in 2016 from year 2015, lower by 11%. In 2016, FRD remittance inflow stood USD 417 million, lower by 8% from previous year 2015 of USD 545 million.

Bank Asia's position was 9th in 2016 for remittance collection among all Bank's in Bangladesh where the Bank's total wage remittance inflow was USD 532 million in 2016 with 3.76% negative growth from 2015. Bank's total remittance collection agent network was 43 and 2 collection agent network are under our correspondence in 2016. Our Remittance distribution agent network also increased in 2016 by 822 with a growth of 41.31% from previous year. Mentionable that, this year Bank Asia was awarded "Bangladesh Bank Remittance Award-2015" for sending highest volume of foreign remittance through Bank Asia in 2015.

Online Payment Gateway Services

Bank Asia is the first 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 non-physical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. This platform gives a strong competitive edge to Bank Asia over the other peers by catering the Banking need in this emerging sector. In 2016, we have executed 2,145 transactions and paid an amount Tk. 35.42 million equivalent to USD 0.45 million through 'Payza' and 18,682 transactions amounting Tk. 874.89 million equivalent to USD 11.17 million through 'Payoneer'.

Award giving ceremony to the country's top young IT service exporters organized by Bank Asia

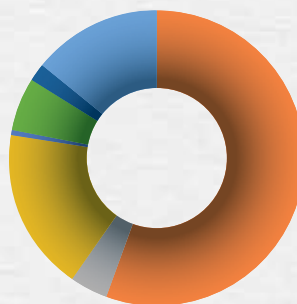


Community Investment Strategy

Community Investment

Bank Asia is always conscious on the activities under Corporate Social Responsibility (CSR) to ensure maximum level of contribution towards quality of life of the society at large without compromising the ecological condition. In the year 2016, Bank Asia spent an amount of Tk. 109.06 million for the overall betterment of the nation. All the donations made under CSR program were for social and environmental well-being as well as ensuring sustainable balanced growth in economic, social and ecological arena. Bank's stakeholders were immensely benefitted by way of its community based social programs such as: education support where total donation was Tk. 61.28 million, health support Tk. 3.88 million, disaster management Tk. 19.34 million, environment Tk. 0.06 million, sports Tk. 6.83 million, art & culture Tk. 1.96 million and others Tk. 15.70 million etc.

Community Investment 2016



Education

Tk. 61.28 million 56%

Health

Tk. 3.88 million 4%

Disaster

Tk. 19.34 million 18%

Environment

Tk. 0.06 million 0.37%

Sports

Tk. 6.83 million 6%

Art & Culture

Tk. 1.96 million 2%

Others

Tk. 15.70 million 14%

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, 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 2016, total volume of disbursed MSME loan is Tk. 29,839 million and total MSME deposit reached of Tk. 288.17 million.

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.

Empower Communities through Agriculture/ Rural Credit

Bank Asia has disbursed Tk. 3,319.11 million (Tk.211.26 million through own network and Tk. 3,107.85 million our NGO Network) as short and long-term credit in agricultural/rural sectors during 2016. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. Total number of beneficiaries was 31,216 who received the most specialized and innovative banking solution available in the bank.

CENTRAL BANK'S APPRECIATION

An appreciation letter received by Bank Asia from Bangladesh Bank for achieving 110% of the agri/rural credit disbursement target set by the central 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 2016, 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 25th of each month or previous working day if 25th 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)
- Provident fund
- Gratuity
- Superannuation
- Leave encashment

End Service Benefit Plans

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

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 1970 employees, 462 employees are female and rest 1,508 employees are male. As such, a profound commitment is reflected in the Bank's employment policy and service rules. Bank's employees are mainly concentrated on branches in terms of number and in 2016 total employees' composition in branch and corporate office was 71.42% and 28.58% respectively.

Offices	2016		2015	
Corporate office	563	28.58%	506	26.28%
Branches	1,407	71.42%	1,333	73.72%

New employee 212 new employees were recruited during 2016, among which 68.39% for branches as a part of network expansion of the bank and remaining 31.61% for corporate office to ensure effective and timely support to branches.

Offices	2016		2015	
Corporate office	67	31.61%	77	58.33%
Branches	145	68.39%	55	41.67%

Employees by Diversity Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees (99.69%) dominate in diversity composition.

Officials	2016	2015
Local	1,964	1,833
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 69.89% in 2016 for corporate office and branches in Dhaka city.

