

DIRECTORS' REPORT



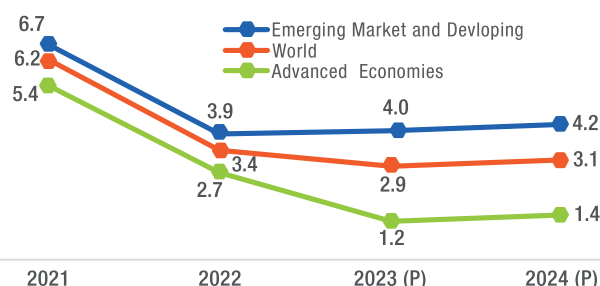


World Economy

The global production growth is predicted to fall to 3.4 percent in 2022 from a fast rebound of 6.2 percent in 2021 and 2.9 percent in 2023. Especially downturns in the USA, Euro area, UK, Japan, and China due to the war conflicts between Russia and Ukraine. The world economy have also weakened by the pandemic and higher than expected inflation worldwide, especially in the USA and key European nations, causing tighter financial conditions. Global inflation is anticipated to rise to 8.8% in 2022 from 4.7 percent in 2021 due to growing food and energy prices and supply-demand imbalances. Global food prices have also risen due to export restrictions. A significant decline in Russian pipeline gas to Europe would also raise gas costs. The Russia-Ukraine war and dollar appreciation are expected to restrict world trade growth to 4.3 percent in 2022 from 10.4 percent in 2021 and it will stand at 2.5 percent in 2023.

GLOBAL GDP Growth

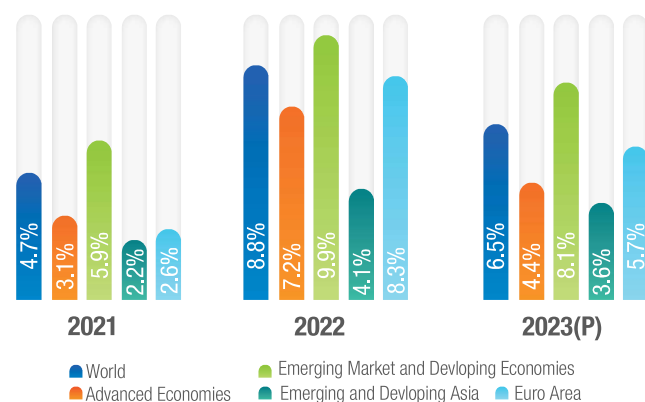
Global growth is estimated at 3.4 percent in 2022, is projected to fall to 2.9 percent in 2023 before rising to 3.1 percent in 2024. The forecast for 2023 is reflecting positive surprises and greater than expected resilience in numerous economies. Nevertheless, global



growth projected for 2023 and 2024 is below the historical (2000–2019) annual average of 3.8 percent. The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation especially in advanced economies as well as the war in Ukraine. The decline in growth in 2023 from 2022 is driven by advanced economies; in emerging market and developing economies, growth is estimated to have bottomed out in 2022.

GLOBAL INFLATION

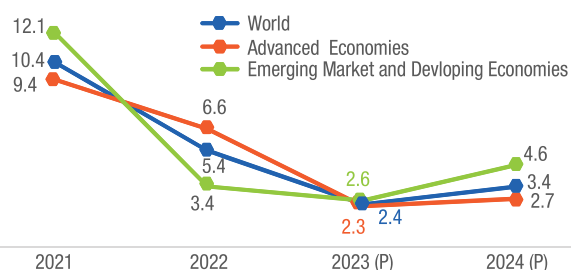
Global inflation is facing a turbulent trend in 2022. The global inflation has been revised up by the IMF due to the rise in food and energy prices



as well as lingering supply- demand imbalances, and it is anticipated to reach 7.2 percent in advanced economies and 9.9 percent in emerging market and developing economies in this year. Global inflation was forecasted to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 according to the World Economic Outlook, October 2022.

GLOBAL TRADE VOLUME

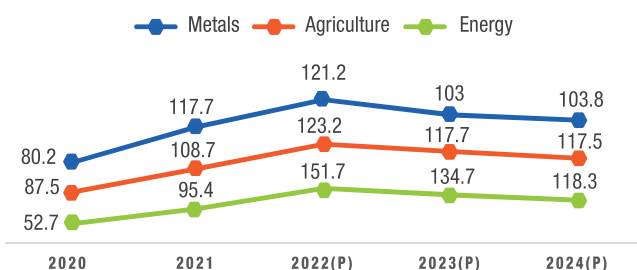
According to UNCTAD's latest Global Trade Update, published on 13 December 2022, global trade is projected to reach a record \$32 trillion in 2022. Still, a slowdown that began in the years' second half is expected to worsen in 2023 as geopolitical tensions and tight financial



conditions persist. In spite of the conflict in Ukraine and the continuing effects of the pandemic, international trade of both goods and services has increased significantly this year. As a result of rising energy costs, global trade increased by 10% from the previous year to an estimated \$25 trillion. The total value of all services rendered increased by 15% to an all-time high of \$7 trillion.

GLOBAL COMMODITY MARKETS

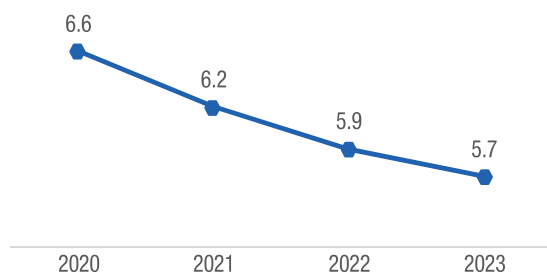
Commodity prices are suffering due to a dramatic slowdown in the global economy and fears of an oncoming global recession. Yet, supply



disruptions and geopolitical concerns have kept the price of several forms of energy at relatively high levels. Brent crude oil prices are anticipated to average \$92/bbl in 2023, then decrease to \$80/bbl in 2024. In 2023, prices for agricultural goods and metals are anticipated to fall by 5 percent and 15 percent, respectively. After the epidemic, economic recovery drove the price comeback, but supply factors contributed around 25%. Metal prices have fallen since March 2022 due to a sharp global growth slowdown, supply constraints loosening, and fears of a worldwide recession. The energy revolution may benefit metal exporters but also exacerbate price volatility.

GLOBAL FDI

Global FDI rose to USD 972 billion in the first half of 2022. Most of the rise occurred in the first quarter, whereas worldwide FDI flows fell 22% in Q2 2022. Inflation, interest rates, energy prices, and Russia's full scale invasion of Ukraine explain this reduction. In the second half of 2021, OECD FDI inflows rose 28% to USD 488 billion. After rising 59% in Q1 2022, these flows fell 38% in Q2, mainly due to intra-company debt movements, although stock inflows and reinvested earnings rose. The outflow of foreign direct investment also fell by 38% in the first half of 2022. Foreign direct investment (FDI) went to the United States more than any other country, with China and Brazil following closely behind. Also, the United States dominated international investment, followed by the Netherlands and Australia.



GLOBAL UNEMPLOYMENT

WESO predicts, global employment growth would slow to 5.9% in 2023 down from 6.2% in 2022. The number of people without jobs around the world is expected to increase by 3 million to 208 million in 2023 (corresponding to a global unemployment rate of 5.7 per cent). The restricted labor supply in high-income nations is partly responsible for the mild extent of this expected growth. If this were to happen, it would reverse the global employment trend that was observed between 2020 and 2022. So, the number of unemployed worldwide will stay 16 million, which is higher than before.

GLOBAL ECONOMIC OUTLOOK

The World Economic Outlook, October 2022, outlined some policy priorities needed to restore the global economy from its gloomy developments in 2022. Containing inflation will be the first priority for the policymaker since the gradual increase in prices reduces the living standard worldwide. In the backdrop of tighter monetary conditions, highly indebted governments should reduce dependence on foreign currency borrowing. Instead, they need to increase taxes and lower expenditure. Ending war in Ukraine would expand supply of global commodities and governments should not stock food and energy, rather, remove trade barriers, which induce higher world prices. Countries with the use of fossils fuels such as coal for meeting energy crisis should treat it as temporary measures and extend efforts towards renewable energy. Finally, governments should intensify vaccination rates to prevent future variants of COVID-19 pandemic.

Challenges:

- There may be imminent recession in many countries in the upcoming years
- Stubborn inflation
- China's zero-COVID policy
- Energy crisis and unstable price
- Geopolitical tensions
- Central bank raising policy interest rates
- Rising debt vulnerability- higher borrowing cost, weaker growth

Opportunities:

- Due to high prices of energy and food security issues, countries are adapting renewable energy and improving systemic efficiencies, aligning with sustainable development goals and combating climate change.

Source: World Economic Outlook October, 2022 & January, 2023



Board of Directors at 23rd AGM

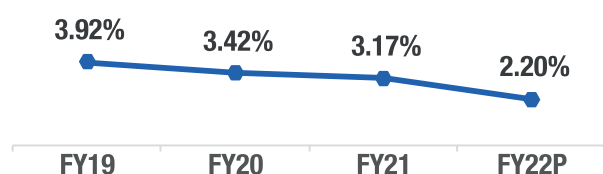
Bangladesh Economy

From the third quarter of 2021 the economy of Bangladesh was recovering from the shocks of the pandemic but the Russia-Ukraine war broke out in February, 2022 disrupting the global supply chain and created a strong external shock on Bangladesh economy like other countries of the world.

Because of the war, there was an abnormal increase in the prices of various commodities in the international market. Bangladesh is highly dependent on imports for many necessary products such as fuel, raw materials for industries and machinery. In addition, the fuel & energy price rate several time upward changes by Bangladesh Government contributed to the high inflationary pressure in the domestic market. Though there was a sizable growth in exports (23.7% in 2022 over 2021) but abnormal growth in imports and negative growth in remittances (-3.6% in 2022 over 2021) lead to the highest trade deficit of USD 12.31 billion (on December, 2022) in history. As a result, there was a major shortage in the supply of foreign currency especially American dollar and foreign exchange reserves declined to USD 33.74 billion on December 31, 2022 from USD 48.06 billion on August 31, 2021 which will cover only six months import payments. Despite all the above impediments, the gross domestic product (GDP) grew by 7.1% in FY 2021-22 and Bangladesh Government has taken an ambitious target of 7.5 percent for FY 2022-23. The sectorial growth compositions are shown in the below:

Agriculture Sector

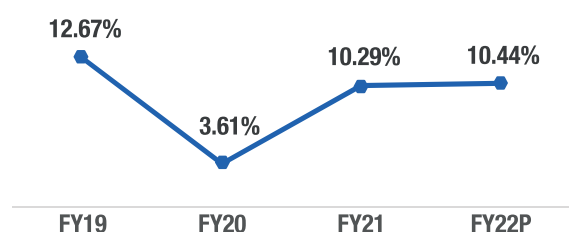
Agriculture sector contributed 11.50% of GDP in FY22, with slower growth from 3.17% in FY21 to 2.20% in FY22. During this period, the growth of animal farming; and forest and related services sub-sectors increased slightly compared to the previous year. However, the growths



in crops and horticulture; and fishing sub-sectors fell dramatically to 1.06% and 2.08% respectively in FY22 from 2.29% and 4.11% in FY21.

Industry Sector

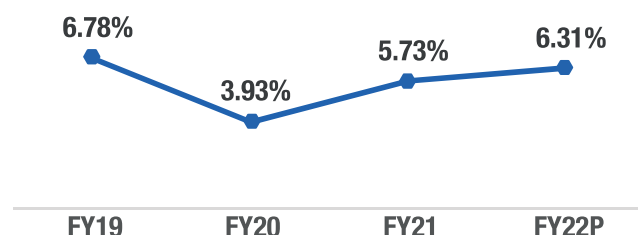
The industrial sector contributed 37.07% of GDP in FY22 and grew by 10.44%, higher than 10.29% growth in FY21. This growth was mainly supported by the growths of manufacturing; water supply, sewerage, waste management and remediation activities; and construction sub-



sectors. On the other hand, electricity, gas, steam, and air conditioning supply sub-sector recorded lower growth of 5.96% while mining and quarrying sector exhibited negative growth of -1.94% in FY22 as compared to the previous year.

Service Sector

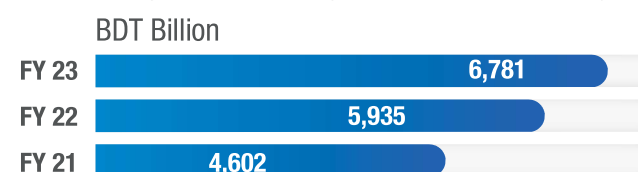
Services sector accounts for the largest share of GDP. This sector contributed 51.44 percent of GDP in FY22, slight lower than 51.92 percent in FY21. Services sector grew by 6.31 percent in FY22, higher than 5.73 percent growth in FY21. The components of services sector-



such as, wholesale and retail trade, and repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; financial and insurance activities; real estate activities; education; arts, entertainment and recreation; and other service activities exhibited higher growths in FY22 than those of the previous year.

Fiscal Outcome Expenditure

The total expenditure in the revised budget for FY22 was set at BDT 5,935.00 billion (14.93 percent of GDP) which was 28.98 percent higher than the actual expenditure in FY21. The operating expenditure in the revised budget for FY22 was targeted at BDT 3,666.27 billion (9.22



percent of provisional GDP), which was 28.27 percent higher than the actual operating expenditure of BDT 2,858.30 billion in FY21.

Revenue Collection

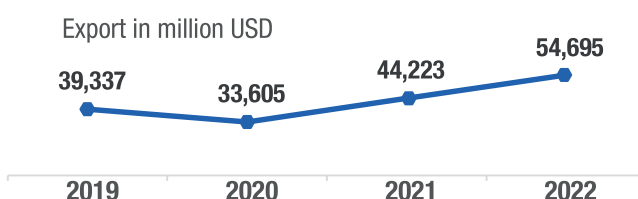
In the revised budget for FY22, total revenue receipts were targeted at BDT 3,890.00 billion, which was 18.36 percent higher than the actual revenue receipts in FY21. The revised target for tax revenue collection set at 88.95 percent of the total revenue receipts which was 28.24 percent higher than the actual tax revenue collected in FY21. However, the revised target for non-tax revenue collection for FY22 was 26.95 percent lower than the actual collection for that of FY21.

External Sector

External sector of Bangladesh economy such as export, import and remittance have always played big roles in country's development activities. The position of these external sectors are delineated below:

Export

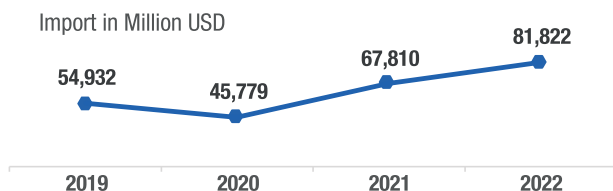
Bangladesh's export earnings reached the highest record in FY22



despite COVID-19 and the Russia-Ukraine conflict. Total export earnings in FY22 rose 34.38 percent to USD 54,695.66 million from USD 38,758.31 million in FY21. The FY22 strategic export target was exceeded by 19.73 percent by export earnings. The government and Bangladesh Bank have taken various prudential and policy measures to retain export earnings, including moratorium facilities, extended time for realizing export receipts and import payments and increasing the export development fund (EDF). Throughout FY22, the apparel (woven garments and knitwear products) sector fuelled a greater part (above four-fifths) of total export earnings in Bangladesh.

Import

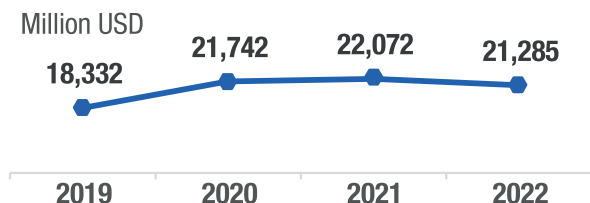
Despite global economic uncertainty and COVID-19, total imports (fob) rose 20.66% to USD 81,822.10 million in 2022 from USD 67,810.20 million in 2021. In 2022, the rise in global commodity prices was the primary factor in the acceleration (58.18%) of RMG-related raw material imports. Similar increases (308.28%) were seen in the value of



payments made to importers of pharmaceuticals in 2022. Except for a handful of products, including rice, spices, and crude petroleum, import payments climbed significantly across the board in 2022. The cost of importing crude oil has dropped by 64.23%.

Remittance

Inward remittance flows from the Bangladeshi nationals working abroad decreased by -3.56 percent from USD 22,072.41 million in 2021 to



USD 21,285.68 million in FY22. Lower inward remittance and thus a high current account deficit weakened the overall balance of payments, which witnessed a substantial deficit in FY22. Lower inward remittance and thus a high current account deficit weakened the overall balance of payments, which witnessed a substantial deficit in FY22.

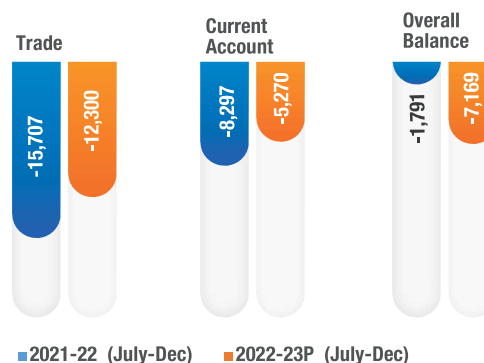
Foreign Direct Investment (FDI)

Foreign direct investment (FDI) inflow performs a multidimensional role in developing economy like Bangladesh. FDI has been emphasized by the Government in its 8th five-year plan for creating an investment-friendly environment through widespread infrastructure developments, including power, ICT and communication sectors. Recently various sectors of Bangladesh's economy have shown some signs of receiving encouraging responses from the global investors. Despite global financial turmoil and an adverse situation of COVID, net FDI inflow increased notably by 34.83 percent to USD 1,827.00 million in FY22. However, the portfolio investment experienced an outflow of USD 158.00 million in FY22, though it was lower than USD 269.00 million outflow in

the preceding year

Balance of Payment

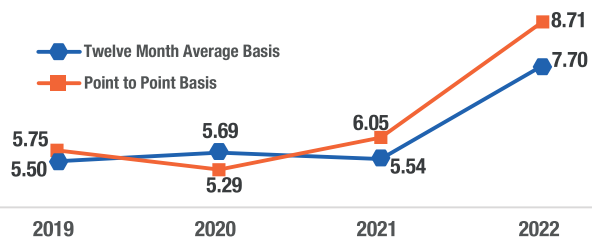
Imports outpaced exports in FY22. Exports grew 33.45% and imports 35.95%. FY22 exports (f.o.b.) totaled USD 49,246 million, up from USD 36,903 million in FY21. In FY22, total imports (f.o.b.) were USD 81,822



million, up from USD 67810 million in FY21. The trade deficit increased to USD 33,249 million in FY22 from USD 23,778 million in FY21. Workers' remittances fell 15.12% to USD 21,285 million in FY22 from USD 22,072 million in FY21. The current account deficit increased to USD (-) 18,697 million in FY22 from USD (-) 4,575 million in FY21 due to a higher trade deficit. In FY22, the balance of payment was USD (-) 5,380 million, compared to USD 9,274 million in FY21. The huge current account deficit and lower capital and financial account inflows caused this reverse scenario.