Region	2016	2015
Dhaka	1,377	1,339
Chittagong	412	324
Sylhet	65	66
Rajshahi	45	52
Barisal	10	8
Khulna	46	43
Rangpur	15	7

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, 174 in mid-level and 287 in low level management.

Gender Positioning of Directors

Board Level	2016		2015	
	Male	Female	Male	Female
Directors	9	3	11	4

Gender Positioning of Employees

Management Tier	2016		2015	
	Male	Female	Male	Female
Top Level	39	1	40	1
Mid Level	752	174	262	17
Low Level	717	287	1,092	427

Male employees are dominating executive level which is around 93.44%. Comparatively female employees mainly belong to nonexecutive level and holds 27.56%.

Gender Positioning by Position

Position	2016		2015	
	Male	Female	Male	Female
Executive	342	24	303	18
Non-Executive	1,151	438	1,075	427

Gender Positioning by Employment Level

Employment Level	2016		2015	
	Male	Female	Male	Female
Parmanent	1,502	462	1,393	446

Age Distribution

82.54% 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	392	117	509
31-40	805	312	1,117
41-50	278	30	308
51-60	30	3	33
61+	3	0	3
Total	1,508	462	1,970
Percentage	77%	23%	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 3.86% of total employees in 2016.

Gender	2016		2015	
	No.	%	No.	%
Male	66	4.19%	49	3.39%
Female	13	2.73%	19	4.10%

Employee Turnover Rate by Region

As per demographic scenario, employees of Dhaka city left the Bank in 2016 which was 83.54% of total employees left.

Region	2016	2015
Dhaka	66	44
Chittagong	8	16

Performance Management System

Region	2016	2015
Sylhet	2	4
Rajshahi	1	1
Barisal	-	-
Khulna	1	3
Rangpur	1	-

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 behavior 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 to 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. In 2016, Bank Asia established its own 6 storied Training Institute at Lalmatia which is equipped with all modern study aid and course materials.

Training by Gender

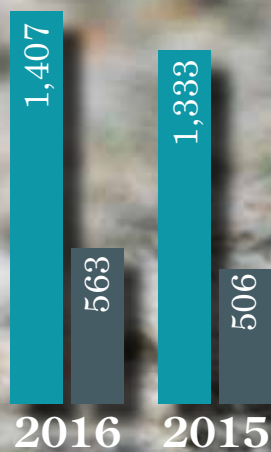
Gender	2016		2015	
	Persons	Hours	Persons	Hours
Male	1,790	38,170	2,635	41,052
Female	607	8,048	550	11,180

Training by Position

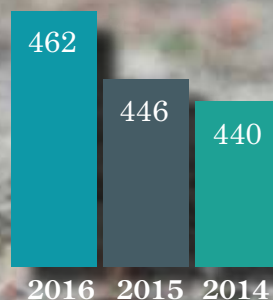
Position	2016		2015	
	Persons	Hours	Persons	Hours
Executive	762	7,838	678	6,707
Non-Executive	1,635	38,380	2,507	45,472

HUMAN CAPITAL DISTRIBUTION

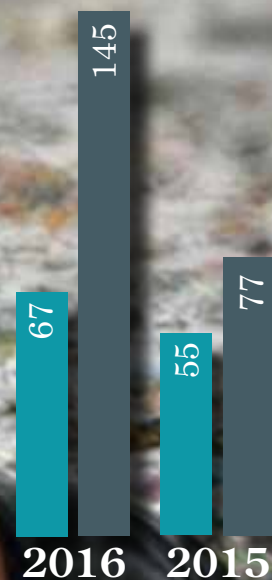
278 claims
of insurance
received for
Tk. 8.45 million



Total Employee Distribution
Corporate office
Branches

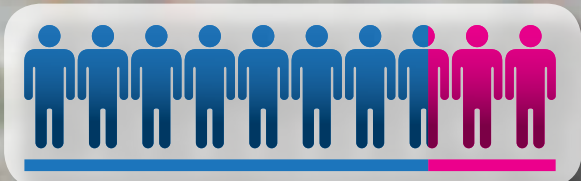


No. of Female Employees



New Employee Distribution
Corporate office
Branches





Gender Positioning

Male 77% Female 23%



Employee by Position

Executive 19%
Non-Executive 81%



Age Distribution

30 & Below 25.84%
31-40 56.75%
41-50 15.63%
51-60 1.67%
61+ .15%



Regional Distribution of Employees

Dhaka 1,377
Chittagong 412
Sylhet 65
Rajshahi 45
Barisal 10
Khulna 46
Rangpur 15

In 2016
47,678 manhours
training for human
capital development

18 female employees
availed 2,497 days
maternity leave
during 2016

Training by Different Institutes

Particulars	Year 2016	
	Participants	Man Hours
In House Training	2,267	40,968
Bangladesh Bank	87	1,868
BIBM	110	1,880
Overseas / Foreign Training	33	928
Training by Other Institutes	80	2,034
Total	2,577	47,678