CPI Inflation

The point to point inflation rate stood at 8.71 percent in December, 2022 from 6.05 percent in December, 2021 because of restrained pressure from demand side, moderate agricultural production along with coordinated fiscal and monetary policies. However, the targeted ceiling of average inflation rate was 5.4 percent for FY21 which was not met because of upward inflationary pressure of food components. In this backdrop, the government has adopted several necessary



steps to increase food stock from domestic and international sources. Accordingly, the government has set the target of average inflation rate for 2023 at 5.5 percent. However, excess liquidity stemming from the stimulus packages may engender inflationary bubbles in the upcoming months where strong vigilance will be required.

Exchange Rate

Exchange rate has also sharply depreciated. The main factors behind negative overall balance are higher import growth, negative growth of remittances and less inflow in the capital and financial accounts. Despite huge imports (over 60 percent higher than exports), a substantial amount of intermediate and machinery goods (about 80 percent of

imports) is now importing, which could expand production as well as exports and be positive to the growth outlook, through growing global prices and exchange rate depreciation might be headwinds to inflation outlook.

Monetary Policy

BB has announced its monetary policy stance (MPS) for FY22. The stance essentially expansionary and accommodative for all growth supportive needs while ensuring inflation target as well. The prime objectives of the MPS FY22 are to support investment and employment generating activities and create enabling conditions for the businesses normalize production and supply chains. The MPS undertakes a strategy to provide adequate financial support to the priority sectors and to ensure required funds in the system through various policy options.

Foreign Exchange reserve

Foreign exchange reserves gives high mobility to central bank in reaching targets of macroeconomics policy, in conducting monetary policy and in sustaining exchange rate regime. BB's gross foreign reserves comprises major currencies (G-7), gold and Special Drawing Rights (SDR). Foreign exchange reserves stood at USD 48.06 billion at the end of August 2021 which reduced to USD 33.74 billion at the end of the December 2022.

Bangladesh Economic Outlook 2023: A Road to Recovery

Given the continuing uncertainty in the balance of payment, uncertain export performance, declining remittances, and rapidly worsening power situation will impact negative on the gross domestic product's growth of Bangladesh. The World Bank slashed the gross domestic product (GDP) growth forecast for Bangladesh for the current fiscal year to 6.1 percent from 6.7 percent because of inflation, energy shortage, slowdown of the recovery from the pandemic, and the war in Ukraine. Domestic demand is likely to be compressed due to historic high inflation.

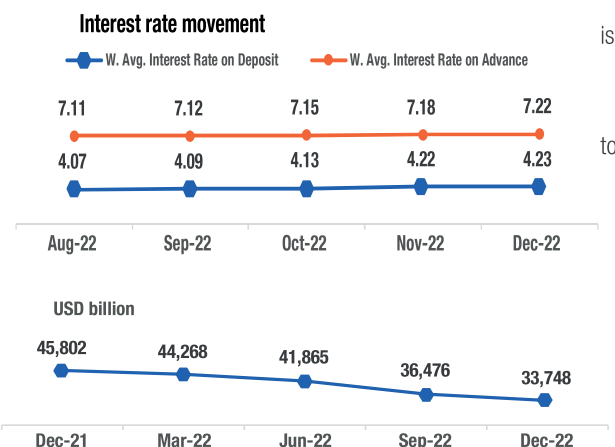
Major Challenges:

- High inflationary pressure
- Unstable Fuel & energy prices in International Market
- Fragile banking sector
- High trade deficit and declining trend of foreign exchange reserves
- Gas shortage
- Negative trend of remittances

Opportunities for 2023:

- A loan of USD 4.5 billion from the IMF will give some breathing space for LC settlement
- At present Bangladesh's external debt to GDP ratio stood at 20.6 percent, much lower than the IMF mandated threshold of 40 percent.
- Market interest rate and exchange rate will be based on market trend
- Big mega project of Padma bridge and Metro Rail will help to enhance economic activities

Source: Bangladesh Bank's Accounts for 2021-2022 and Monetary Policy Statements for January – June 2023



Business Meet 2022

Banking Industry Exploring 2022

2022 has been one of the toughest years for our country especially in the banking sector. After recovering from the effects of the pandemic, disruptions in the global supply chain caused by the Russia-Ukraine war have led to a drastic jump in commodity prices, which have resulted in nearly double-digit inflation. In addition, inflation increases and fuel price hikes directly affect the banking industry. To curb the inflationary pressure, Bangladesh Bank has issued several circulars and guidelines.

Being overreliance on imports and the lack of local production of raw materials and goods, putting a pressure on the country's foreign exchange reserves. And to protect the declining reserves, the government had discouraged all non-essential imports and also reduced the supply of dollars to commercial banks. Despite this, Banking Industry of Bangladesh faced a lots of liquidity crisis as public were withdrawing their savings from banks. However, timely intervention of central bank are reasons behind the restoring of depositors faith in country's banking system.

Regulation of banking Industry

Bangladesh Bank Order 1972 and the company act 1991 and subsequent amendment of 2013 mainly guide the Commercial Banks of Bangladesh. Bangladesh Bank (BB), the Central Bank, exerts the supervisory controls over the banking sector. Besides, prudential guidelines for agent banking operation, loan classification and provisioning, amendment of guidelines on credit card operations of banks, foreign direct investment promotion project (FDIPP), promotion of cashless transaction and issuance of agricultural & rural credit policy

& program for the FY 2021-22 were the key steps of central bank to strengthen sustainable development of the banking industry.

Banking Sector of Bangladesh

In November 2022, the total deposit stood at Tk. 14891691 million 2022, an increase of 5.66 % compared to the previous year. On the other hand, the total advances stood at Tk. 17582944 million which is a growth of 8.1 % over the last year, creating a likelihood for asset liability mismatch. Reserve money stood at USD 33,747.70 million at the end of December 2022 against previous year's value of USD 46,391 million at the end of December 2021. The overnight call money rate stood at an average of 5.81% in December 2022 which was 2.69% in December 2021. The AD Ratio is again lowest for Foreign Commercial Banks (FCBs) which was 79.0% in September 2022. Regulatory body has also specified the boundary of AD ratio for banking industry as a pre-step to ensure the sufficient liquidity position of commercial banks.

The key profitability indicators – Return on Assets (ROA) and Return on Equity (ROE) stood at 0.52% and 9.73% respectively in 2022 as compared to 0.25% and 4.44% respectively as recorded in 2021. The banking industry has maintained a provision of Tk. 751.5 billion against required provision of Tk. 886.6 billion, marking a shortfall provision of Tk. (135.3) billion as of September 2022. At the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for banking industry was 11.20%, the CRAR for the private commercial banks, state banks and foreign banks was 13%, 6.40% and 26.4%, respectively.

Monetary Aggregates

(y-o-y growth %)

Item	Actual		Original	Revised
	Jun-22	Dec-22	Dec-22	
Broad Money	9.4	8.4	12.1	11.5
Net Foreign Assets*	-11.9	-22.6	-2.1	-11.9
Net Domestic Assets	17.2	18.5	16.0	17.9
Domestic Credit	16.2	15.1	18.2	18.5
a) Credit to the Public Sector	29.1	26.6	36.0	37.7
b) Credit to the Private Sector	13.7	12.8	14.1	14.1
Reserve money	-0.3	17.4	9.0	14.0
Money multiplier	4.93	4.63	5.07	4.82
NCG (Core Taka, during the respective fiscal year)	62,540	32,249	106,334	111,608

(In Billion)

Types of Bank	No. of Banks	No. of Branches	CRAR % (Jun'22)	Deposit Growth % (Sep' 22)	Advance Growth % (Sep'22)	AD Ratio (Sep'22)	NPL Ratio (Sep'22)	CL In Billion (Sep'22)	ROA % (Jun'22)	ROE % (Jun'22)
State owned bank (SCB)	6	3,810	6.4	0.3	17.7	64.81	21.9	605	0.21	5.43
Specialized banks (DFI)	3	1,512	-35.8	9.6	10	73.43	11.7	42.27	-3.31	-13.68
Private banks (PCB)	43	5,550	13	10.5	14.6	82.18	6	666.95	0.59	9.38
Foreign Banks(FCB)	9	65	26.4	11.4	0.4	48.3	4.4	29.7	2.57	16.03
Total	61	10,937	11.2	7.8	14.6	76.23	9	1343.9	0.52	9.3

Bangladesh Bank Quarterly, (July-September 2022), Monetary Policy Statement (Fiscal Year 2022 -2023) P= Provisional

Review of operations of Bank Asia in 2022

The year 2022 was expected to get relief from the devastating effect of Covid-19 pandemic and a sharp rise of economy growth. But the world had to witness another devastation for the ongoing war between Ukraine & Russia. World economy fall under inflationary pressure, food insecurity, high commodity price, disruption in supply chain, foreign currency crisis and so on. Bangladesh economy also faced severe impact for this burning issue. Depletion of foreign exchange, rising inflation, increase of fuel expense, liquidity crisis took the toll over the economy to a large extent.

The year 2022 was a year of landmark for the Bank. Bank Asia has reached the milestone of Tk. 1,000+ crore Profit this year. Operating profit of the bank increased to Tk. 10,695 million having growth of 16% over previous year. Although operating profit increased from previous year but core challenge was interest rate hike of deposit expense that resulted in decrease of net interest income by 2%. Cost of deposit increased to 4.10% from 3.94%. Yield on advance of the bank decreased by 0.24% in 2022 and reached at 7.37% from 7.61% that resulted in decrease of spread by 0.40% from 3.67% to 3.27%. On the other hand, non-funded income increased substantially for which the bank was able to maintain growth of profit.

Bank's total assets reached Tk. 468,401 million in 2022 compared to Tk. 438,293 million in 2021 with a growth of 7%. Deposit reached Tk. 337,695 million compared to Tk. 317,782 million with a growth of 6% and

Loans and advances was also 6% higher than the preceding year and stood at Tk. 277,870 million. Bank's import decreased by 13% and stood at USD 2,277 million in 2022 against USD 2,620 million in 2021. Export increased by 9% and reached USD 1,793 million which was USD 1,642 million in the previous year. Inward remittance in 2022 showed negative growth of 7% and reached USD 1,400 million compared to USD 1,509 million in 2021. Net profit after tax of the bank stood at Tk. 3,046 million having growth of 13% over previous year. Bank's initiatives on loan recovery helped the Bank to restrain CL ratio to 4.87% in 2022 which was 5.14% last year. The Bank is standing on a sound footing where strong capital base is playing a key role for smooth business growth and capacity to absorb any unforeseen shock. Bank Asia's capital increased by 11% and stood Tk. 46,111 million helped the Bank to maintain a very satisfactory Capital to Risk Weighted Assets Ratio (CRAR) of 17.70%.

To maintain the increasing demand of customers for innovative services and a balanced distribution of network, the whole network of Bank Asia now consists of 135 branches, 14 sub-branches, 5,414 Agent outlets, 4 SME service centers, 5 Islamic windows, 218 own ATMs with more than 13,000+ shared ATMs, 1 Brokerage Company in Bangladesh and 2 exchange houses located in UK and USA. The Bank is also operating 3 branches of BA Express USA Inc. in New York. All the operations of the Bank are interconnected and integrated through state of the art networking technology.

CORPORATE & LARGE LOAN

Corporate & Large Loan (C&LL) Division, the major strategic business division of Bank Asia Limited, has long been serving industry leading corporates of Bangladesh through satisfying their different financing needs with versatile products/services, thus contributing to the inclusive economic growth of the country. C&LL deals with clients having funded exposure above Tk.200 million and/or total exposure above Tk.300 million. The financing area encompasses businesses/industries like power, construction/infrastructure, steel, cement, ceramics, food and beverage, pharmaceuticals, paper and packaging, trade, services etc.

For functional efficiency, Corporate & Large Loan is operating business through two segments comprising of General Corporate and Syndication & Structured Finance. Both the segments are specialized in specific business areas and functions accordingly to make sure maximum efficiency in rendering service to our valued clients. The division also arranges need based Supply Chain Finance, Islamic Banking and FCY facility through the bank's Offshore Banking Unit for its clients. At the end of the year 2022, loans and advances of Corporate & Large Loan stood at Tk.149,046 million (around 54% of total loans and advances of the Bank). Though the economy was going through post COVID-19 scenario and multifarious impact of Ukraine-Russia war, C&LL managed to handle import business of Tk.110,971 million in 2022 registering a growth of around 9%. Corporate & Large Loan Division mainly focused on financing in the sector of healthcare, infrastructure, manufacturing, power & energy sector, etc. We also take into consideration of sustainable financing in our investment decision. Our financing has contributed substantially towards economic growth of the country, industrialization as well as employment generation.



Bank Asia financed ocean-going oil tanker of Doria Shipping Ltd.



Major Achievements for C&LL in 2022

- Originated 27 new customers including some industry leaders and arranged approval for aggregate fresh facility of Tk.25,256 million.
- Arranged approval for fresh/enhanced facility of Tk.41,311 million in favor of existing customers.
- Strengthened customer relationship management centrally from Corporate Office in support of the Branches.

Notable New Customers Originated by C&LL in 2022

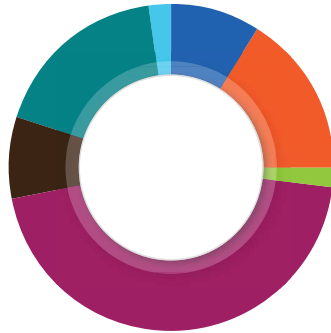
During 2022, among others, Corporate & Large Loan extended financing facility of Tk. 3,250 million to Doria Shipping Ltd. to purchase two ocean-going oil tankers, Tk. 2,450 million to Akij Healthcare Limited, Tk. 1,790 million to Bangladesh Edible Oil Ltd. and Tk. 1,500 million to Shun Shing Group, Project loan of Tk.1,220 million to Samuda Chemical Complex Limited, Project loan of Tk. 615 million to Labaid Cancer Hospital and Super Specialty Center, Project loan along with working capital support of Tk.1,400 million to Akij Healthcare & Hygiene Ltd.

EXPORT FINANCE

Export sector of the country is witnessing a lot of national and international happenings in last couple of years. Record booking of export orders in the post Covid period of early 2022 was faded a bit by the end of year with the effect of prolonged war crisis in Russia and Ukraine and record inflation in our major export destination. However, the exporters managed to ensure export growth of nearly 24% in 2022, though the sectors showed very few new investment initiatives amid global economic uncertainties.

Bank Asia Limited through its dedicated Export Finance Department is always fostering the development and growth of business for its export oriented customers. Despite tight forex market, we ensured import

of raw materials for all export oriented customers for their smooth operation. We strived for ensuring sustainable growth of our exporters by participating in all green and environment friendly initiatives. Being eligible PFI, Export Finance Department participated in all the pre-financing and refinancing schemes with Bangladesh Bank for arranging cost effective financing for its exporters. Among other facilities, we secured pre-financing approval of term loan facilities of Tk.215.70



Nature wise Export Finance

as on 31.12.2022
Million Taka

Accessories **9%**
Knit Garments **16%**
Knitting & Dyeing **2%**
Spinning **45%**
Sweater **8%**
Woven **18%**
Jute Leather & Others **2%**



An export oriented footwear industry financed by Bank Asia Limited

million under Safety Retrofit and Environmental Upgrades Project (SREUP) of Bangladesh Bank for implementing energy efficient and environment friendly RMG projects. Export Finance Team is now actively engaged with centralized relationship Management. Like previous years, Export Finance Department managed to ensure a solid and quality credit portfolio in 2022 with maximum return for the bank and its stakeholders and lowest level of non-performing assets through effective monitoring and supervision.

All the 100% export oriented customers of Bank Asia Limited including RMG, Textiles (Spinning & Weaving), Dyeing/Washing, Jute, Leather and all other direct and indirect exporters comes to the portfolio of Export Finance. Total outstanding funded loan portfolio of Export Finance (including Islamic and OBU exposure) at the close of business as on 31.12.2022 was about 22% of total Loan portfolio of Bank. Like the national economy, export portfolio of bank is mainly concentrated on RMG and its allied business. Total export volume of the Bank in 2022 showed 21% growth over last year achieving 100% target in line with 24% growth of country export in 2022.

SYNDICATION & STRUCTURED FINANCE



Funded Exposure
Tk. **21,698** million
Growth **48%**

Syndication & Structured Finance Unit [SSFU] of Bank Asia is recognized as one of the major players in providing full-fledged services pertaining to fund arrangement, advisory, agency and account Bank services as well as other unique and innovative products and solutions for Corporate clients. Its dedicated team is skilled and professional experience in handling complex issues associated with transaction. SSFU is currently providing services to the clients in Power, manufacturing concern, pharmaceutical, RMG & Textiles, Cement, Refinery, Ceramics, Pulp & Paper, Telecom, Steel,

NGO-MFI, Construction, and IPFF Financing for infrastructure projects especially in Economic Zone by providing Term Loan, STL & other facilities in setting up new & BMRE Projects. The unit is also providing Offshore Financing, Bridge Financing, ECA covered Financing and Investment in Alternative Products etc. In addition, the Unit also deals with working capital financing for business sector and industries based on their requirement. SSFU acted as the lead arranger as well as agent and raised 23 different Syndicated deals since year 2000. As of December, 2022; Syndication funded exposure was of Tk. 21,698.00 million which was Tk.14,687.00 million in 2021 registering a growth of 48%. Bank has already created its reputation for raising of fund for establishing different projects in the country, which is strengthening country's economic activities.



Bank Asia financed Hosendi Economic Zone, a concern of City Group

CMSME BANKING & AGRI/RURAL CREDIT

Cottage, Micro, Small and Medium Enterprises (CMSMEs) have been playing a significant role in economic growth of Bangladesh. In line with the continuing and advanced changes in SME sector in Bangladesh, Bank Asia has been persistently serving the entrepreneurs through financing to rural and urban areas of the country. At present Bank Asia is serving CMSME clients through Branches, SME/Agriculture Service Centers along with Agent outlets around the country with a special focus on diversified refinancing, pre-financing and grant projects with Bangladesh Bank, SME Foundation and other donor agencies in order to expedite financing at privileged rate. With a special concentration on financing to Women Entrepreneurs and different CMSE clusters, Bank Asia has been serving through a range of loan products aiming to extend credit facilities to cater the requirement of different business entrepreneurs under cottage, micro & small segment.