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

Sustainability Training

- As greening of mind, 3 external trainings was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2016, Training Institute of Bank Asia has provided 3 training on Green Banking under Foundation training course to 98 employees.
- Sustainability Report has been published since 2012 as per GRI guidelines by Bank Asia. To create awareness among the stakeholders each year the theme of Sustainability Report has been designed considering environmental issues of the world. With this consequence, the theme of Sustainability Report 2015 was 'Ozone Layer Depletion'.
- 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.



Mr. Md. Arfan Ali, President and Managing Director of Bank Asia received Bronze award for Corporate Governance Excellence in Annual Integrated Report from ICSB

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 2016

No. of female employees	Average leave at a stretch
18	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 2016, every entitled employee of Bank Asia has availed paternal leave facility.

Child Care Center Facilities

To improve our employees' work life balance, Bank Asia has established a combined day care center in collaboration with other private commercial banks by renting 5,666 square feet at Motijheel, Dhaka. To provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market, the child care centre has been established. Equipped with a skilled staff and a child friendly environment, working mothers of Bank Asia no longer have to decide between quality care for their children and going to work. Currently the Day Care center consists of 28 babies, among them 2 are from Bank Asia's employee. There are 5 nannys, 3 teachers, 1 supervisor and 1 security guard for overall maintenance of the center. Moreover, one Bank representative also engaged in the day care center.

Child day care center of Bank Asia along 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:

Staff Strength

- Executives
- Officers



The total value of Human Capital has been ascertained Tk. 16,784 million in the year 2016 and Tk.14,367 million in 2015 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.

Category wise Break down of employees

Category	2016			2015		
	No. of employees	Per capita value	Total value	No. of employees	Per capita value	Total value
Executives	358	16.39	5,868	321	15.39	4,940
Officers	1612	6.76	10,905	1,518	6.20	9,417
Total	1,970		16,772	1,839		14,357

Million Taka

As per model we have capitalized the total value of employees as Human Capital. 16.82% growth in the value of human capital in 2016 over 2015 was due to net addition of 131 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-16	31-Dec-15
Assets		
Cash	15,981	12,470
Balance with other banks	13,273	8,276
Money at call & short notice	4,870	3,230
Investment	39,365	46,943
Loans & Advances	163,610	136,396
Fixed Assets	5,250	5,076
Human Assets		
Individual's value	16,772	14,357
Value of investments	12	10
Other assets	10,847	238,714
Total Assets	269,980	194,762
Capital & liabilities		
Borrowing	18,822	12,296
Subordinate bond	3,197	3,315
Deposits	191,273	169,827
Shareholder's equity	19,038	18,979
Human Capital	16,784	14,367
Other liabilities	20,865	19,929
Total Capital & Liabilities	269,980	238,714

95% of employees received Anti-corruption training (AML/CFT matters)

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. 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 found any deviation, take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.

Cleanliness Day

Bank Asia has built up its reputation for cleanliness and maintenance of Branch premises and Corporate Office. Preservation of vouchers, files and other office documents are also as important as cleanliness. The expensive interior decoration and costly furnishings become futile unless the premises are well maintained. The management, therefore, decided to observe 'CLEANING DAY' on the 'FIRST SATURDAY' of every alternate months where all employees of the branch and the Corporate Office actively participate. On the 'CLEANING DAY', all the employees turn up at their respective Branch/Department and engage themselves in cleaning the premises including all office equipment and fixtures.

Cultural events and amusement

Bank Asia always observing different program considering its social, moral and motivational impact to the employees. To fulfill a long cherished desire of the members of Bank Asia family for a get together, a feast in the form of traditional 'Mezban' has been arranged in 2016 where all members of Bank Asia family, except Chittagong region attended. The feast was followed by an in-house cultural event.