Projects with Bangladesh Bank

- CMSME Stimulus Package (BDT 20,000 Crore Fund)
- Pre-finance Scheme against Term Loans to CMSME Sector (BDT 25,000 Crore Fund)
- Small Enterprise Refinance Scheme of Bangladesh Bank for Women Entrepreneurs
- Refinance for New Entrepreneurs
- Small and Medium-sized Enterprise Development Project-2 (SMEDP-2)
- Supporting Post COVID-19 Small Scale Employment Creation Project (SPCSSECP)
- Refinance under Start-up Fund
- Credit Guarantee Scheme (CGS) under Stimulus Package
- Credit Guarantee Scheme (CGS) under CMSME Refinance

Projects with SME Foundation

- Stimulus Fund for CMSMEs under SME Foundation
- Revolving Credit Wholesaling Fund
- Other Credit Wholesaling Funds for Cluster-based Financing and Women Entrepreneur Financing

Entrepreneurship Development Training Program under SEIP

Entrepreneurship Development Training Program under Skills for Employment Investment Program (SEIP) is a project of Government of Bangladesh which is funded by ADB (Tranche-3) and implemented by Bangladesh Bank through a few number of commercial banks. Under this program, Bank Asia has already provided training to two batches participated by approximately 50 entrepreneurs in Cox's Bazar and Chattogram. However, after completion this training, eligible entrepreneurs can get finance from our bank to start and develop their business.

Key Performance in the year of 2022

- The CMSE Department of the Bank has launched a new product titled "Start-up Term Loan"- to support completely new entrepreneurs and creative initiatives of entrepreneurs in order to innovate faster, create new jobs, develop technical skills. Moreover,

an agreement has been signed between Bangladesh Bank & Bank Asia for refinance scheme under Start-up Fund.

- Signed Agreement with Bangladesh Bank on a project namely "Supporting Post COVID-19 Small Scale Employment Creation Project" to finance CMSE entrepreneurs outside of Dhaka & Chattogram region at privilege rate. Bank Asia has availed BDT 387.69 million as refinance against 676 accounts from Bangladesh Bank under this project as on 31 December 2022.
- Executed agreement with Bangladesh Bank concerning ADB funded Entrepreneurship Development Training Program under Skills for Employment Investment Program (SEIP). In collaboration with Bangladesh Bank, 50 entrepreneurs have been trained initially in the training sessions held at Cox's Bazar and Chattogram from



'Conference on Entrepreneurship Development Program & Open Loan Disbursement Ceremony' held at the Bangladesh Bank Training Academy (BBTA)

which around 25% of the entrepreneurs have been financed from Bank Asia Limited.

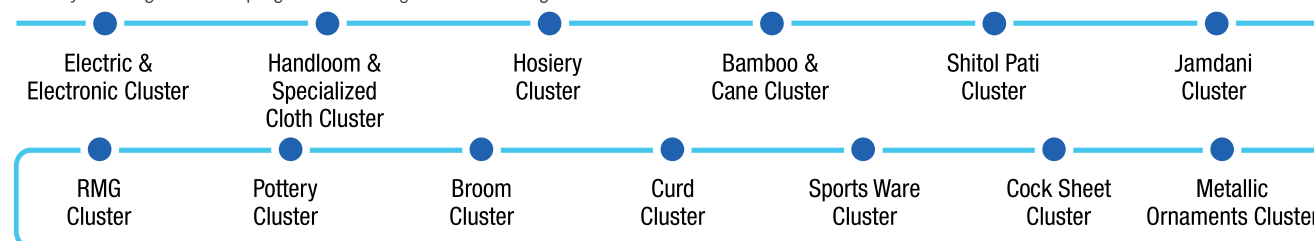
- Signed Agreement with SME Foundation regarding on "Revolving Credit Wholesaling Fund for CMSEs" aiming to finance the targeted entrepreneurs of the priority sub-sectors, clusters, groups, areas including women entrepreneurs eligible for pre/re-financing facility.
- Signed an agreement with Truvalu enterprises Limited on "COVID-19 Recovery for MSME in Bangladesh" with a goal for business recovery and business continuity of MSMEs along with job retention via access to finance and technical assistance. We have financed to 24 SME entrepreneurs amounting BDT 46.09 million under this project.
- Organized Training & Workshops for 430 entrepreneurs as well as 281 officials of the bank throughout 2022.
- Participated in "10th National SME Product Fair-2022" organized by SME Foundation.
- We have approved 32,271 credit proposals amounting to BDT 24,687.48 million through Diganta (OCAS), an online credit approval system up to 31st December 2022.

Financial Highlights of 2022

- The Cottage, Micro and Small Enterprise portfolio stood at Tk. 13,419 million compared to previous year's Tk. 13,090 million.
- 4778 new CMSE borrowers were added to the CMSE portfolio in 2022 with a volume of Tk. 3,460.10 million.

Cluster Financing

Bank Asia implemented full-fledged digitized cluster-based approach for financing to cottage, micro and small enterprises. Currently the bank is actively working on developing and financing in the following clusters.



AGRICULTURAL / RURAL CREDIT



Total Disbursed Amount
Tk. **4,664** Million



Beneficiaries
69,182 farmers



Bangladesh Bank Target Achievement
103%

Bank Asia offers agricultural credit to support farmers in Bangladesh. The bank has a wide range of agricultural credit products designed to meet the diverse needs of farmers. Like previous years, Bank Asia has remarkable achievement in loan disbursement against the target set by Bangladesh bank in FY 2021-2022. We disbursed Tk. 4,664 million to 69,182 rural farmers and achieved 103% against total target of Tk. 4,530 million.

Bank Asia emphasis to extend credit facilities directly to the farmers. Viewing this, we have been focusing on the following ways of financing:



Loan through Agent Outlets

Disbursed Amount
Tk. **914** million

Distributed among
15,998 farmers



Loan under Stimulus packages

Disbursed Amount
Tk. **1,484** million

No. of borrower **8,071**



Financing for import substitute crops

Disbursed Amount
Tk. **56** million

1,255 farmers

4% interest rate
To reduce import dependency



Financial support to 10 tk. accountholders

Disbursed Tk. **117** million

No. of beneficiaries **2,870**

To improve livelihood of the small and marginal farmers

Status of Agricultural/rural Credit as on 31.12.2022

Million Taka

Particulars	Direct Network	Indirect Network	Total
Disbursement (01.01.2022-31.12.2022)	1,319	4,614	5,933
Outstanding (As on 31.12.2022)	1,368	4,782	6,150
No. of Beneficiary	12,364	69,973	82,337

Carbon Offsets Activities: We have been approving credit facilities upto certain amount through Online Credit approval System (OCAS) which greatly helps in Carbon sequestration of the planet. In the year 2022, around 20,000 plus agri credit proposals were approved through OCAS.

Penetrate to social outreach as financial partner: For sustainable growth and development of Agricultural & Rural sector and facilitate the same through easy and timely flow of credit by institutional sources in sustainable manners, Bank Asia's Agri/Rural credit is running with different programs partnering with Bill & Melinda Gates Foundation, USAID and World Fish..



Farmers' Centre, established by Bank Asia, where farmers are aggregating their crops for selling.



MID-SEGMENT ENTERPRISE FINANCING



New Client Origination

Tk. **2,340** Million
to **64** Clients

Mid-segment Enterprise (ME) is one of the focused departments of Bank Asia Limited. ME deals with the medium-sized clients who play vital role in the economy of the country. This segment is also indulged in financing to the SME clients as defined by the Bangladesh Bank. Our bank has set it's first step towards centralization of relationship function through Mid-segment Enterprise. Presently, Sylhet Zone comprising 07 (seven) nos. branches while Chittagong Zone comprising 20 (twenty) nos. branches are working for strengthening the relationship functions of ME centrally.

The ME portfolio holds almost 10% of our bank's total portfolio. Despite of facing global problems like Russia-Ukraine war, Covid pandemic, scarcity of foreign exchange, imbalance of international trade, financial infrastructure weaknesses and others, ME was able to on-boarded a total of 64 nos. of new clients adding a fresh portfolio of Tk. 2,340.14 million during 2022 in the balance sheet of the bank. The portfolio mix of ME is led by trading concerns while manufacturing and service sectors are also increased in manifold. In way of achieving the ultimate goal and to reach the peak, ME has extending financial inclusion by utilizing different distribution channels like Branches, Zones and others. Furthermore, the department is emphasizing on diversification of portfolio by shifting concentration from large corporate business to medium segment enterprises in days to come. Promoting new entrepreneurs especially woman led enterprises and improving access to finance will be prime focal points.

CREDIT ADMINISTRATION

Credit Administration Department (CAD) is ensuring quick, smooth and safe running of the operations of loans and advances extended to the borrowers. Its main objective is to support and control the extension of all credit facility centrally, ensuring security documents as per terms and conditions of sanction letters, working with complex CIB operation & regulatory reporting, monitoring of expired loan, deferral lapses security documents etc.

Departmental Activities in 2022

- Systemized 478,776 numbers of jobs such as changes of limit, terms & interest rate, installment size, allowing of EOL / L/C, time extension along with deferral documents.
- Checked of 678,464 nos. of documents against 50,956 nos. of borrowers.
- Visited 15 branches on Saturday for minimizing documentation lapses
- Reviewed 186,473 nos. of Past due, SMA & Expired loan accounts for regularization.
- Regularized 280 nos. of deferral documents through monitoring of all branches.
- Downloaded 127,704 nos. of CIB reports against 73,871 nos. of borrowers.

- Uploaded 220,299 nos. of accounts through online system for CIB reporting to Bangladesh Bank.
- Corrected CIB database of 5,582 nos. of borrowers from Bangladesh Bank.
- Submitted 348 nos. of statements to Bangladesh Bank and other bodies (monthly/quarterly /half yearly/yearly) through conventional and RIT after checking.

Development & Automation in 2022

- Mortgage database under Land Ministry of Bangladesh
- L/C module of Hikmah under Islamic Banking
- Automated 04 (four) regulatory statements for submission to Bangladesh Bank
- Conducted 02 nos. of virtual Training with 100+ participants and 02 nos. of region wise workshop.
- Achieved 101% over Annual Deposit Target – 2022 of CAD

Planning for 2023

- Implementation of Mortgage database under Land Ministry of Bangladesh.
- Automation in limit setting (loan upto 1,00,000.00) in Core Banking System (CBS).
- Automation of SOD loan process under branch delegation.
- Develop system to input phase by phase loan disbursement.
- 20 branches visit on random basis for reducing documentation lapses
- Online / offline training & workshop (region wise) to educate about existing & future development.

SECTORAL DISTRIBUTION OF CREDIT

The Bank's loans and advances to Tk. 277,683.68 million achieving a growth of 5.87%.

Sectorwise distribution of loans and advances is as follows:

Million Taka

SL. No	Sectors/Sub-Sectors	2022		2021	
		Million Taka	% of Loan	Million Taka	% of Loan
1	Agriculture	7,409.10	2.67%	5,936.20	2.26%
2	Industries				
	Food Manufacturing	14,167.5	5.10%	12,275.80	4.68%
	Beverage industry	244.6	0.09%	227.1	0.09%
	RMG industry	33,951.9	12.23%	38,369.20	14.630%
	Textile industry	24,298.9	8.751%	29,541.50	11.264%
	Wood cork and allied products	46.6	0.02%	49.6	0.02%
	Furniture and Fixture	313.4	0.11%	383.4	0.15%
	Paper and paper products	5,024.4	1.81%	4,939.50	1.88%
	Leather and leather products	3,157.3	1.14%	2,036.10	0.78%
	Rubber products	4,577.7	1.65%	2,409.60	0.92%
	Chemical and chemical products	916.2	0.33%	1,122.40	0.43%
	Basic metal products	11,429.8	4.12%	8,583.40	3.27%
	Electrical machinery and apparatus	3,499.3	1.26%	3,519.80	1.34%
	Other manufacturing industries	23,046.0	8.30%	23,190.51	8.84%
	Ship building	4,468.7	1.61%	4,730.40	1.80%
	Ship breaking	1,435.1	0.52%	1,749.20	0.67%
	Pharmaceutical	7,899.8	2.84%	3,611.00	1.38%
	Subtotal	138,477.18	49.87%	136,738.51	52.14%
3	Constructions	8,404	3.03%	9,489.20	3.62%
4	Power, Gas, Water and Sanitary Services	13,914.80	5.01%	9,459.50	3.61%
5	Transport, Storage and Communication	2,532.9	0.91%	1,964.10	0.75%
6	Trade Services	51,879.2	18.68%	46,140.10	17.59%
7	Housing Services	18,448.60	6.64%	19,312.40	7.36%
8	Banking and Insurance	4,857.40	1.75%	3,128.80	1.19%
9	Professional and Misc. services	31,760.5	11.44%	30,097.50	11.48%
	Total	277,683.68	100%	262,266.31	100%

CREDIT RISK MANAGEMENT DIVISION

The sheer nature of risk is its dynamism and pervasiveness in different circumstances. Therefore, to tackle with the dynamism of risks, it is necessary to ensure robust underwriting practice for which Credit Risk Management Division always strives for. In 2022, with the unfolding of economic challenges such as inflationary, liquidity, and exchange rate pressure caused by Russia-Ukraine war, Zero-Covid policy in China, energy shortages in Europe, depletion of foreign exchange reserve, and climate change, myriad business risks have evolved. In addition, government effort to rationalize import has adversely affected in many industries and businesses.

Hence, restraining of non-performing assets remains one of the top priorities. In this context, regular and systematic monitoring would be strengthened for financing work order, export, projects/real estate, importers, and dealers of different commodities.

In 2023, the scope of work of the division shall be but not limited to develop Risk Appetite Statement (RAS) based on industry outlook, ensuring faster disposal of credit proposals for small and medium enterprise businesses, channeling fund to CMSME & Agri Sector, combating money laundering and effective allocation of Green Finance etc. On top of that, exercise will remain continue to become one of the compliant banks in the industry.

Key Accomplishments in 2022:

● Updating Credit Policy Guidelines:

To cope up with changed business environment and regulation, policy formulation is indispensable. Therefore, revision of existing credit policies is underway. Meantime, credit policies such as proprietorship financing & post import financing have been completed in 2022.

● Successful Implementation of Scoring Model for Small Ticket Loan:

To expedite approval for small ticket loan, a digital scoring model has been initiated for disbursement of SME (Unsecured) loan up to Tk.1.00 million. Now, the model has been merged in Diganta Platform, a digital platform for approval of small loan, and currently, the model is in trial run. Emphasis will be in place to fully implement the model reducing error.

● More Focus in Sustainable Financing:

Bank Asia has been rated as one of top 10 banks as per Sustainability rating



Sustainable Finance Target

Tk. **36,658** million for 2022

Achievement **94%**

declared by Bangladesh Bank for last two consecutive years. Understanding the responsibility of the bank in societal development and sustainability of business ecosystem, green and sustainable finance is being monitored by the Division.

Action plan for 2023:

● Addressing Concentration Risk:

One of the top priorities of CRM Division is to minimize concentration risk. Diversification of loan portfolio in the context of sectoral, geographical region and business group is one of the top most priorities to avoid such concentration risk of loan portfolio. In addition, implementing effective credit risk management policies including credit risk analysis, monitoring, review and collaborating among all the stakeholders shall be continuing.

● Developing Effective Portfolio Monitoring:

Portfolio monitoring is a regular review process to evaluate performance of a loan portfolio for ensuring alignment of loan goals and risk forbearance. Credit Monitoring Unit (CMU) has already been formed with a view to monitoring the loan portfolio of the Bank in pre-classification stage in order to keep the loan portfolio healthy & performing. CMU makes sure raising flags/creating early warning system expressing the potential problems to concerned Branches and Business Wing of Corporate Office.

● Emphasis on Competitiveness of Collateral Valuation:

Collateral value is one of the crucial factors to take loan decision. Since valuation of collateral by the surveyors is significant part for decision making, CRM reviews the valuation of surveyors on regular basis and suggests inclusion of top rated surveyor company as well as delisting of poorly performed surveyor.

● Focus to Combat Trade Based & Credit Backed Money Laundering Activities:

With the widespread use of technology and changing nature of business, money laundering happens in disguised form. To prevent illegal money flow while helping authentic business to grow, different techniques shall be adopted and responsibilities to be entrusted accordingly.

● Prioritization on Skill development of Credit Officers/Underwriters:

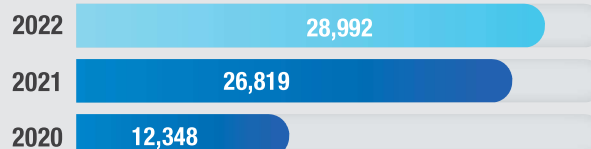
Prudent and expert employees are the core of any underwriting practice. Hence, training and skill development is the most priority to bring desired outcome in reducing potential loan loss. Meanwhile, function of CRM has restructured so that officers of CRM have opportunity to enrich their knowledge and proficiency in different sectors and geographical regions.

Expansion of Technology Driven Platform for Quick Disposal of Credit Proposals:

Technology driven loan processing (OCAS-Diganta) helps to reach highest scale every day. Performance of the system is given below:

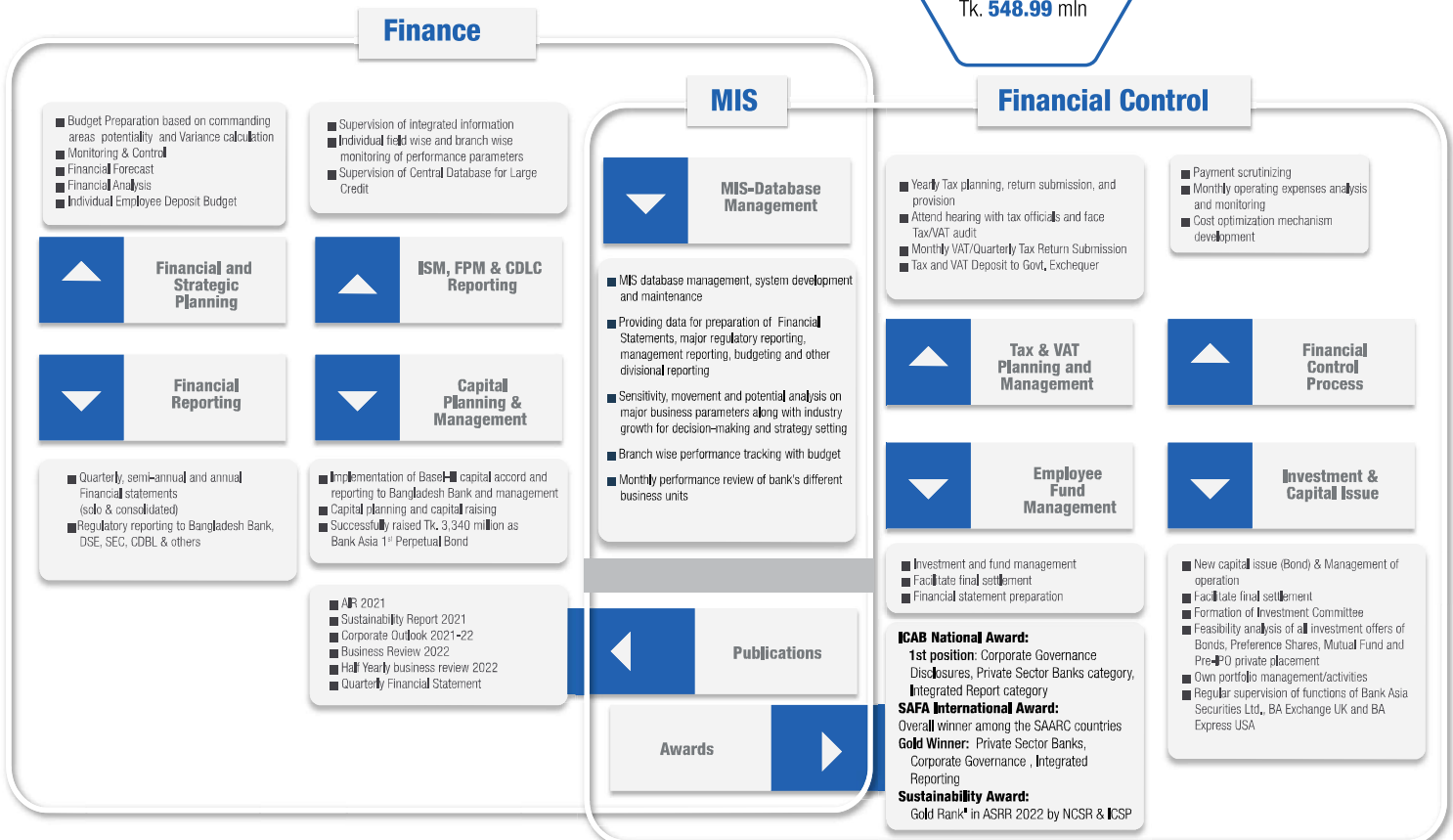
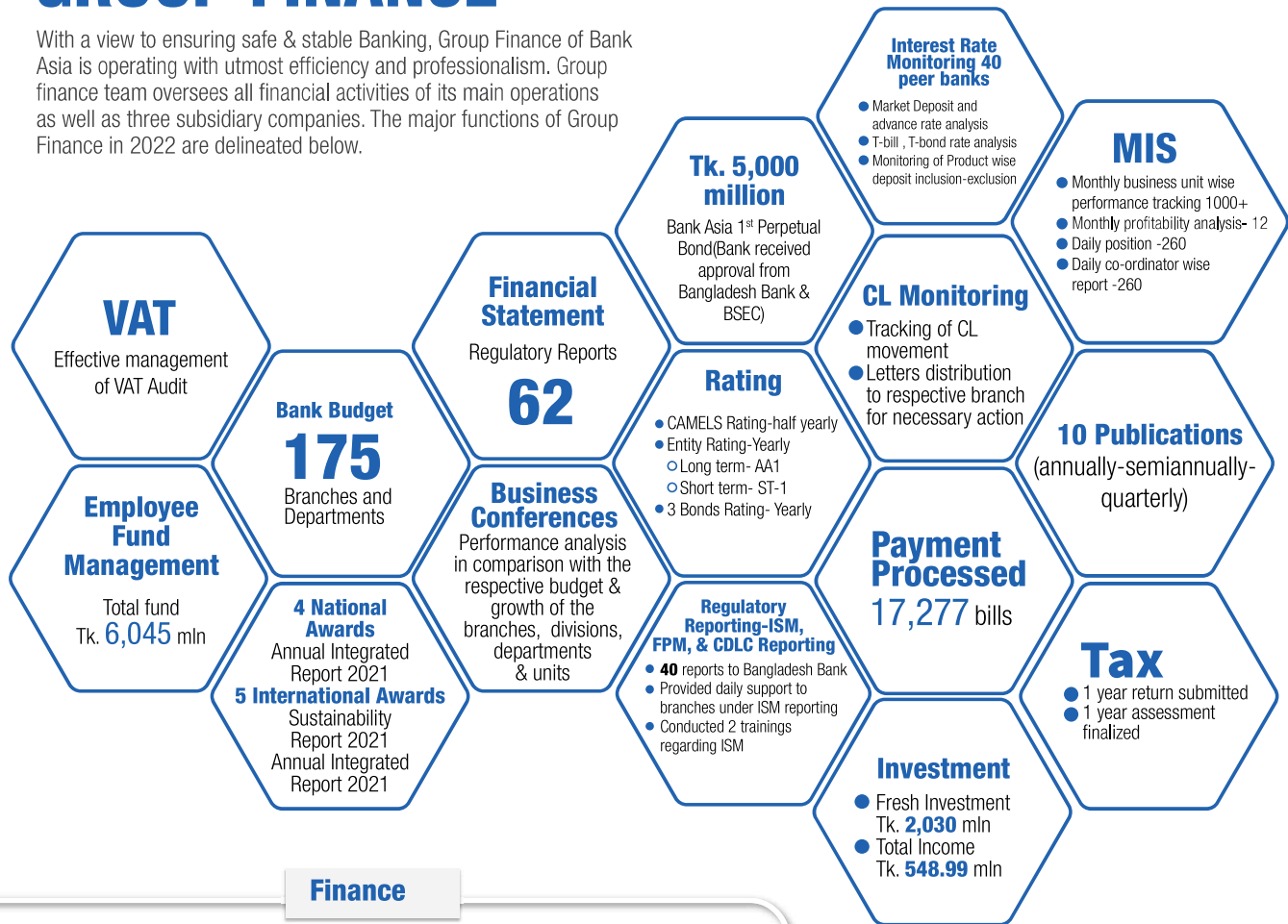
Portfolio	2020		2021		2022	
	Proposal (no.)	Loan amount	Proposal (no.)	Loan amount	Proposal (no.)	Loan amount
SME	5,770	5,241.63	8,414	6,858.20	8,819	7,569.84
Retail	1,428	83.14	2,106	1,182.78	2,841	1,859.68
Agri	5,150	279.09	16,299	812.79	17,332	1,063.31
Total	12,348	5,603.86	26,819	8,853.7	28,992	10,492.8

Total Credit Proposal no.



GROUP FINANCE

With a view to ensuring safe & stable Banking, Group Finance of Bank Asia is operating with utmost efficiency and professionalism. Group finance team oversees all financial activities of its main operations as well as three subsidiary companies. The major functions of Group Finance in 2022 are delineated below.



ISLAMIC BANKING



Bank Asia started Islamic banking operations in 2008 with the slogan "Purity is your dividend". This year, Islamic Banking has celebrated the 14th anniversary of its services. From the very beginning, Bank Asia Islamic Banking has been conducting all types of banking activities with utmost emphasis on ensuring the highest level of Shariah standards. All modern services like Visa Debit Card, SMS Alert, Internet Banking and Mobile App usage are also available for Islamic customers.

All our Islamic banking activities and products are strictly monitored by the Board of Directors and the management guided by the Shariah Supervisory Committee of the Bank. Our Shariah Supervisory Committee consists of eminent members, including distinguished jurists (Faqih-experts in Islamic jurisprudence), renowned Islamic scholars, and well-known professionals of the country having experience in Islamic banking.

Bank Asia occupies a special place in the history of Islamic banking in Bangladesh by introducing a very simple and most Shariah compliant profit sharing module, 'Income Sharing Ratio' or 'ISR'. In this module, the bank offers an ISR instead of giving a provisional or fixed rate to each Mudaraba depositor. The actual profit is declared after calculation at the end of each month on the basis of income earned for the same period. This unique profit-sharing system has already gained widespread popularity among Shariah-loving depositors. It has already been recognized as a better Shariah compliant and equitable profit distribution module compared to other Islamic banking operators in the country.

Launched with a commitment to maintain purity in Shariah compliance, Bank Asia's Islamic banking services are now available in the all distribution channels of the bank, i.e. in all Branches, SME Centers, SME/

Agri Branches through online as well as through its dedicated Islamic Windows.

Furthermore, since 2017, Islamic agent banking services have been extended to all districts across the country under the agent banking framework. Islamic investment facilities have also been introduced through agent outlets to achieve the country's goal of financial inclusion.

Key Activities in 2022

Introduction of new products:

- Introducing 06 new Islamic banking products in the system
- Introducing new Islamic logo

Training & Others:

- 46 training programs for officials and agent owners
- Hajj pre-registration operation continued
- Conducted in house training for Conventional Officials

Online Islamic Banking:

- Investment: Taka 2,852 Million apart from Islamic windows
- Deposit: Taka 15,144 Million through branches excluding Islamic window

Foreign trade module:

- Introducing separate foreign trade module namely CTSU Islamic

Islamic Agent Banking:

- Agent Banking Deposit : BDT 4,214 million with 214,819 customers
- Financing through Islamic Agent Banking: BDT 51.12 Million
- 3070 outlets covered for Islamic Agent banking

BRANCH OPERATIONS DIVISION

Branch Operations Division has been formed to support the Branch for smooth running of operation and it has some specialized area for rendering functional activities.

New initiatives in 2022

Module Developed

- Module on regulatory reporting. (Coin, Cash position, Mutilated Notes Statement)
- Module to verify Power of Attorney (PA) number
- Generate Account Opening Form from Excel file to open RMG Bulk Account

Account Opening Form (AOF) e-archive

All physical AOF will be archived in PDF format and saved in server which will help to locate the Forms within a minute when require.

Personal Retail Account

A new Retail Banking product under the title 'Personal Retail Account' for Labor oriented micro/floating entrepreneurs, sellers and service providers.

Uniform 'Service Request Form

Prepared and circulated Uniform Service Request Form for ensuring customers' desired service

Policy formulation

Finalized Bank's Fraud Risk Management Policy duly approved by Board of Directors.

Modification in CBS

- Template for TAX Return submission information
- Automated TAX & Solvency Certificate module in iStelar
- Making payment of Pay Order in i-STELAR issued by other Branches of Bank Asia Ltd.
- Early SMS alert service for Inoperative/ Dormant Account.

Tracking of Divisional activities

MIS module is prepared to ensure responsibility through proper record keeping and tracking

Upcoming projects

To make process faster BOD is going to introduce following web based application for:

- Account Opening Approval without NID
- Sanchaypatra operation through Web
- Digital Locker Module
- Module to analyze Cash in Vault Insurance Limit of Branches
- Finalization of Operation Manual review process

Central Account Opening Unit	No of Account
Central Account	7,687
e-KYC	2,159
Omni channel	133
Bulk Account	29,257

Million Tk.

Sanchaypatra	Volume
Sanchaypatra Issue	6,008
commission earned	11
claim payment	5,188

Customers complaint handling	128
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GROUP TREASURY OPERATION

Group Treasury in year 2022 played the courageous and strategic role of front line fighter against the macroeconomic shock and negative externalities that hit the market as far as market and liquidity risks are concerned. Country experienced unparalleled imbalance in Balance of Payment mismatch. During the period, Bank's FX, MM and ALM desks contributed significantly in earning as well as risk management capacity through greater co-ordination with business units and uncompromising discipline of ALM in business booking. The market volatility in foreign exchange that erupted from global commodity prices hike and benchmark interest rate (LIBOR, SOFR etc.) increase, caused ceaseless depreciation of local currency and depletion of country foreign currency reserve. Enormous wave of foreign exchange volatility and FCY liquidity shortages hit the banking industry in later half of 2022. Treasury played an important role by identifying and measuring risks in prudent and proactive manner by ensuring strict adherence of ALM discipline in business proposal clearance and side by side managed Bank's NOP to insulate the Bank from market risk. In the process, Treasury used various financial tools for maximizing profit for bank and at the same time upholding the strong CAMELS rating. To accomplish the critical job of maneuvering the banking book and trading book of balance sheet, our group treasury has well-trained officials with sound technical and soft skills to provide treasury solutions to its internal and external customers.

MAJOR RESPONSIBILITIES OF TREASURY WINGS

MONEY MARKET	FOREIGN EXCHANGE	ASSET LIABILITY MANAGEMENT
Statutory Compliance & Market intelligence	Monitoring & Planning of Import & Export originated fund flow. NOP (Net Open Position) management.	Balance sheet gap & profitability analysis, ALM indicators management.
Investment & trading of securities	Quoting Exchange Rates to import, export, and remittance. Advising corporates in Trade Finance Transaction.	Liquidity & Market risk management of banking book. Liaison with business units for balance sheet gap management.
Short term balance sheet gap management	Interbank trading for risk management.	Deposit-Advance mix analysis for rate fixation.
Arbitrage business & earnings	Matching & funding of foreign currency transaction.	ALCO paper & different MIS paper preparation.

FOCAL ACTIVITIES OF TREASURY IN YEAR 2022



TREASURY BUSINESS & BALANCE SHEET SIZE IN 2022

Due to high surplus loanable fund and liquid interbank market, Treasury expanded its trading book almost double of its minimum requirement.

Average Treasury Balance Sheet 2022
TRADING BOOK
58%
BANKING BOOK
42%



TREASURY B/S SIZE
153,850 Mln
Trading Book **88,627 Mln**
Banking Book **65,222 Mln**

Previous year, Treasury handled balance sheet on an average size for amount BDT 129,300 Mln, however, in 2022, the average size of balance sheet is BDT 151,000 Mln. At year end, Treasury Balance sheet size is BDT 153,850 mln which is One-Third of Bank's balance sheet.

MONEY MARKET & FIXED INCOME

To combat the challenge of excess liquidity and lower credit growth, our money market and fixed income desks were active throughout the year and invested fund in primary & secondary market. Treasury's focus was to utilize the loanable surplus fund and taking exposure in trading portfolio. In year 2022, money market and fixed income desks earned substantial amount of interest income and capital gain which has significant tax benefit for the bank.

ASSET LIABILITY MANAGEMENT

The year 2022 has been a challenging period for bank in ALM contexts. High volume of liquidity, lower expansion of business made our position liquid. But in the middle of the year, commitment position was higher, that is why we had been conservative about clearance of new LCs. Like previous year, this year was also the year of Balance sheet management rather than expansion. Deposit mix is now at solid position with stable footing. Group Treasury acted on proactive basis under ALCO, to address the balance sheet gap and utilized the surplus fund in profitable manner at optimum risk averted fashion. Bank is well compliant in all important ALM indicators such as ADR, LCR, NSFR, Commitment, WBG, MCO etc.

FOREIGN EXCHANGE

From the second half of 2022, country experienced unprecedented volatility in FX market and depreciation. Treasury was able to earn substantial exchange gain by proactively managing exchange position by taking advantage of the business growth of the Bank and the overall economy. At time of volatility, treasury sensibly provided liquidity support to meet up Bank's LC/Non-Funded commitment and also earned substantial exchange gain and supported a large number corporate customers of Bangladesh across wide variety of industries. In the context of such changes, treasury adopted critical strategy and took timely decision to serve the needs of both import and export customers of the bank. Treasury ensured substantial interest income from placement of fund to Inter-bank and OBU, while precisely managing NOP (Net Open Position) at the same time.

FOCUS OF YEAR 2023

Managing Market Risk & Macroeconomic Shock

Retaining High CAMELS Rating

Enhanced bonding of Business & ALM

Balancing Funded and Non-funded Business

Strengthening GSEC investment window

INTERNATIONAL DIVISION



Import
USD **2,277** million

Export
USD **1,793** million



Remittance
USD **157** million
(Through Payoneer)



Foreign Correspondents
646 in **69** Countries

Foreign Guarantee
USD **190** million

Nostro accounts 31

International trade is an important aspect of the global economy and Bank Asia plays a vital role in facilitating these transactions and supporting businesses engaged in cross-border trade. Bank Asia has an aim to maintain global network reaching every corner of the world for extending all types of foreign exchange services to the customers. Though the year 2022 was a crisis year since the world faced a severe economic adversities specially foreign exchange crunch due to the global corona pandemic, Ukraine-Russia War; international trade particularly import hampered during the last quarter of the year due to foreign exchange crisis across the country.

Foreign Trade

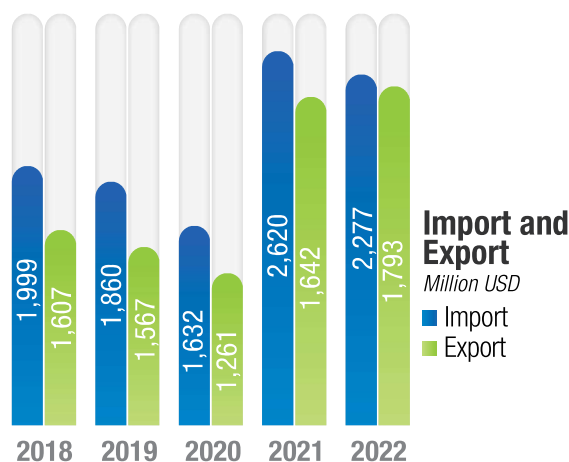
In 2022, Import business of the Bank was USD 2,277 million (equivalent to Tk. 210,588 million) having negative growth of 13%. Total export business of the Bank in 2022 was USD 1,793 million (equivalent to Tk. 171,275 million) with a moderate growth of 9%.

Guarantees

In 2022, Bank Asia has capitalized a large amount of counter-guarantee which is about US\$ 190.00 million against which our guarantee were issued in favor of different Government Authorities, Ministries, Autonomous Bodies, Corporations, Private Companies and Multi-National Companies etc.

Foreign Correspondents

In 2022, Bank Asia correspondent relationship (RMA) stood at 646 across the globe. Our excellent reputation in meeting our commitment and strong financials enabled us in securing Credit lines (both funded and non-funded) from Asian Development Bank, International Finance Corporation (private sector arm of World Bank Group) and other world renowned Banks. In year 2022, we have obtained funded line of US\$ 7.50 million, from Asian Development Bank (ADB) out of their total non-funded limit of US\$ 50.00 million and total limit with IFC (Funded + Non-funded) is US\$ 80 million and we have also obtained a bilateral funded limit of US\$ 25.00 million from Mascot bank, Qatar. Bank Asia is the first bank in Bangladesh to arrange Supplier's Credit with Europe based AKA Bank, Commerzbank AG. Besides, preliminary relationship building with DEG (Deutsche Investitions- und Entwicklungsgesellschaft) known as "German Investment and Development Corporation" and Dutch based renowned development bank FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) known as "Netherlands Development Finance Company" has also been setup.



Nostro Accounts

The Bank currently maintains 31 nostro accounts in major international currencies: US Dollar, Pound Sterling, Swiss Franc, Australian Dollar, Japanese Yen, Chinese RMB, Euro & Dollar accounts under Asian Clearing Union with reputed international banks which ensure effective foreign currency management and timely payment of foreign currency commitments.

SWIFT Operations

Bank Asia has become a member of SWIFT in 2000 to ensure smooth, reliable and secured financial transactions for its retail and corporate customers. Bank Asia has implemented KYC Registry, Security Attestation, Universal Confirmation, RMA Evolution, Mandatory Security Upgradation, GPI and PCS, SWIFT Sanction Screening etc. In year 2022, we have migrated our SWIFT System to ISO20022.

Online Payment Gateway Services Provider (OPGSP)

Freelancers earn foreign currency through service exports in non-physical form such as data entry, data process, offshore IT services, Business Process Outsourcing etc. To meet the banking needs of these freelancers in Bangladesh, Bank Asia has established strategic alliance with PAYONEER Inc. USA. Through its service, freelancers can receive their earnings very quickly and easily. This is the second venture of the bank. In year 2022, we have earned remittance of US \$ 157.44 million through 'Payoneer'.