Aiming to share the values with jubilant pace, celebration of the Bank's 17 years was another colorful program titled as 'Gala Night'. On this occasion, employees of the Bank organized a colorful cultural program where Honorable Chairman & Directors of the Board and valued clients of the Bank attended the program.

Bank Asia 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 established the Banks gymnasium (GYM) at Corporate Office in 2015. In addition to this, the Bank also inaugurates another gymnasium in its own Training Institute at Lalmatia.

As a part of recreation, every year Bank Asia organized interbank sports tournament for their employees. In 2016, 26 teams of different branches and divisions/departments of Corporate office participated under 8 groups in this cricket festival.

Bank Asia Cycling Club

With an aim to avoid the traffic situation in Dhaka City, maintain physical fitness and contribute to greener society Bank Asia formed a 'Cycling Club' in the early of 2016 with employees of Bank Asia. In every month a cycling rally has been organized along with different sports program where CEO of the Bank along with Senior Management Team also participates. It is evident that cycling is enhancing the bondage among the colleagues along with reducing the stress of life. In future, Bank Asia Cycling Club will go forward to build a Bankers' community where everyone will use cycle for their day to day transportation.

Future Leadership Development Program (FLDP)

FLDP is an initiative which has been taken with a view of targeted development that provide hands-on experience to all aspects of the banking and intensive learning both home and abroad supported by mentoring and coaching for high-performing and ambitious individuals with a will to succeed. Through this program, a pool of talents to be created from the officers of Bank Asia who will be prepared in such a way that in future, they could face any challenges that lie ahead. Applying active learning methods, this program is expected to produce a pool of skillful managers ready to easily and quickly make a real contribution to the organization. Every officers of this program receives an opportunity to be relocated to different functions periodically and into some tactical functions in the Bank to accelerate the learning process necessary for them to occupy strategic positions in the future.

A total of 386 employees from the job grade Executive Officer to Assistant Vice President of Dhaka and Chittagong region participated in the FLDP. Employees participate in the program with enthusiasm and determination which is clearly visible during various leadership development sessions. All the participants started the journey of future leader development program with an oath of 'Ready to Fight'.

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 2016, no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

Grievance Redressal Policy

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 employees 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 has 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.

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 (AML/D), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 98% of total employees from Branch level and 91% from Corporate level obtained AML & CFT related training in 2016. As a result, officials become aware and conscious regarding AML & CFT matters.

AML/CFT Training 2016

Particulars	Number of employees
No. of employees - Branch	1,358
No. of employees- corporate office	548

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
- ATM, hardware, software service providers
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator
- 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. In this regard, Bank Asia approved a new customer service policy in 2014. We took initiatives to conduct customer survey on the basis of their satisfaction over the product & services that we offered to them. In 2016, we conducted an online survey on all branches seeking their views on waiver of online cash transaction charges paying due considerations to the impacts in customer satisfaction and relationship management.

Majority of the participants are in favor of charging minimum fee against Online Cash Transaction (OCT) but 40% think OCT up to Tk. 100,000 and 30% think OCT up to Tk. 50,000 should be free of charge for deposit. On the other hand, 39% think OCT up to Tk. 100,000 and 36% thinks OCT up to Tk. 50,000 should be free of charge for withdrawal. Most of the participants claim that they do not face any hindrance from customers for charging fee against OCT.

In 2016 we have arranged 3 trainings of 106 employees on different aspects of customer satisfaction consisting of 848 man-hours of training to improve our human capital. From 2016, the first working day in every month is being observed as 'Customer Service Day' where Corporate Office executives meet with customers in branch premises, render services to them and share advice of grievance if any.

Statement on Compliance

In the year 2016, 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 incidents of fines/penalties have 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 Banks concerned personnel who is responsible for maintaining the data. We haven't received any complaints relating to breach of customer privacy and loss of data.

Brief Economic, Environmental and Social Performance

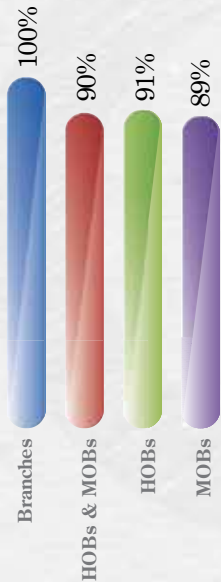
Economic responsibility	Loans account	+8%
	Deposit customer account	+15%
	Savings customer account	+22%
Environmental responsibility	Electricity consumed	9,079,000 kwh
	Oil	64,758 Ltrs
	CNG	164,671 m3
	Local business travel	8,390,000 km
Social responsibility	Paper used	42,633 Reams
	Staff strength	+7%
	Benefits and emoluments	+8%
Shareholders' responsibility	Profit after tax	1,546 million BDT
	Shareholders' Fund	19,038 million BDT
	Share price	17.90 BDT

CUSTOMER SATISFACTION SURVEY

Online Cash Transaction (OCT) Charges Survey

Bank Asia introduced Online Cash Transaction Charges in August 2012. Later different branches requested several times to waive online cash transaction charges at least up to a certain limit. Accordingly, we conducted an online survey on all branches seeking their views on waiver of online cash transaction charges paying due considerations to the impacts in customer satisfaction and relationship management.

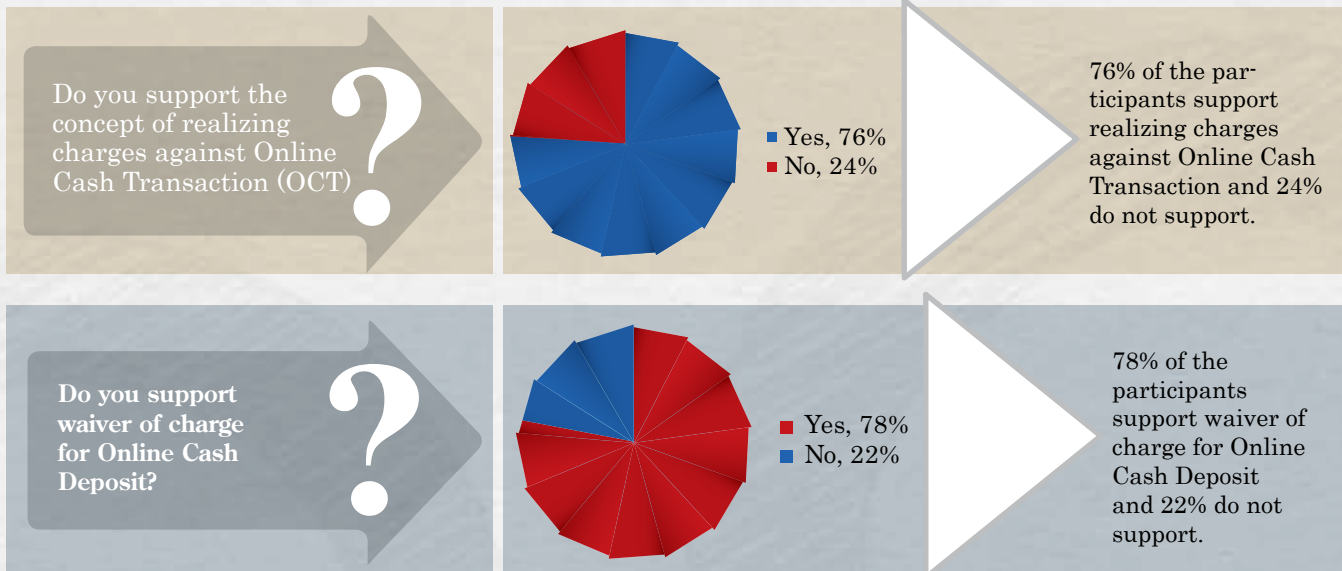
Survey Conducted in	October 2016
Survey Respondent	All HOBs and MOBs (Total 232)
Survey Conducted by	MIS, Group Finance
Report Date	October 16, 2016



Category wise Participation

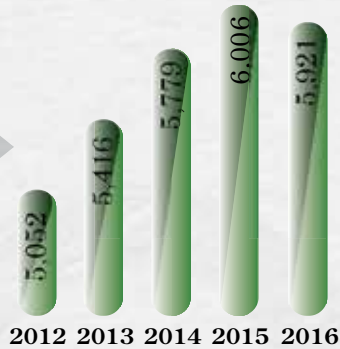


All branches (100%) including Islamic Windows participated in this survey. 90% (209 out of 232) HOB & MOB, 91% (106 out of 116) HOB and 89% (103 out of 116) MOB participated.