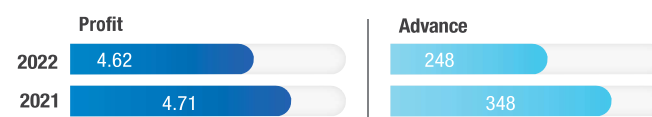
Some major Development Works done by International Division

International Division of the bank with the core assistance of ICT Division has done the following automation works which has created the bank's own identity in the industry:

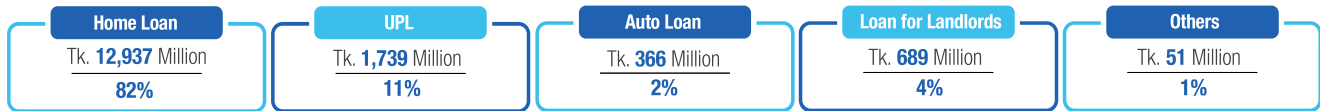
- Bulk Data Process for Bangladesh Bank Online and regulatory monthly reporting.
- Automation of Nostro A/c Reconciliation
- Automation of FEX Business Monitoring
- PRC Automation
- EDF Module upgradation
- Automation of Export Bill Discounting of OBU operations
- Implementation of New Bangladesh Customs Tariff HS Code etc.
- Automation of updated Trade Finance Dash Board
- Automation of Intimation and Notice to branches regarding their overdue liability position etc.
- SWIFT Security attestation, Sanction Screening, GPI, PCR subscribing for payment tracker, upgradation as per International Standard

Offshore Banking Unit (OBU)

Bank Asia has a large offshore banking business with a portfolio of over USD 248 million to meet clients' financing requirements in FCY (Foreign Currency) satisfactorily. The Offshore Banking Unit (OBU) is a separate business unit of the Bank. It provides financing facilities (on and off-balance sheet exposures) as well as takes deposits in freely convertible foreign currencies to and from person/institutions not resident in Bangladesh. Offshore Banking Unit has made a profit of USD 4.62 million in 2022.



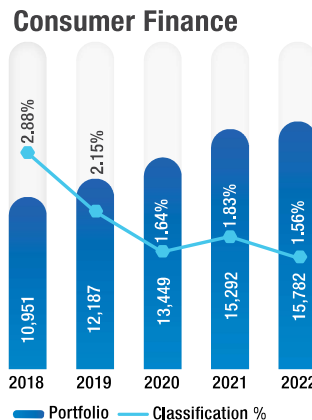
CONSUMER FINANCE



Consumer Finance deals with retail customers and caters Home Loan, Auto Loan, and Personal Loan mostly along with other wide range of retail banking facilities. Consumer Finance plays a vital role in overall portfolio of the Bank. In the backdrop of extensively competitive and demand variable market, Consumer Finance has achieved a notable progress in 2022. Retail Asset Portfolio reached Tk. 15,782 million with classification of 1.56%. Consumer Finance strives to serve individuals all over the country and to achieve sustainable growth with a vision to become one of the market players.



Training session on Consumer Finance



Achievements in 2022

- Loan portfolio reached Tk. 15,782 million in December, 2022
- Classification rate declined to 1.56%
- One of the leading position regarding home loan portfolio among local private commercial banks
- MoU signing with leading developers, universities and auto vendors
- Campaigns on retail asset and liability, Show You Can – 2022 and “The Journey” respectively.
- Ongoing digitization initiative named: “GHORE BOSE RIN NIN” - a complete Online Loan Application Module.

FOREIGN REMITTANCE

Remittance has always been an important sector for the Bank considering it as 2nd largest source of foreign exchange earnings for Bangladesh. Bangladesh received \$ 21.28 billion remittance in 2022, against \$ 22.08 billion in 2021 which is \$ 800 million lower despite of a record number of Bangladeshi labor exported in 2022. There are numerous reasons behind lowering of remittance inflow that included widespread use of “Hundi” due to widening gap in exchange rates in the formal channel and the curb market, Russia-Ukraine war and decreased wages of migrants in GCC countries etc. With a view to encouraging remittance through legal channel, the government has raised the rate of incentives by 0.5 per cent to 2.5 percent from January 2022.

Despite various adversities, Bank Asia worked as a compliant bank following BAFEDA & ABB fixed Exchange Rate policy while collecting the funds from MTOs for ensuring smooth supply of foreign currencies to the bank.

New Exchange House on boarded in 2022

With a vision of market expansion plan, Bank Asia Ltd. tied up with the following exchange houses in UK, UAE and Malaysia corridor in 2022.

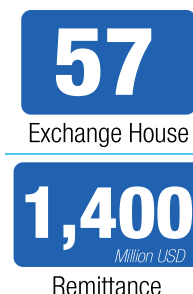
- ACE Money Exchange SDN BHD, Malaysia
- Worthing FX Services Ltd., UK
- KMB International Money Transfer Limited, UK
- GCC Exchange UK Ltd., UK
- Dar Exchange, UAE

Summary Performance

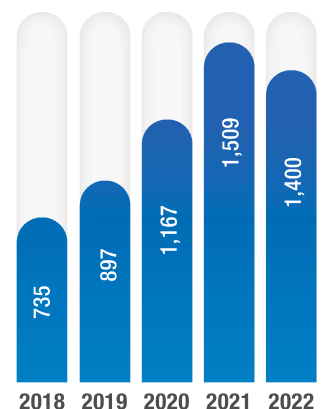
- 57 Exchange Houses (including 2 own overseas exchange houses in USA & UK) operating in 200 countries
- Remittance payment through 6,400 outlets
- Number of beneficiaries: 2.55 million in 2022 against 2.34 million in 2021.
- Market share: 6.59%
- Through agent banking channel we have served around 402,000 number of beneficiaries and disbursed US\$ 222 million.



Bank Asia Limited has achieved a “Remittance Award 2022” by the Center for Non Resident Bangladeshis (NRB)



Inward Remittance Million USD



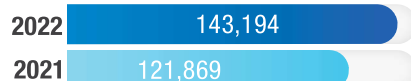
CARDS

Bank Asia's Credit card is very much popular in the industry because of its multifaceted features and benefits, such as cashback rewards, discounts on shopping and dining, access to exclusive events and promotions and many more. Since its inception in 2006, the department has passed many years with success and created a strong position in the competitive market of the country. For a wide spectrum of customers, Bank Asia's Credit Card offers a variety of enticing value-added services and diversified products that helps to become a major revenue generating hub for the bank.

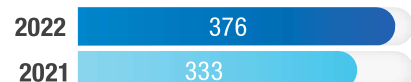


Business Performance

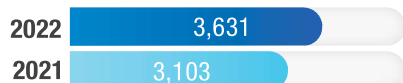
No. of Cards



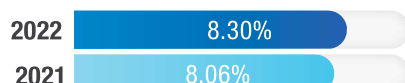
Profit Million Taka



Loan & Advance Million Taka



Classified Loan



ACTIVITIES IN 2022

'Be My Guest' Campaign "Dine With Nature"

The most successful campaign of this year is "Be My Guest" sales campaign for all branches of Bank Asia where the branches and employees participated to make credit card portfolio large

Eid Special Discount Offer

For making the Eid season more joyous, Bank Asia offers 7% special discount offers on electronics items is given in selected renowned brands RANGS & TRANSCOM ELECTRONICS etc.

0% Interest Easy Buy Partners

To facilitate the customers for purchasing product and payment through installments with 0% interest rate by credit card, Easy buy offer is playing magnificent role for enhancement of the usage of credit card day by day. In 2022, tie up brands with Bank Asia for Easy Buy offer is more than 15 merchant brands.

Buy One Get One Free (BOGO) Offer

To dine with Bank Asia Signature, Platinum & Titanium credit card, Buy One get One free (BOGO) offer is introducing customers at renowned restaurants: Radisson Blu Dhaka, Radisson Blu Chittagong, The Westin Dhaka, Le Meridien Dhaka, Amari Dhaka, Dhaka Regency Hotel, Six Seasons Hotel, Long Beach Suites etc. 03 new merchants added in this year 2022.

US TRADE SHOW 2022

Bank Asia participated in this show successfully to showcase its US origin products like MasterCard and VISA credit/debit card and Payoneer along with other banking products and services

Green PIN

Paperless Card PIN generation, Reset or Change facility anytime from anywhere at his/her convenience.

Lounge Facility

Balaka lounge (Bangladesh)

Complementary access to Balaka VIP lounge with a companion for 4 times in a year by using Bank Asia signature Card and 3 times in a year by using Bank Asia Platinum/Titanium cards

In Abroad

Free entry 2 times for Signature Card Holder at Global International Airports



INTERNAL CONTROL & COMPLIANCE

Internal Control System

Internal Control is the process effected by a company's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Internal Controls are policies and procedures established and implemented alone, or in concert with other policies or procedure, to manage and control a particular risk or business activity or combination of risks and business activities to which the company is exposed or in which it is engaged.

Internal Control Environment

Effective internal control and compliance system has become essential in order to boost effective risk management practices and to ensure smooth performance of the banking industry. Thus, the internal control system of the bank must be designed in a manner that the compliance with regulatory requirements is recognized in each activity of the bank. Therefore, the Board of Directors of the Bank has established an Audit Committee to monitor the effectiveness of internal control system of the Bank. The Audit Committee meets the senior management periodically to discuss the effectiveness of the internal control system of the Bank and ensure that the management has taken appropriate actions as per the recommendations of the Bangladesh Bank's Inspection Team, External Auditors and the Internal Control and Compliance Division (ICCD).



ICCD of Bank Asia follows the 17 COSO Principles including 5 Components to adhere to its objective. Adoption of this Framework helped ICCD run a flexible, reliable and cost-effective approach of internal control systems to achieve operational, compliance, and reporting objectives.



While carrying out the assigned jobs, the Audit & Inspection Department of ICCD complies the Internal Audit Competency Framework of the Institute of Internal Auditors (IIA), which serves as an effective onboarding tool for the both Audit Team Members and Leaders to continuously upgrade themselves with the evolving changes or skill required.

Structure of Internal Control & Compliance Division

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 03 (Three) separate departments:

- Audit & Inspection Department;
- Compliance Department and
- Monitoring Department.

Audit & Inspection Department

Audit & Inspection Department's emphasis on the bank has moved forward from comprehensive transaction testing to risk based prioritized audit areas and proper resource allocation in line with the risk assessment. While focusing on effective risk management and controls, risk-based internal audit of Bank Asia Limited is not only offering suggestions for mitigating current risks but also anticipating areas of potential risks and playing an important role in protecting the bank from various risks.

Key Activities of Audit & Inspection Department in 2022:

- Completed the Audit & Inspection tasks of 129 Branches, 05 Islamic Banking Windows and 23 Corporate Office Divisions/Departments including subsidiaries.
- Completed ICT/IS Audit on 27 Branches & Corporate Office Divisions/Departments.
- Conducted Shari'ah Audit on 25 Branches.

- Conducted Special Audit/Inspection on Anti-money Laundering issues of 16 Branches.
- Besides, Internal Control & Compliance Team of Channel Banking conducted Audit/Inspection tasks of 307 Agent Outlets and related 10 different Units/Departments of Agent Banking Division in the year 2022.

Compliance Department

The Compliance Department of ICCD ensures timely and proper compliance (both internal & regulatory) with the relevant laws, regulatory instructions/circulars/guidelines and internal policies and procedures in banking operations. Compliance Department is entrusted to ensure that Bank complies with all regulatory requirements while conducting its business. This Department also ensures adequate and effective oversight on evolving changes in business climate and regulatory requirements.



Key Activities of Compliance Department in 2022:

- Ensured compliance of 129 Branches, 05 Islamic Banking Windows and 23 Corporate Office Divisions/Departments.
- Submitted 117 compliance reports to the Bangladesh Bank against their 28 inspection reports.
- Compliance Tests (On-site & Off-site) were conducted on all 129 Branches & 05 Islamic Banking Windows of the Bank.
- All Compliance Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board.

Monitoring Department

The Monitoring Department of ICCD monitors effectiveness of the Bank's internal control system on an ongoing basis through off-site supervision, follow-up on compliances and regularization of deficiencies that are detected through different off-site reports, on-site monitoring, scrutinizing QOR, LDCL, DCFCL, Half-yearly Self-Assessment of Anti-Fraud Internal Controls, Self-Assessment of AML etc.

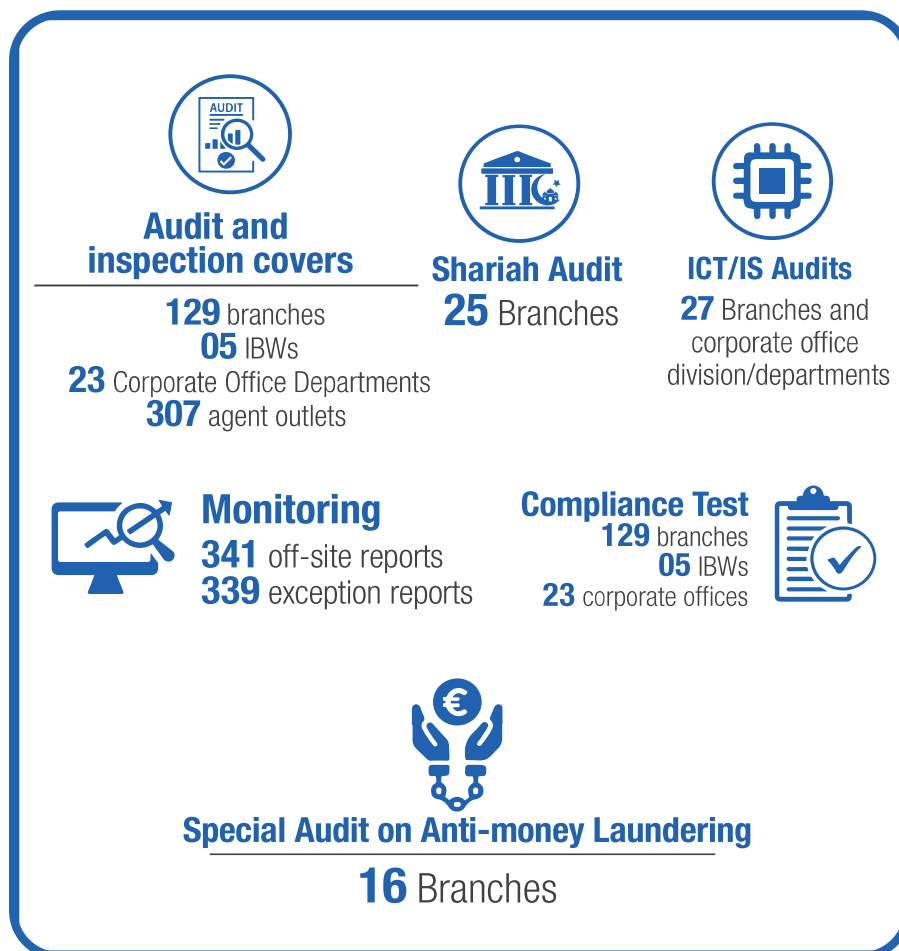


Key Activities of Monitoring Department in 2022:

- Monitored 129 Branches & 05 Islamic Banking Windows through 341 Off-site Reports.
- On-site Monitoring conducted on 18 Branches.
- Prepared 339 exception reports on Control Tools and communicated with the concerned Branches/Centers/IBWs for due compliance.
- Prepared Bank's Annual Integrated Health Report and duly submitted to Bangladesh Bank.
- All Monitoring Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board based on the gravity of the issues.

Evaluation of Effectiveness of Internal Control

The Senior Management Team (SMT) of the Bank reviews the overall effectiveness of the control system of the Bank on a yearly basis and provides feedback to the Board of Directors on the effectiveness of internal control policy, practice and procedure. Internal Auditors conduct comprehensive audit on the internal control system of the Bank. The significant deficiencies identified by internal audit team are reported to the Audit Committee of the Board.



Outlook for 2023

- Implementation of Audit, Monitoring and Compliance Plan for the year 2023.
- Detection of Irregularities, Malpractice, Fraud-Forgery, Operational Loss/Error (if any).
- Find out the potential threats/risks in Banking.
- Ensure timely submission of all regulatory returns.
- Arrangement of frequent Training/Learning Session on recent reforms for the Officials of ICCD.
- Automation of the Audit, Monitoring and Compliance tasks.

INFORMATION AND COMMUNICATION TECHNOLOGY

Customer satisfaction is always deeply concerned to Bank Asia. For ensuring efficient service to customers, Bank Asia is continuously adopting the next generation market competitive and secured technologies for establishing a robust, faster and uninterrupted service. Technology is evolving based on behavioral changes of human beings in context of day-to-day business activities and life style. Advancements in banking technology are continuing to influence the future of financial services around the world and Bank Asia is setting a goal in-line with the world standard of financial services.

4IR implementation

Bank Asia has undertaken several initiatives to incorporate Fourth Industrial Revolution (4IR) technologies in banking operations. For instance, we have integrated Robotic Process Automation (RPA) for facial recognition and NID verification processes in remittance and account opening procedures. We have implemented a ChatBot to enhance our call center services and also introduced Blockchain and Cloud Computing technologies for our cross-border payment system. These measures have allowed us to streamline our processes and deliver efficient services to our clients.

Open Banking Initiatives

Bank Asia has undertaken the Open Banking initiative to empower our customers with greater control over their finances. This initiative enables them to access a wider range of financial products and services, ultimately leading to a more fulfilling banking experience. Our API Gateway serves providing customers with access to the information and tools they need to manage their finances more efficiently. By embracing Open Banking API's, we strive to promote financial inclusion and revolutionize the banking industry, putting our customers at the forefront of our operations.

Faster Customer Services

Bank Asia has introduced Digital Sonchay Potro (DSP) system, which will ensure the preservation of digital documents submitted by our customers from branches and digitally deliver to Bangladesh bank web site for further processing the documents and will get DSP slip from this system. We have also incorporated Any Branch Payment Order Encashment Module, which makes faster payments to our customers.

Enhance customer due diligence

Continuously upgrading Anti-Money Laundering (AML) - Risk, Fraud Transactions Monitoring System. This year we have introduced a customer risk grading system to identify high-risk customers of the bank. With this system, bank can generate reports and monitor high and low-risk customers. Bank has also introduced a system-based Suspicious Transactions Reports (STR) module to integrate with reporting system of Bangladesh Bank.

Edge of internal communication

Bank Asia has introduced MyFamily App to facilitate internal communication. This app includes contact details, call log, digital attendance with

geolocation, news feed, products and services, branch profile, blood group of the employees, chat among the colleagues, digital ID card and important circulars of both Internal and Bangladesh Bank.

Cloud readiness and business continuity

Bank Asia has deployed the latest technology "Hyper Converged Infrastructure Solutions (HCI)" for the banking application. This technology can recover in the event of unexpected going offline of the production site. Moreover, recovery technology orchestrates the recovery process with the replication mechanisms, to protect data loss and system downtime

Database Management

Bank Asia has implemented Real Application Cluster (RAC) single node for Core Banking System (CBS) with upgrade database version that allow high availability, significantly improve performance and horizontal scalability of systems, which also meets the regulatory compliance. Database hardening process has done over 20 Years card data that include data masking for ensuring the data security of customers.

Enhance network security to combat cyber attacks

Access control to information assets has been maintained by appropriate Network segmentation. It is a network security technique that divides a network into smaller, distinct sub-networks that enable network teams to compartmentalize the sub-networks and deliver unique security controls and services to each sub-network. Typically, segmentation is done through a combination of firewalls, Virtual Local Area Networks (VLANs). As per PCI-DSS requirements we have successfully segmented our network where only authorized user for specific segments can access to their information, which ensures the extensive access control and network is become more secured and protected from Cyber Attacks.

Layer 3 (network layer) and 4 (transport layer) DDoS attacks rely on extremely high volumes (floods) of data to slow down server performance, consume bandwidth, and eventually degrade performance. We have deployed Anti-DDoS protection appliance at Datacenter to protect L3/L4 volumetric attacks which secured against Cyber Attacks.

Security compliance

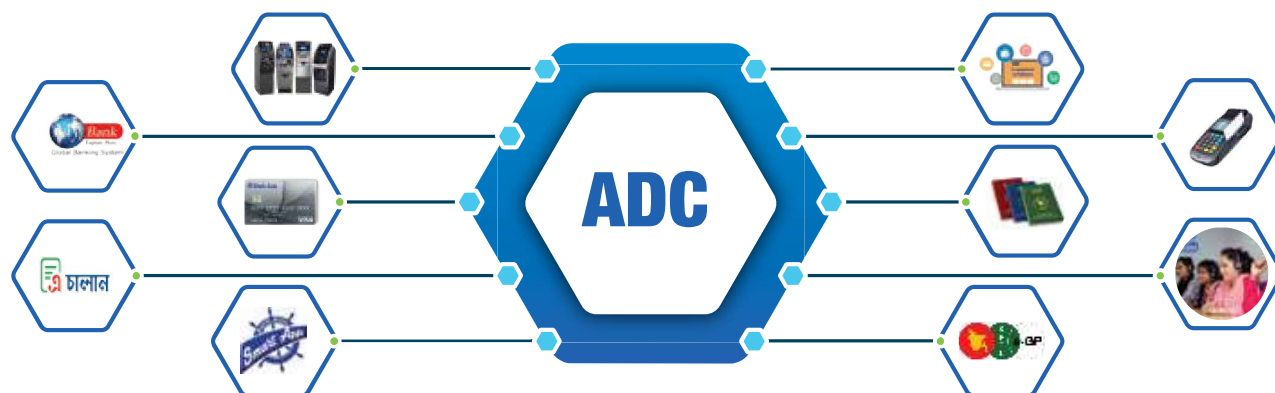
Bank Asia has a deep concern about customer's information security. The most prestigious compliance certification "PCI DSS" has been achieved by Bank Asia complying the requirement as per PCI DSS guideline to protect the card related customer information. To be complied on the world most used compliance guideline in Information security management, Bank Asia trained up 42 persons on ISMS ISO 27001 LA, 43 persons on BCMS ISO 22301 CLIP, 15 persons on PCI DSS Lead Implementer, 24 persons on Certified Security Analysts (CSA).

In 2022, Bank Asia has started to comply the BCMS 22301: 2019 and expected to be certified by end of January 2023 that will be the first ever bank in Bangladesh. Bank has obtained ISO/IEC 27001:2013 recertification for its IT and Cyber security function as recommended by Bangladesh Bank.



PCI DSS Certificate Handover Ceremony

ALTERNATIVE DELIVERY CHANNEL (ADC)



Alternative Delivery Channel is the most effective way to provide financial services without relying on bank branches & agent outlets through using different types of modern technology. Bank Asia has implemented many alternative channels such as ATMs, CDMs, CRM, POS devices, Debit cards, Internet Banking, Mobile App, SMS banking, A-Challan, E-GP Service, E-commerce/E-Banking Solution, E-payment solution, QR and Contact Center Service. Through this channel, bank can get faster access to the competitive market and customers can enjoy instant access to bank's products and services anytime anywhere (24/7).

Online Payment System or E-Payment Solution



Total Number of Transaction
20,260,000
BDT Amount
12,675 Million (approx.)

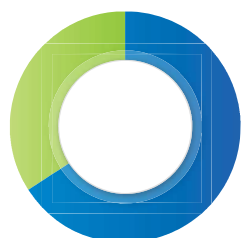
Bank Asia has developed the E-Payment solution which verifies and processes with a verity of secured & affordable transaction instruments for Payment of Member/ Student fees of different institutions, residential & industrial different utility bill & payment of renowned insurance company using their respective Bank accounts, over the counter (OTC), debit/credit cards, EFT, etc. on behalf of the Online Banking payment. More than 20.26 million number of transaction amounting taka 12,675 million (approx.) from customers have received through ADC channels.

ATM, CDM & CRM Service



Total ATMs
218
Shared ATMs
13000+

To have access banking services round the clock, ATM, CDM & CRM are excellent channels. Automated Teller Machine (ATM) & CRM provide banking services to its customers 24x7 in 365 days a year. Through our ATM customers can access, fund transfer, withdrawal, Balance inquiry, mini statement facility etc. Bank Asia has done its 70% of cash through ATM transactions. We have 218 own ATMs, 35 CDMs and 3 CRMs and more than 13,000+ shared ATMs all over the country. Our bank is planning to invest continuously in a bid to increase and widen its ATM network significantly.



Cash Transactions

ATM Transactions **70%**
Branch Transactions **30%**

E-Commerce & E-Banking Solution



Total Number of Transaction
15,430,000
BDT Amount
35,046 Million (approx.)

Bank Asia has taken more initiative to expedite the 'e-Commerce' facility for its valued customers where bank plays as payment partner and the bank account holder can shop/purchase online through internet banking, debit card or credit card at a low cost anytime from anywhere. More than 15.43 million number of transactions amounting taka 35,046 million (approx.) has executed successfully through ADC channels.

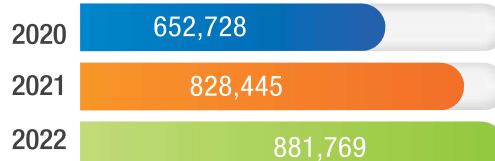
Debit Card

Bank Asia has introduced embedded with smart chip as replacing of magnetic stripe (Magstripe) payment cards to reduce credit card fraud and to protect customers' sensitive financial data. We have introduced MasterCard Platinum Dual Currency Debit Card for our customers.

881,000+ VISA debit cards –

- Issued against Savings and Current accounts facilitating ATM, POS transactions
- Card holders are able to purchase through VISA enabled POS machines (60,000+) in various merchant locations all over Bangladesh.
- Activation and PIN request are automated which reduced debit card issuance time to 2-3 days from 7-9 days
- Saved 450,000 pages and 90,000 courier service delivery charge.

Debit Card



Directors' Report

Internet Banking



Total Number of Internet Banking User
267,872

Bank Asia's internet banking (My Banking) module is user friendly & secured. Bank Asia's internet banking module allows clients to get a clear state of their financial position and offers a vast banking services like pay bills, change password, balance enquiry, view statement, fund transfer,

EFTN, NPSB, utility bills payment, standing instruction, stop & view cheque status and mobile talk-time recharge facilities for all Telco in Bangladesh. Internet banking employs encryption and firewall to protect transactions and queries through internet. For more security, we already have introduced dual factor authentication (2FA) through OTP for e-transactions. Now the total internet banking users are more than 267,872.

Bank Asia SMART APP



Total Mobile App User (Bank Asia)
357,557
Total Transaction
1,797,167
BDT Amount
13,865 Million (approx.)

Bank Asia has introduced a modern and unique banking app named "Bank Asia SMART APP". This app is an integrated internet and mobile banking solution designed to offer customers a wide range of financial services. Smart Banking solution offers vast banking services such as fund transfer, EFTN, NPSB, utility bills payment, standing instruction, stop & view cheque status mobile talk-time recharge etc. Till end of 2022, total mobile app users of Bank Asia is 357,557 which are increasing day by day. More than 1,797,167 number of transactions amounting to taka 13,865 million (approx.) have done through this app.

E-Procurement System



Total Number of Customer
16,498
Total Registered Branch
129

Bank Asia has been providing banking services for e-government procurement (e-GP) through our branches. In the meantime, customers have received around 16,495 services from our bank with their utmost satisfaction.

A-Challan



Total Number of Passport and other challan Payments
229,503
BDT amount
2,719 Million (approx.)

The Government of the People's Republic of Bangladesh has introduced online Banking Payment systems "automated Challan System" to collect different types of payment. For digitalization of this service, Automated Challan System (A-Challan system) has been introduced for online submission of various government service fees.

National Payment Switch Bangladesh (NPSB)



Total Number of Transaction
836,390
BDT Amount
31,167 Million

The main objective of NPSB is to create a common electronic platform for the switches in Bangladesh. The system is meant to facilitate the expansion of the card-based payments and promote real time payment, Utility Bill payment, DPS installment, credit card payment, loan re-payment, e-commerce / m-commerce and save cost and time. More than 836,390 number of transactions amounting taka 31,167 million (approx.) have done through this NPSB channel.

POS Operation of Bangladesh Post Office (BPO)



Total Number of POS Terminals
17,000+

Bank Asia has signed an MoU with BPO (Bangladesh Post Office) to expedite its business partnership and the main objective is "Strengthen the E-Post office product & different financial services for mass people through POS as part of financial inclusion" and to facilitate POS services as a micro ATM with an affordable cost by Bank Asia. Post E-center for Rural Community Conversion of 500 Upazila Post Offices and 8,000 Rural Post Offices. To rollout the massive number of POS terminals and make those full functional, Bank Asia will configure those POS terminals to serve different types of financial services for the mass community as well as BPO customers.

Contact Center



Contact Number
09617016205
Short Code
16205

Customers can get our banking services and queries (24/7) through these numbers. It is also available from abroad and overseas customers. Contact Center system helps us to manage our resources and serves clients in a proper way with greater efficiency that reduces cost and improves the service quality.



Inauguration of Bank Asia CRM and ATM booths in the Jahangirnagar University campus

FINANCIAL INCLUSION & FINANCIAL LITERACY DEPARTMENT



Services Reached

56 district
400 Upazillas



Beneficiaries

3,881,785 people



SSN Beneficiaries

2,903,312 people

Digital Center Agent Banking

The concept of Digital Bangladesh is the brainchild of Bangladesh government aims to introduce a system which enables public services to reach the people instead of the people going to seek services. For this purpose, now Bangladesh Government has launched Union Information and Service Center (UDC) in all 4,501 unions across the country to disseminate information and deliver government services to all citizens. Financial Inclusion Department of Bank Asia is managing their activities in 3,128 unions of 400 upazilas under 56 districts of the country through Digital Center Agent Banking and Social Safety Net payment in collaboration with the Government. The performance is shown below:

Indicator	2021	2022
No. Of Digital center	3,224	3,128
No. of Account	3,554,892	3,881,785
Deposit in Mln BDT	12,355	13,701
Loans in Mil BDT	279	602
Remittance in Mln BDT	9,019	7,487

Social Safety Net (SSN)

To collect the allowance a month that the government sends as social safety net allowance (SSN), citizen-beneficiaries have to travel long distances to the nearest state-owned bank branch, spend hours standing in line, sometimes needing to come back the next day. Factoring in the cost of travel and food alone, they spend over 14% of the allowance before they even receive it. a2i, in collaboration with the Ministries of Social Welfare, Finance, and Bangladesh Bank, developed the 'Citizen's Choice Architecture' for digital payments of SSN Programs – such as elderly allowance, allowance for widowed, deserted, and destitute women, allowance for financially-insolvent disabled people. Guided by the 'AIM Principle' (Account + Identity = Mobility), it allows for the disbursement of allowances at accessible cash-out points at the union level (the lowest administrative tier comprising 9 villages), or even at the homes of the elderly or persons with disability.

Citizen-beneficiaries simply walk a short distance to the nearest Digital Centre or agent banking booth, and using biometrics under the supervision of the local entrepreneur or, business correspondent appointed by an agent bank, cash out their allowance from their own full-service bank account that is tied to their unique national ID number.

Old aged allowances	Disable allowances
Widow, deserted & destitute women allowances	Stipend for disable allowances
Bedye allownaces	Hijra allowances
Stipend for Bedye Community	Stipend for Hijra Community
Lifestyle development of Unprivileged Community	Lifestyle development of Tea Worker Community
Stipend for unprivileged Community	Rohingya Caregiver



Maternity & Lactating Mother allowances

Vulnerable Group Development (VGD) Program



National Payment Service Program

MOU with BRDB:

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

Micro Merchant App

Bank Asia Limited has come up with a Mobile App based banking solution called "Micro Merchant", where retailer, FMCG distributors can serve banking customer using mobile phone on behalf of Bank Asia. In 2022 Micro Merchant banking App has achieved the 'Project Management Excellence Award 2022'



On-boarding
56,500+ Micro Merchant
Total Transaction **7.49** Million
BDT **12,366** Million

Our Micro Merchant Banking system will be the first community-based Banking solution where people can get Banking services from their community/locality.

Bank Asia has been running a network of 56,500+ Micro Merchant throughout urban and rural areas of Bangladesh. Till now it (Micro Merchant) has made 7,491,243 number of transactions & the value of transaction is Tk. 12,366 million.



Bank Asia has achieved Project Management Excellence Award -2022 for Micro Merchant Banking

AGENT BANKING



District **64**
Upazila/ Thana **530**



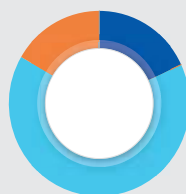
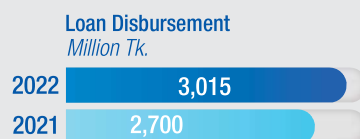
Number of outlets **5,414**
Growth **11%**



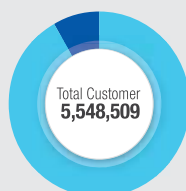
5.55 Million
Growth **13%**



Number of Female customers **3,443,013**



Agent Outlets
Individuals & Institutional **849**
UDC & CDC **3,240**
Post Office **1,325**



Total Customer
Rural **5,098,838**
Urban **449,671**

Bangladesh has been experiencing rapid financial inclusion in sync with faster adoption of digital technology. The central bank of Bangladesh is statutorily mandated to support attainment of the country's developmental aspirations along with maintaining price and financial stability. Despite a lot of initiatives taken in the meantime, a large number of people in Bangladesh are still far from being granted access to basic financial services, making financial inclusion development an essential project in the country. Since inception agent banking proved to be an effective model to expand the reach of financial services to rural communities. Bank Asia being the pioneer for agent banking in Bangladesh has completed 9 years of financial inclusion journey. As demand rose for financing the growing rural economy, agent outlets bridged a critical gap.

Out of total 5,414 agent outlets of Bank Asia, 91% outlets are located in rural areas. Hence this wide coverage of agent banking in rural areas provides positive indication of upholding the agenda of promoting financial inclusion. Bank Asia's agent outlets grew by 5 times over the past 6 years and it added around 5.54 million customers during the same period. This increase in number of agents and outlets ensures not only formal financial services for the rural people but also employment opportunity for them in a new dimension. Agents are deploying skilled and semi-skilled human resources in their outlets contributing job creation and scaling up financial activities in the rural area. The bank already disbursed total loan of more than BDT 1,090 crore till now to customers through Agent Bank, 96% of which is in rural domain of the country. Bank Asia, alone represents more than 41% of total female customers in Agent Banking industry. To solve financial inclusion challenge, Bank serves more than 2.6 million social safety net (SSN) beneficiaries in the nook and corner of the country. Bank Asia partnered with a2i (Aspire to Innovate) to expand its agent network through Union Digital Centre (UDC) and with Bangladesh Post Office (BPO) to expand the channel through post e-centers across the country.

Bank Asia in these past 8 years initiated a number of first of its kind services through this channel, got engaged with a remarkable number of national and international partners who believed in Bank Asia for implementing innovative yet effective approaches, developing process that may benefit the country in the larger scale. We devoted our innovations to touch the last mile customer, ensure customer security while delivering services and benefit to the customer at its best.

Remittance transfer through agent banks skyrockets:

Agent banking outlets are emerging as a major channel for the distribution of remittance among families of migrant workers. And the easier accessibility motivates the wage earners to channelize money in a more formal way. Therefore the service impacts the industry positively in terms of money mobilization and inclusion of money into national economics. A huge milestone has been achieved by bringing BDT 1,149,173.78 million remittances over the years by all agent banking service providers. It is the combined effort from banks, exchange houses, remittance companies, agents, service officers and regulatory authorities as well. Remittance disbursement through Bank Asia Agent Banking till now is Taka 116,345.31 million. As per market share Bank Asia is the third to distribute remittance through agent banking outlets where 93% of the disbursements are from rural locations.

The growing footprint of women in Agent Banking sector:

Agent Banking model has expanded quickly among women. It's structure often benefits women where social norms restrict women's mobility to travel to banks or where women's ability to interact with individuals of the opposite sex in public places is limited. For financial inclusion to have an impact on women's economic empowerment, livelihoods and broader welfare effects, these social norms need to be taken into account and acted upon.

Over the year Bank Asia Agent Banking served 5.54 million customers of which 92% are stationed in rural periphery. Where gender parity has been the mostly pronounced issue to be resolved, Bank Asia Agent Banking took a good lead by ensuring 62% women customer. Bank Asia Agent Banking alone holds 43% share of agent banking industry's female customer. On the other hand, it has been promoting entrepreneurship where the young pools are getting motivated to take the business as their profession and being socially more acceptable. In our approach to gender equity in financial inclusion, we have been trying to identify the challenges and opportunities that stand in the way of women's financial inclusion and economic empowerment supported by the renowned Bill & Melinda Gates Foundation. Under the intervention, Bank Asia launched country's first ever Women ATM preferred for women customer and has a plan to establish 10 ATMs countrywide to encourage digital transaction and comfortable financial access channel for women customer.

Financial Literacy improves financial management:

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. Financial literacy improves ability to make better financial decisions, teaches effective management of money and debt.

Bank Asia started financial inclusion journey back in 2014 to support unbanked and underserved population with banking services at their doorstep. And the necessity of financial literacy became vital to onboard customer with better financial management and skills. Bank Asia and UNDP cocreated a financial literacy curriculum in 2016 for creating awareness through the social safety net customers. Therefore, following the policy as set by regulated bank, we have kept continuing these literacy drive in partnership with a number of strategic partners as a2i, Swisscontact, USAID AVC, USAID AESA project, USAID ACDI VOCA-RDC project, DFID Challenge Fund, BRAC, WorldFish for different segments of the country. For empowering women through their financial stability and improving financial management, Bank Asia currently has been facilitating financial literacy for the women customers and entrepreneurs in the nook and corner of the country powered by Bill and Melinda Gates Foundation. Through a number of 2,100 number of financial literacy events, more than 100,000 customers have received financial literacy under Bank Asia Agent network. We believe that through knowledge and discipline, financial peace is possible for all of us.