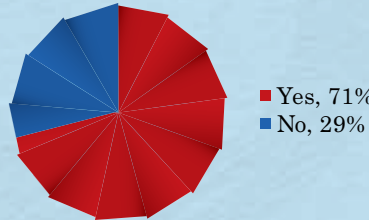
Select the limit which we might waive full charge for Online Cash Withdrawal

Operating Profit
(Million Taka)



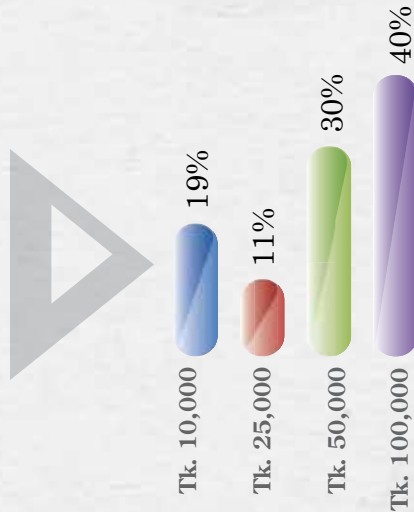
In terms of limit for waiving full charge for Online Cash Withdrawal 13% of the participants voted for waiver upto Tk. 10,000, 12% for Tk. 25,000, 36% for Tk. 50,000 and 39% for Tk. 1,00,000.

Do you support waiver of charge for Online Cash Withdrawal?



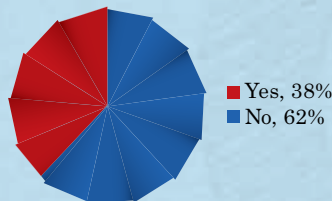
71% of the participants support waiver of charge for Online Cash Withdrawal and 29% do not support.

Select the limit which we might waive full charge for Online Cash Deposit



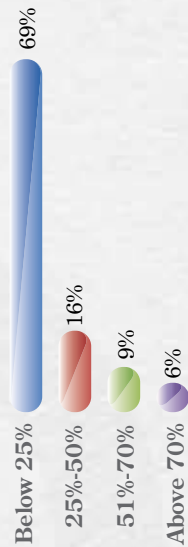
In terms of limit for waiving full charge for Online Cash Deposit 19% of the participants voted for waiver upto Tk. 10,000, 11% for Tk. 25,000, 30% for Tk. 50,000 and 40% for Tk. 1,00,000.

Do you think your relationship is deteriorating with your customers due to OCT Charge?



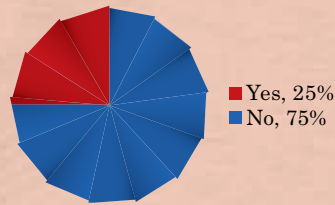
62% of the participants think that relationship with customers is not deteriorating due to OCT Charges and 38% do not think.

Please share with us the approximate number of unhappy customers of your branch for OCT Charge



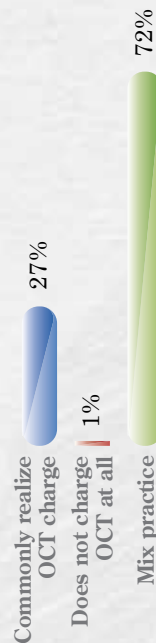
In terms of approximate number of unhappy customers 69% of the participants voted for Below 25%, 16% for 25%-50%, 9% for 51%-70% and 6% for Above 70%.

Does any customer impose undue pressure regarding OCT Charge?



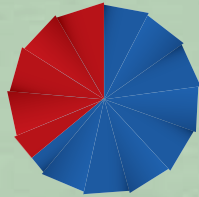
75% of the participants claim that customers do not impose undue pressure regarding OCT Charge and 25% claim that customers impose undue pressure.

What is the common practice of other Banks in your command area regarding OCT Charge?



In terms of common practice of other Banks in command area 27% of the participants voted for Commonly realize OCT charge, 1% for Does not charge OCT at all and 72% for Mix practice.

Do you think you are losing a deposit base in your commanding area due to OCT Charge?



■ Yes, 36%
■ No, 64%

64% of the participants think that they are not losing a deposit base in their commanding area and 36% do not think.

Customer Relationship Management



BUILDING THE COMMUNITY

Bank Asia Ltd, from the very beginning, concedes CSR activities as a part of its culture, identity and business practice. With an aim to ensure the Bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising an ecological condition Bank Asia is always aware of its Corporate Social Responsibility (CSR). During 2016, Bank Asia spent an amount of Tk. 109.06 million for the overall betterment of the nation.