Customer authentication for transactions at an Agent Outlet of Bank Asia

CASE 1

Digital Banking Dignified Farmer

Transactions of bank loan using Fish Card and making necessary payment for output purchase was fresh experience for Sanaul of Satkhira. The 41-old fish cultivator hailed from Jordia Fingri in Sadar Upazila able to spend money properly and enjoyed a digital record of the loan.

Allocation of loan and lending process in a digital manner and transaction of the amount using Fish Card seemed very interesting, being delighted he informed that he received Tk.50,000/- as loan for cultivating fish in 10 Bighas of water-bodies. Earlier, the allocation was Tk.40,000/- which he re-paid by the due date. Sanaul continued with that he started fish farming eight years back by investing Tk.2.00 lakh, part of which from local money lenders with high interest. Fish farming required huge investment and farmers often had to take money from Mahajan, money lenders or purchase inputs from local businessman in debt. The high interest loans eat up most of the revenue that poor farmer earns.



The middle-aged farmer explored an option when Bank Asia in support of the WorldFish Bangladesh started supporting smallholder and marginal farmers with flexible terms and low interest rate in the area. He captures the insights of the loan through financial literacy under the program. Sanaul said- Bank Asia loan helped developing his fish farm and created a positive impact on his financial condition. He already started operating a medicine shop alongside his fish farm.

CASE 2

U May Pro Marma: Papaya Cultivator in Thanchi

Dotted papaya trees from top to slope turned the hill green and colored life of U May Pro, a young women in remote Thanchi Upazila of Banderban District. Dressed in red tops with pinkish cloths draped round waist the 35-year-old farmer glances back couple of waning years that the turn of her farming from tradition to modern methods with banking support.

She was a client of local branch in state-run Bank a couple of years ago and often did mobile transaction, but switched to Bank Asia a year ago. Bank Asia gave her an agricultural loan for papaya cultivation on the slope of the hill. This loan help boosting her production. Earlier, she had been cultivating cashew nuts but shifted to the papaya cultivation considering convenience of production, profitability and environmental factors.

Now everyday she sells papaya of Tk.10,000 and her monthly profit is Tk.18,000 to lead her family peacefully and ensuring solvent life. "This cultivation and earning contributed to brighten my image in the community and gave solvency in my family", U May Pro asserted.

Like the Marma lady U May Pro Bank Asia has been supporting various kinds of loan to women in different parts of the country with a view to promote their life, develop entrepreneurship and thus ensure their empowerment in the society.

PAYMENT SERVICE DEPARTMENT (PSD)



Daily Average Transactions

No. **54,513**, BDT **8.48** Billion

Growth **10%**

Bank Asia takes pride being one of the leading banks in Bangladesh that offer all types of banking Payment Services: BACPS, BEFTN and RTGS, from any of its units including Branches, Sub-branches, Agent points, SME, Islamic banking and Credit Card Department. This is the result of PSD's relentless efforts towards new developments and process re-engineering.

Decentralized Outward and Centralized Inward model in all units is a key-feature of PSD operation. PSD always works as a team to ensure all Inter-bank payment and settlements are secured, smooth, fast and reliable to all customers.

KEY ACHIEVEMENTS IN 2022

RTGS FC

02 (USD and EURO) Foreign Currency (FC) transactions are now allowed to and from local banks which are the latest additions by Bangladesh Bank and Bank Asia started from Day 1.

RTGS iVAS

This is an ongoing project. After integration iVAS (integrated VAT Administration System) all Bank Asia customers will be able to pay VAT through Net-Banking via RTGS.

Sub-Branch

System Integration of Sub-Branch for BACH, EFT, MICR and RTGS unit completed, ensuring delivery of cheque book to the Sub-Branchees.



TRAINING & DEVELOPMENT

- 03 special training in 03 city Corporation with Bangladesh Bank officials for more than hundred employees of Bank Asia.
- All BB & Internal Circulars are available in archive.

STRATEGIC PLANNING FOR 2023

- Attract customers towards BEFTN & RTGS through increased visibility at branches.
- Continue arranging trainings & workshops to build awareness and enhance knowledge base.
- Enhance Compliance through Automation.

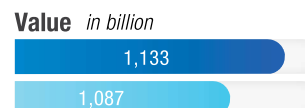
Functional Organogram

BACPS

Daily Average Transactions

No. **6,274**, BDT **459** Crore

PSD is involved with BACPS operation. Accuracy of work is reflected in our transactions as PSD received 30% less complaint in 2022 compared to our complaint against other banks. Several system related updates introduced for improving resiliency and dependency. Sub- branches are now under BACH operation.

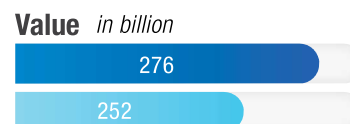


BEFTN

Daily Average Transactions

No. **46,450**, BDT **112** Crore

EFT is popular for small and bulk transactions that is growing rapidly. Individual account holders are also enjoying BEFTN facility through branches, sub-branches, agent points, net-banking and Smart App. PSD channelized over 17 thousand foreign remittance, 10 thousand Dividends warrants and 8.19 lac Safety net payments on a single day.

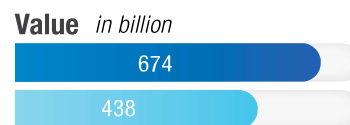


RTGS

Daily Average Transactions

No. **1,788**, BDT **276** Crore

All branches, Islamic wings and Agent Banking can receive and originate RTGS which is very much safe and secured for its dual authentication system and matching with its CBS. RTGS has gained popularity among the customers for its fastest nature of transfer mode. It also supports Govt. to collect VAT, Tax, and Customs Payment etc. on same day.



MICR

Over **40,000+** leaves delivered Daily

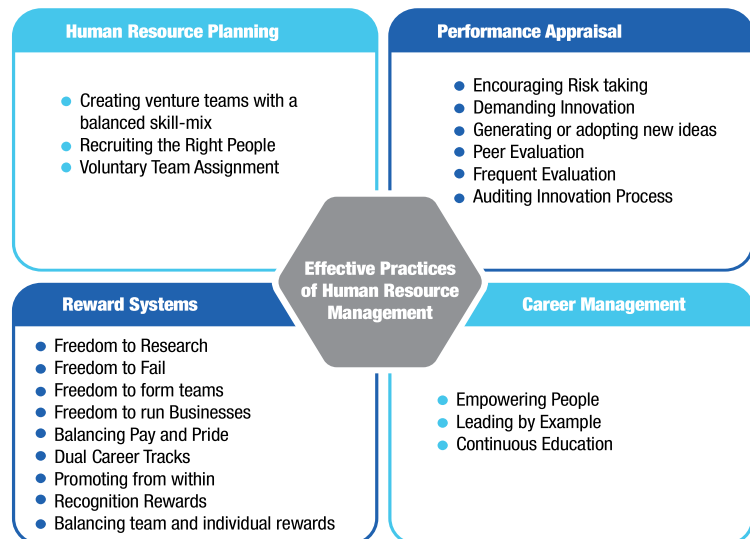
An array of diversified MICR instruments are Introduced for smooth transactions. Issued instruments are SB & CD cheques, MSA, AWC & MSND for Islamic Wings, SB & CD cheques for Agent banking, Payment Orders, three types of card cheques. FC DD and FC Cheque for AD branches and OBU unit are being delivered by PSD.



HUMAN RESOURCES DIVISION (HRD)

Human Resources Division (HRD) plays the role of nucleus of Bank Asia Limited. Being the strategic partner of the Bank the scope of work of HRD is not just to manage the administrative functions but also to work effectively considering the interest of the employees of the Bank. It builds the bridge between employer expectations and employee needs. HRD always works to improve the quality of work life by creating and implementing new programs and policies which affect all aspects of the business positively. As we support employees and employees are the most important resource of our organization.

HRD of Bank Asia is working relentlessly to promote innovation, cultural diversity and a congenial working environment to stimulate organizational sustainability. HRD is committed to ensure corporate values such as togetherness, mutual respect, integrity etc. in order to ensure the best possible environment for all of its employees for their career growth and organizational development. HRD focuses on building capabilities using employee management and set



strategies in alignment with organizational goals for aiming to create Bank Asia as a “preferred employer of the choice”.

Based on mentioned systemic perspective, HRD provides Bank Asia Limited with complementary, diverse and innovative competencies which will be developed by stimulating sustainable individual behavior. HRD persuades employees to move forward to establish corporate values in terms of Customer Centricity, Quality, Responsible Citizenship, Building the Leadership. HRD is committed in creating a conducive working environment with equitable and competitive terms and conditions of service and required resources. The Bank promotes a culture of trust, development and best use of our human talent and resource.

Bank Asia firmly believes that long term profit and sustainable growth can only be ensured with the proper induction and retention of the talents. In this context, HRD ensures, “Right Person in Right Position in Right Time in Right Number” so that the tagline of Bank Asia Limited “For a Better Tomorrow” can be achieved.

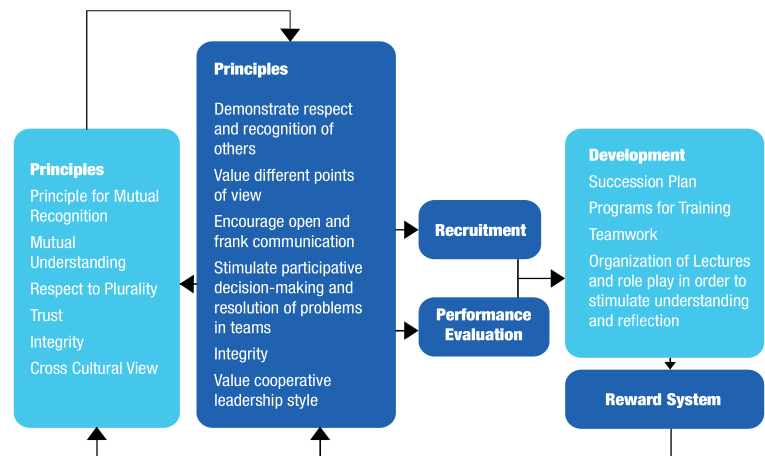
Functions

HRD follows an employee oriented approach in its day to day operations in alignment with corporate mission and vision of the Bank. The key functional areas of the Division are depicted in the following diagram:



Strategic Focus

HRD goes further and pursues a strategic and coherent approach in managing human resources. In particular, HRD has established well defined principles and based on those, some competencies are being cultivated in our employees that are incorporated with regular HR functions. It ultimately increases overall scope for development. Graphically, the process can be summarized as follows:



Directors' Report

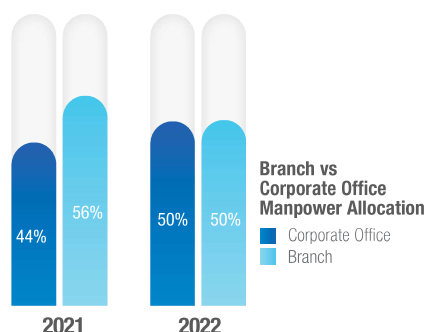
HUMAN RESOURCES DIVISION (HRD)

Employment

HRD is responsible for facilitating the overall goals of the organization through effective administration of human capital — focusing on employees as the company's most important asset. Recruitment is the first step in building an organization's human capital. At a high level, the goals are to locate and hire the best candidates, on time and within budget. Bank Asia generally conducts two types of recruitment. One is fresh recruitment and another is lateral/experienced recruitment. For the fresh hiring, Bank Asia generally engages highly illustrious consultancy firms/ institutions to conduct the assessment professionally. To recruit proven bankers as lateral entrants, Bank Asia forms customized committees to identify the potential candidate for the Bank.

Employee distribution in Branch & Corporate Office

We have about 13.54% growth in number of employees from 2,547 in 2021 to 2,865 in 2022.

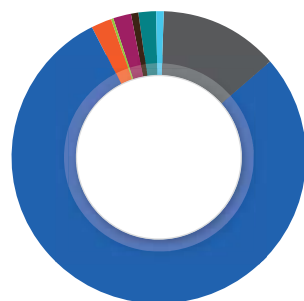


Recruitment

In the year 2022, a total of 420 employees were recruited to strengthen the human capital of Bank Asia. The new workforce has supported the continuous expansion of the Bank's activities creating continuous competitive working strength.

Regional distribution of Employees

Employees of Bank Asia Limited are deployed all over the country depending on the business potentiality as well as banking service scarcity. High concentration has been given to Dhaka and Chattagram districts as both the regions are considered as major business areas where the services are still not fully available. Other regions were also given due importance and new workforces were deployed based on needs.



Division wise Manpower

Dhaka **79.05%**
 Khulna **2.01%**
 Mymensingh **0.31%**
 Rajshahi **2.11%**
 Rangpur **0.73%**
 Sylhet **2.11%**
 Barisal **0.69%**
 Chittagong **13.00%**

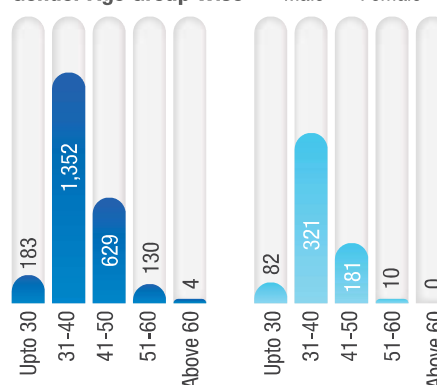
Gender Distribution by position

In a total of 2,892 employees, overall male to female ratio stands at 79:21 with non-executive segment having the highest concentration of female employees.

Age Distribution

Bank Asia has a relatively younger segment in its overall employee pool where 58% of the employees fall in 30-40 years age bracket.

Gender Age Group Wise



Performance Management

To facilitate the career growth of its employees, Bank Asia emphasizes the fair evaluation of their performance and endeavors. As it is known, unbiased performance evaluation culture plays a critical role in creating a sustainable workforce while also supporting the Bank's HR hierarchy. Bank Asia has established a SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-à-vis setting a target for the given year.

Employee Welfare

If an Organization has to continue its efforts toward the accomplishment of its predesigned goals, employee performance is a crucial prerequisite. As such, an organization's potential to succeed is limited by the degree of its successful management of employee welfare resulting in employee motivation. Employees who are properly motivated are happier, more effective and tend to remain with the organization longer.

Human Resource Division of Bank Asia is always very keen to ensure employee welfare and motivation. Employees are an important part of the process in Bank Asia to create value for all of its stakeholders. They are also a critical factor in enabling the Bank to achieve its goals. HRD of Bank Asia is committed to providing compensation and welfare that is fair and sufficient enough to provide a solid sense of security for the employees of the Bank. HRD also encourages occupational health and safety in the workplace and strives to ensure fair and equitable treatment of all employees. Furthermore, HRD nurtures a knowledge and competency based competitive culture in the Bank in order to facilitate all employees of the Bank to work at their full potential. Ensuring proper welfare for employees strengthens both their loyalty and level of engagement towards the Bank throughout their career, which is the foundation in the path towards sustainable growth.

Bank Asia Institute for Training & Development

BAITD has been contributing to the bank by developing a skilled, devoted, ethical and motivated human resource pool through training. Apart from that, BAITD is committed to facilitate all the employee's development of job related competencies. In 2022, BAITD has conducted various physical and virtual training programs with a head count of up to 2624 employees. For the year 2023, BAITD is planning to conduct around 100 physical training programs where up to 60% of the employees of Bank Asia will be developed throughout these courses. BAITD also diversified the courses as per the requirement of different divisions/departments and gave due weightage on the courses of Risk Management.

In 2023, BAITD will enhance training programs in both quantitative & qualitative ways. BAITD will conduct various training programs which will assist the employees to function more effectively in their present position by introducing them to the latest concepts, information and techniques as well as imparting valuable skills in their required field

ACCOUNTS DEPARTMENT

Accounts Department carries out the responsibility of ensuring accountability, transparency and effectiveness of every penny of the Bank through automated and compliant accounting service.

Accounts Department ensures:

- Proper accounting and reconciliation of every transaction of the Bank.
- Three Es (Effectiveness, Efficiency and Economy) in every amount expended by the Bank.
- Accounting services with accuracy
- Delivery services at minimum Turnaround Time (TAT)
- Meticulous compliance with all Regulatory and Internal policies/ procedures
- Digitalization and automation of service.

Key Highlights

Pre-Audit:

- Bills Processed: **17,277** (Nos)
- Cost Savings: BDT 3.39 mn
- Imprest Fund Management
- Branch Grading for setting Financial Delegation
- Issued VAT/Tax Deduction Certificate: 554 (Nos)

Financial Control



Payment Disbursement and Book-keeping

- No of Bills/Vouchers Payment: 17,277 (Nos)
- No of Transactions: **69,202** (Nos)
- Voucher Maintenance

Payment Processing



External Report:

- Weekly Reports: 54 (Nos)
- Monthly Reports: 104 (Nos)
- Quarterly/Yearly Reports: 28 (Nos)

Internal Report:

- Monthly OPEX Report
- Profit Forecast
- Reconciliation of Monthly Profit Movement

Regulatory Reporting & MIS



- Reconciliation Statements Prepared: 12 (BB LCY Accounts and 44 Accounts with other Banks)
- Letters issued to Branches/Divisions regarding different issues: 650 (Nos)
- GL Monitoring Through Email to Branches/Divisions: 1,200 (Nos)

Reconciliation and Suspense Control



- ID Approved: 1,279 Users
- Rights Modified: 10,483 Times
- Rights Deputized: 1,102 Users
- Limit Enhanced: 1,820 IDs
- Account Title Modified: 1,824 (Nos)
- Performed Branch Support: 16,526 (Nos)

User Access Control



- New GL Created: 172 (Nos)
- GL Lock/Unlock: 657 (Nos)
- **OPEX monitoring:**
- Yearly and Half Yearly Balance Confirmation
- Closing Certificate of Books of Accounts

GL & TB Monitoring and Controlling Chart of Accounts



- Quarterly/Half Yearly/ Yearly Fixed Asset Schedule Management
- Update Fixed Assets Module for Corporate Office
- Review and Reconciliation of Fixed Assets Module
- Monitoring Depreciation/ Amortization of Fixed Assets

Fixed Asset Management



Process Automation and Digitization

- Automated Regulatory Reports
- Update of Scholarship Database
- Developed Automated Reconciliation Report
- Daily Email Automation for Reverse GL Balance
- Paperless Payment Processing System

Automation & Digitization



Month-Closing Activities:

- Issued Instruction Circulars and Checklist for Month Closing
- Issued Year Closing Preparation Circular
- Issued Instruction Circular for fixed Asset Physical Counting
- Provided closing related support to the Branches and Corporate Office

Month Closing Activity



Guiding Proper Accounting Entry to the Branches/IWs/SME Centers;

Accounting Procedure for:

- Developed Accounting procedure for Surjo Pay, ACI Bill Collection, DPDC and DESCO, University Fee Collection Module and TAB Accounting Process;
- Developed Accounting for Cattle Market POS Transaction, Fund Transfer From BKASH TO BANK and Fund Transfer From Bank TO BKASH;
- Developed Accounting for Post-Paid REB Bill Collection, Sandhani Life Insurance and Fund Transfer From Rocket to Bank Account and VICE VERSA;

Accounting Process Development



RESEARCH & STRATEGY

To guide Bank Asia management with an unbiased, scientifically-based, and objective view of the market, to explore new avenues of businesses, and to improve existing businesses and modus operandi, the Research and Strategy Division (R&SD) was formed on Oct'15 with some of the most seasoned banking industry research specialists. R&SD reports focused on stating the market scenario, competition banks' performance, performance diagnosis of Bank Asia vis-a-vis competition, and finally strategies/tactics to overcome the bottlenecks to attain business budgets and the bank's strategic objectives. Some major research projects conducted in 2022

SL	Project Name
1	Revision of Topline Organogram of Bank Asia Limited
2	Bank Asia Organogram Comparison: Current Practice Vs Board Approved
3	District Office Concept Note for Agent Banking
4	District wise Manpower Rationalization based on existing business and future business scope
5	Market Potentiality of Branch and Agent Banking
6	Branch/Outlet Feasibility Study
7	Strategy Paper on Agent Banking

In order to be more market aligned to capture the business scope and ensure good governance and compliance, Bank Asia management and the Board felt the need to revise the organizational structure. In this regard, R&SD initially conducted comparison studies to figure out in which aspects revisions are required and proposed an organogram which was accepted and implemented by the management and the board.