Donation in Social Projects

million Taka	
Initiatives	Donation
Education	61.28
Health	3.88
Disaster Management	19.34
Environment	0.06
Art & Culture	6.83
Sport	1.96
Others	15.70
Total	109.06

Bank Asia's contribution to "Prime Minister's Relief Fund" for flood-hit people





Bank Asia's Higher Studies Scholarship program

Education **Bank Asia Higher Studies Scholarship**

One of the major CSR activities of Bank Asia Ltd. is Higher Study Scholarship program for rural poor and meritorious students, who are studying in public universities. 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, 847 students have been provided the scholarship. Each of the students gets Tk. 51,000 annually as scholarship. In the year 2016 Bank Asia spent around Tk. 61.28 million for direct scholarship and educational infrastructural development purpose.

Health **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, donate eye posthumously, promote and encourage all levels of people to come forward to this priceless donation. Already about 100 members formally joined the donor group platform and started donating blood.

Other health related donations

Bank Asia donated Tk. 3,090,500 for 7 individual patients treatment. It also supported Badhan, a voluntay blood donor organization for promoting their services. The Bank also extended support to individuals and institutions as a part of its CSR activities.



Child day care center of Bank Asia along with other private commercial bank

COMMUNITY INVESTMENT

Education

Initiatives	Taka
Scholarship	39,474,308
Infrastructural Development of Nursing Student Hostel (BSMMU)	9,972,300
Infrastructural Development of Begum Badrunnessa Govt. Women College	7,770,000
Siajul Haque Muslim High School, Kustia	350,000
Society for Education of Intellectually Disabled (SEID)	350,000
Asiatic Society of Bangladesh	300,000
Faculty of Business Studies, University of Dhaka	3,000,000
Scholarship to Smart Junior Saver account holder	63,100
Total	61,279,708

Health

Initiatives	Taka
Curative treatment of individual patients	3,090,500
Contribution to Child Day Care Centre	400,000
Rotary Club and Badhan	158,650
Autism welfare Foundation	29,750
Bangladesh Ship Breakers Association Hospital	200,000
Total	3,878,900

Disaster Management

Initiatives	Taka
Support to cold-hit people	11,841,965
Support to flood-hit people	7,500,000
Total	19,341,965

Environment

Initiatives	Taka
Awareness building on Environmental issues	57,500
Total	57,500

Leaving the next generation in the plastic disaster

Sports

Initiatives	Taka
Rangs Samsung Golf Tournament	537,500
Mercedes Trophy Captains Gold Golf Tournament 2016	345,000
Sponsor to Bangladesh Volleyball Federation (platinum sponsorship)	5,950,000
Total	6,832,500

Arts & Culture

Initiatives	Taka
Sponsor to different literary & little magazine	216,950
Sponsorship for different club of different school & college	253,400
Sponsor to different drama club & cultural group for cultural activities	106,500
Sponsor to different department of DU for cultural events	160,650
Abrittikar (cultural group)	59,500
Oporajeyo Bangladesh	59,500
Oporajeyo Bangladesh	59,500
14th Dhaka International Film Festival 2016	1,075,000
Chandraboti Academy	115,000
Sponsorship for different Puja Committee & Asrom	76,150
Total	1,960,050

Other Social Projects

Initiatives	Taka
Bangladesh Science Fiction Society	100,000
Support to BDR Carnage Victim family	480,000.00
Donate to 19th International mathematical Conference	35,700
Prime Minister's Relief and welfare fund	15,000,000
Society of geographers & environmentalists	17,850
Bangladesh International Arbitration Center	59,500
Donate to Asia Ali Foundation	11,900
Total	15,704,950

Disaster Management

Bank Asia is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2016, the Bank distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities smoothly and also support flood-hit people. For this purpose the Bank donated Tk. 19.34 million in 2016.

Environment

Bank Asia spent Tk. 0.06 million to protect the environment and concern people to environmental issues in 2016. The Bank published an advertisement in two national dailies to observe the World Environment Day to create awareness among our employees, stakeholders and all subscribers of those newspapers.

Sports

During the year 2016 Bank Asia contributed Tk. 6.83 million to the Golf tournament and Bangladesh Volleyball Federation for Bangbandhu Asian Senior Men's Central Zone International Volleyball Championship-2016.



Bank Asia Cricket Festival 2016

Bank Asia organized painting competition for observing World Environment Day 2016



Arts & Culture

Bank Asia always supports promotion of art and culture. The Bank sponsored Tk. 1.96 million for various arts and cultural program including Nattyachakra, Prangonemor, Arindam Nattya Sampradaiya, Abrittikar Oporajeyo, Kali O Kolom , loke , support to 14th Dhaka International Film Festival 2016.

Other Social Projects

Bank Asia donated/sponsored/spent Tk. 15.70 million on the occasion of social project including Bangladesh Science Fiction Society, Bangladesh International Arbitration Center, Prime Minister Relief and welfare Fund, Donate to 19th International mathematical Conference and Society of geographers & environmentalists and others. In 2016, Bank Asia donated around Tk. 15 million to the Prime Minister's Relief & Welfare Fund to help government carry out its humanitarian activities smoothly.

Donated 25,000 pieces of blankets to Prime Ministers Relief and Welfare Fund



GRI G4 Content Index

‘In Accordance’ Option: Core General Standard Disclosures

	Disclosure	Page no.	Comments	External Assurance
	Strategy & Analysis			
G4-1	Statement from the most senior decision-maker of the organization	10-15		No
	Organizational Profile			
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
	Identified Material Aspects & Boundaries			
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
	Stakeholder Engagement			
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
	Report Profile			
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
	Governance			
G4-34	Governance structure of the organization	27-34		No
	Ethics & Integrity			
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
	Product profile			
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
	Economic (EC)			
Aspects	Economic Performance	58, 61-69, 88-93		No
	Market Presence	62-69		No
	Procurement Practices		All our suppliers are local	No
	Environmental (EN)			
Aspects	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 2016	No
	Labor Practices and Decent Work (LA)			
Aspects	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
	Human Rights (HR)			
Aspects	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
	Society (SO)			
Aspects	Anti-corruption	82		No
	Compliance	69, 83		No
	Grievance Mechanisms for Impacts on Society		We faced no grievances in 2016	No
Aspects	Product Responsibility (PR)			
	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
	Product Portfolio			
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

	Disclosure	Page no.	Comments	External Assurance
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
	Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	54		No
Category: Economic				
Economic Performance				
G4-EC1	Direct economic value generated and distributed FSS: Commentary added to the value generated by the organization's community investment programs and breakdown of community investment by theme	61-69, 88-93		No
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
Market Presence				
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
Procurement Practices				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		All our suppliers are local	No
Category: Environmental				
Energy				
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
Emissions				
G4-EN15	Direct greenhouse gas (ghg) emissions (scope1) FSS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel	59		No
G4-EN19	Reduction of greenhouse gas (ghg) emissions	57-58		No
Effluents and Waste				
G4-EN23	Total weight of waste by type and disposal method FSS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions.	57		No

	Disclosure	Page no.	Comments	External Assurance
	Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	58		No
	Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	60		No
	Transport			
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
	Overall			
G4-EN31	Total environmental protection expenditures and investments by type	58		No
	Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2016	No
	Category: Social			
	Sub Category: Labor Practices and Decent Work			
	Employment			
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
	Labor/Management Relations			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	70		No
	Occupational Health and Safety			
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
	Training and Education			
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

	Disclosure	Page no.	Comments	External Assurance
	Diversity and Equal Opportunity			
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
	Equal Remuneration for Women and Men			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	70		No
	Labor Practices Grievance Mechanisms			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	81		No
Category: Social				
Sub Category: Human Rights				
	Investment			
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
	Child Labor			
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
	Forced or Compulsory Labor			
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
	Security Practices			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	82		No
	Indigenous Rights			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	81, 83		No
	Human Rights Grievance Mechanisms			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	81		No
Category: Social				
Sub Category: Society				
	Local Communities			
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

	Disclosure	Page no.	Comments	External Assurance
	Anti-corruption			
G4-SO4	Communication and training on anti-corruption policies and procedures	82		No
G4-SO5	Confirmed incidents of corruption and actions taken		After proper investigation corrective actions were taken against corruption in 2016	No
G4-SO6	Total value of political contributions by country and recipient/beneficiary	69		No
	Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	69, 83		No
	Grievance Mechanisms for Impacts on Society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2016	No
Category: Social				
Sub Category: Product Responsibility				
	Product and Service Labeling			
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
	Marketing Communications			
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
	Customer Privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	83		No
	Compliance			
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