Bank Asia has been the torchbearer of agent banking since its inception. To ensure better control and monitoring, a higher focus on asset business, better efficiency, and lower turn-around time, and quick and hassle free service, R&SD sketched "District Model". The model was implemented throughout all 64 districts. Based on the existing and future business scope, R&SD proposed manpower restructuring for each district. As per the suggestions of R&SD, manpower rationalization was carried out by the management.

The objective of conducting market potentiality study was to explore the maximum business opportunity of the respective channels by utilizing command area wise competition business performance. This study helped the Group Finance Division to prepare budget for the year 2023.

Similar to previous year, R&SD visited different locations to find out business opportunities and barriers, helping the top management make informed decisions to establish branches in the most feasible areas.

The strategy paper on agent banking outlined competition vis-à-vis Bank Asia performance, SWOT analysis, and strategies to increase business focus, Re-design departmental responsibilities and Rationalize Sales-related HR, Improving staff performance, restructuring, and implementing regional structure to boost business

LOGISTICS AND SUPPORT SERVICES

Logistics support is the vital functional area of the Bank which builds necessary infrastructure and provides essential establishment to effectively operate the Bank in order to achieve the goal. In a banking business environment, integrated logistics support services is a management function that provides planning, design and support of business operation of infrastructure development, procurement, inventory, warehousing, distribution, transportation, customer support etc.

In 2022, the LSSD team successfully accomplished few big challenges of which important ones are highlighted below:

- Bank Asia opened up 06 (six) new Branch, 07 (seven) new Sub-branch and 22 (twenty two) new ATM booths at different places of the country.
- Implementation of Automation software for "Procurement, Supply Chain and Fixed Assets Management System" LSSD of Bank Asia Limited.
- Remodeling of Iswardi Branch (Renovation, interior decoration and furniture/fixture).
- Relocation of Feni Branch and Matarbari Branch (Interior decoration and furniture/fixture).
- Successfully completed interior decoration and fit-out work of Agent Banking operation Hub at Bank Asia Bhaban, Chattogram and Nimtola Cluster Hub, Munshigonj.

AML & CFT

Financial access facilities day to day living and helps families and business plan for everything from long-term goals to unexpected emergencies. This digital shift was a blessing for banking industries and their customers who were limited in their ability to have face-to-face interactions, but it also piqued the interest of fraudsters, money launderers and other cybercriminals looking to take advantage of the digital influx. Banks are instituting anti-money laundering (AML) and know your customer (KYC) procedures in response, but the rapid changes of financial market requires continuous update of procedures.

Banking sector is one of the most vulnerable sectors for the Money Laundering (ML), Terrorist Financing (TF) & Proliferation Financing (PF) among the financial sectors due to its indigenous nature of business, customer base, product type, delivery channel, external linkage and ownership. Banks can play a vital role in preventing ML, TF & PF and in this regard their roles and responsibilities are defined in MLP Act 2012 (amendment 2015), ATA, 2009 (amendment 2012 & 2013) and MLP rules, 2019 and instructions issued under this legal framework by BFIU. To prevent ML, TF & PF and to ensure the implementation of required provisions of Acts, Rules and directives of BFIU, Bank Asia has developed & maintained an effective AML, CFT & CPF compliance program to ensure the compliance level up to the mark of Regulatory Authority's acceptable level.

Bank Asia Limited is extending their off-site/on-site supervision on AML & CFT issues. The goal of this activities is that Bank Asia can be rated at the highest level on AML & CFT issues. In line of the above, Bank Asia Limited included the following activities with the existing to mitigate Money Laundering, Terrorist Financing and Proliferation Financing:



Training Program

4,506 Participants

IT & Automation

AML & CFT Division developed software 'Risk, Fraud & Transaction Monitoring Platform' for monitoring the millions of transactions automatically that helps to generate alert for suspicious transactions.

Implementation of uniform template for price verification of importable and exportable goods

AML & CFT Division implemented uniform template for price verification of importable and exportable goods for preventing under invoicing/over invoicing.

Alert Management for transaction Monitoring

Different types of alert like high value, Dormant Account transaction & cash transaction alert implemented in the core banking system for monitoring the suspicious transactions of the customers.

Reporting of STR/SAR to regulatory body in XML format

AML & CFT Division introduces reporting of STR/SAR to regulatory body in XML format instead of Web based format

Improvement of AML rating

AML & CFT Division enhances their monitoring activities over the branches, SME Service centers and Islamic Windows for getting AML rating at the highest level. The reflection of the monitoring system is the development of compliance culture among all the officials of Bank Asia Limited.

Training & Development

AML & CFT Division arranged vigorous & intensive training program on AML & CFT issues physically/digitally throughout the year. About 4,506 participants (officials of the Bank), AROs (contractual employee), Agent owner and CSOs of Agent attended in these training program.

Regulatory Relationship

Bank Asia-Board & Management always been keen to maintain a good relationship to all its regulatory and stakeholders (CIC, ACC, NBR, CID, Customs Bond Commissionerate Office and so on). With last two decades' expertise it been deepening and accelerating the relationship by new technology, innovation & development.

SPECIAL ASSETS MANAGEMENT

Maintenance of quality assets is one of our core business. In this regard, SAMD at Bank Asia works in close collaboration with the divisions and branches to achieve the best results and outputs. The SAMD of Bank Asia is aggressive and relentless in its pursuit of willful defaulters and deliberate malfeasants, however, it is sensitive and responsive in addressing legitimate challenges as well. SAMD brings delinquent accounts to the negotiation table, enhancing the possibilities of settlement. As part of its NPL management role, SAMD plays a pivotal role in releasing classified/written-off funds to the bank, as well as releasing interest suspense and unpaid interest. SAMD's persistent efforts over the years have enabled the bank to significantly lower its NPL ratio while also ensuring that any recoveries from classified or written-off accounts considerably enhance the bank's profits. SAMD has performed remarkably well with total cash recovery of Tk. 3,431 million in 2022 having growth of 83% over last year. Out of which recovery of Tk. 2,410 million from CL, Tk. 347 million from write-off and Tk. 674 million from stressed loan.



Major activities in 2022

- Physical visits covering 123 Branches and 550 accounts.
- Dividing 123 Branches in Nine Zones and creating monitoring teams for effective recovery.
- SAMD has published Quarterly newsletters focusing on current hurdles, strategies and achievements of the division.
- Communication group has created for day to day flawless correspondence with Branches.
- Prompt, prudent, effective and efficient decision by the SAMD Division during customer meetings/negotiations.
- Strengthen correspondence with defaulters and their guarantors resulting in successful settlement.
- During 2022, relationship management with re-building customer (defaulter and guarantors) became the main focus for recovery.
- "Out of Court" auction (85% of 2022) during pendency of suits.
- Filed and follow up NI Act cases in different districts to create extra pressure on defaulters.
- Cross training development and empowerment of Branch and SAMD team members.
- Accountability for SAMD staff performance through professional KPI reflections.



Cash Recovery against

Classified Loans Tk. **2,410** Million

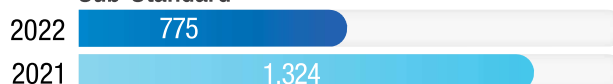
Written off Loan Tk. **347** Million

Stressed Loan Tk. **674** Million

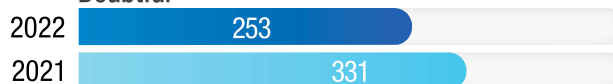
Million Tk.

Performance of Legal Unit in 2022	No	Value
Total Artha Rin Suit as on 31.12.2021	478	29,794.32
Artha Rin Suit filed in 2022	70	6,402.89
Artha Rin Suit finally disposed of in 2022	11	232.51
Total Artha Rin Suit as on 31.12.2022	559	36,429.72
Decree Obtained in 2022	25	13.18
Sale of mortgaged Properties in 2022	23	384.41
Solennama submitted before the court in 2022	06	607.23
Execution of Warrant of Arrest in 2022	05	143.34
Total N.I. Act Case as on 31.12.2021	425	10,772.38
N.I. Act Case filed in 31.12.2022	29	4,483.89
N.I. Act Case disposed in 31.12.2022	6	4,768.94
Total N.I. Act Case as on 31.12.2022	431	15,541.32
Cash Recovery through Legal Process in 2022	-	5,019

Sub-Standard



Doubtful



Bad & loss



Strategies for NPL Management & Recovery Process

- Robust NPL supervision, follow-up, and monitoring, ensuring rescheduled and restructured loan accounts by applying on-site and off-site basis. In every NPL prone branch, a recovery unit must be formed and a weekly feedback to be taken by SAMD.
- Proper monitoring, follow up and supervision in pre-classification stage should be ensured by C&LL, EFD, ME, CMSE, CRM and other concerned departments.
- Human resources in SAMD should be allocated properly and optimum utilization should be ensured
- Appropriate legal action to be initiated.
- Achievement of loan recovery Budget by the concerned Business Units as set by the Board.
- An emphasis is placed on the Legal Team and the involvement of a law firm with strong/expert credentials.

CAPITAL STRENGTHENING

Bank Asia is always keen to maintain sufficient capital base against performing business to support healthy growth of business and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap. Bank's CRAR (Capital to Risk weighted Asset Ratio) reached to 17.70% as on December 31, 2022 against required 12.50% (including buffer@2.50%).

7 Years Floating Rate Non-Convertible Subordinated Bond3 and Bond4 of each Tk. 5,000 million

To support healthy business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank Roadmap Bank

Asia has completed another two Subordinated Bonds each of Tk. 5,000 million as Tier-2 capital in April 2017 and November, 2019.

Coupon Bearing Conditional Convertible Perpetual Bond of Tk. 5,000.00 million of Bank Asia

To bring the good business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank Roadmap Bank Asia has also taken decision for issuing perpetual bond of Tk. 5,000 million out of which Tk. 4,500 million under private placement and Tk. 500 million under public offer. In this regard, Bank Asia has raised fund of Tk.3,340 million under private placement. This capital will be added to bank's Tier-1 capital.

RISK BASED CAPITAL ADEQUACY

The Bank has formed a strong capital base by way of various capital enhancement initiatives with a view to promote more integrated management of market and counter party credit risk and also operational risks. As per Pillar-3 revised RBCA (Risk Based Capital Adequacy) guidelines of Bangladesh Bank, all scheduled banks have to publish their capital adequacy disclosure framework for market participants i.e. stakeholders as a key information about the bank's Minimum Capital Requirement (MCR) under pillar I of Basel III and exposure to various risks related to capital adequacy to meet probable loss of assets. Details of required disclosures both in qualitative and quantitative form are laid out in a separate segment under [page no 172-193](#)

CORPORATE GOVERNANCE

Corporate governance refers to the ideal mechanism of ensuring a firm's accountability to its various stakeholders through a system of internal controls and procedures that are implemented to maintain accountability throughout its life cycle. According to the rules and regulations of a variety of regulatory bodies, this process is guided and governed by the Board of Directors of the company. The corporate governance of Bank Asia places fairness, transparency, accountability, and responsibility at the top of its priority list. Our disclosures on compliance with BSEC and Bangladesh Bank guidelines demonstrate the strong compliance culture of the Bank.

In recognition of that, in 2022 Bank Asia has been awarded Gold (winner) under Corporate Governance category by SAFA (South Asian Federation of Accountants). In addition to this, Bank Asia also achieved 1st position under Corporate Governance Disclosures category by ICAB (Institute of Chartered Accountants of Bangladesh). The details of corporate governance practice of Bank Asia are discussed in a separate segment 'Corporate Governance' under [page no 238-293](#).

CORPORATE SOCIAL RESPONSIBILITIES

Bank Asia always streamlines its efforts to look beyond short-term quantitative gains and concentrates on issues that make the institution socially responsible. We are committed to social and environmental well-being and strive to ensure sustainable balanced growth in economic,

social and ecological arena. Bank Asia strongly believes that sustainable growth of an entity is nothing but a counterfeit ideology without being communally responsible in business conduct and contribute to the society. That is why Bank Asia is always committed to be a proud development partner of its communities where it belongs and make the communities grow up through continuous and balanced CSR activities.

Like in the past, Bank Asia spent an amount of Tk. 237.48 million for several CSR activities this year as well. Our major CSR programs includes Health, Higher Study Scholarship & and disaster management. Other CSR programs include support cold affected people, infrastructural development of different institutes, sports, art & culture. The pace of CSR contribution is expected to accelerate in the future with long term vision. In depth CSR activities of the bank are available in Corporate Social Responsibility (CSR) segment under [page no. 229-232](#)

GREEN BANKING

Green banking or Sustainable finance refers to any form of financial service integrating environmental, social and governance criteria into the business or investment decisions for the lasting benefit of both clients and society at large. We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations. We therefore have an opportunity to make a positive contribution to environmental and social concerns by enacting policies designed so that our business operations do not degrade the environment or cause social harm. Such policies not only indicate positive environmental responsibility, but also present business opportunities such as innovative financial products and investments in sustainable forestry and renewable energy. This will help us better manage our risks, develop expertise and provide clients with solutions to evolving exposures. During day to day business Bank Asia heavily contributes towards the carbon emission in terms of use of paper, electricity, stationary, lighting, air conditioning, electronic equipment etc. even though this is moderate compared to other carbon sensitive industries like steel, oil and gas etc. In the case of banks, the direct interface with the environment has considerably increased due to rapid growth of the banking industry. Energy consumption is the only way to describe our living, but excessive use is called waste. Prime focus of Bank Asia is utilization of solar power, Reduction of Energy & Resource Consumption; control the consumption of water, waste management, emission of greenhouse gas etc. Under Green Finance scheme, Bank Asia has disbursed Tk. 3,248.59 million to different segments like renewable energy, liquid waste management, recycling & manufacturing recyclable goods & others. We managed to secure Net profit from environmental savings worth Tk. 10.04 million in 2022. Bank Asia has disbursed Tk. 1,210 million for Liquid waste management. Bank Asia has an agreement with Bangladesh Bank as a participant in the refinance scheme for Green Product / Initiatives and in 2022, Tk. 2,027.30 million was disbursed to financing Green Building project, which has helped sequestration of carbon and reduce adverse environmental effect. As recognition of our sustainable and green banking activities, Bangladesh Bank rated as one of the top 10 most sustainable banks in Bangladesh.

BANK ASIA SECURITIES LIMITED (BASL)

Stock Market Review and BASL Performance

The stock market of Bangladesh passed a dismal year as the investors' confidence was hit hard in 2022 witnessing of prolonged bearish trend on the market due to the war in Ukraine that intensified economic worries and caused inflation going record high while floor prices turned most stocks illiquid. The market started the year on a positive note with the expectation of the economic recovery from the effect of Covid consequence, but the positive impulse could not sustain for long due to outbreak of Russia-Ukraine war that resulted in an intense bearish sentiment on the capital market.

In addition to the economic matters, extensive manipulation, deceptive financial statements, poor initial public offerings and foreign investors' sale pressure were key factors affecting the market negatively.

The major setback occurred with reintroducing of the floor price mechanism in late July as it eventually made the market illiquid. However, the stock market regulator withdrew the floor price restrictions from 168 scrips on December 21, 2022 to enhance liquidity in the market, putting 1 percent lower circuit breaker on those scrips. Notwithstanding the negative circumstances, some positive activities were also accomplished in the year, such as making treasury bonds tradable, the inclusion of sukuk bonds, and approval of exit plan of two listed companies.

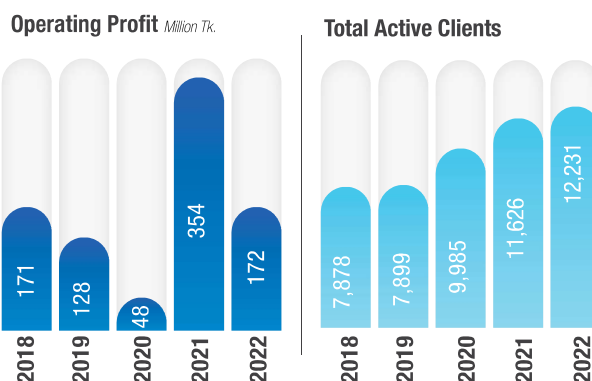
Major indices and turnover of stock market of Bangladesh mostly saw decline in whole year. DSEX, the key index of the Dhaka Stock Exchange, dropped by 8.1 percent, or 549 points, over the year 2022 to close at 6,206.8 points on December 28, the last trading session of the year. Due to the imposition of floor price, the daily average turnover plunged by 35 percent to Tk 960.25 crore in 2022 from the previous year's daily average turnover of Tk 1,474.9 crore.

The capital market is expected to persist shaky in 2023 and market volatility is likely to continue due to global recessionary outlook and the various economic uncertainties prevailing for FY23.

Along with the bearish trends of market, BASL has advanced its position to 10th of DSE's Top - 20 in terms of daily turnover throughout the year. Total Operating profit stood at BDT 171 million in 2022.

Number of total active clients reached at 12,231 in the end of 2022, which was 11,626 in December 2021. Margin loan outstanding stood at BDT 3,977.67 million in December 2022, which was BDT 4,244.36 million in December 2021.

The current number of outlets are twelve, of which three of them were established in 2022 as digital booths. The location of the mentioned booths is at Rajshahi, Bogra and Beraid Badda. The number of employees reached to 69 at the end of the year.



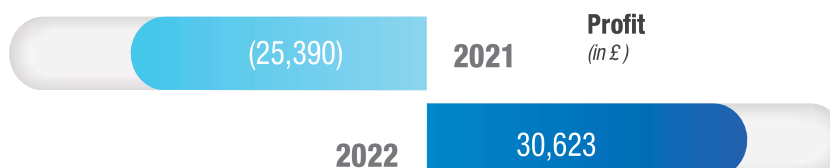
BA EXCHANGE COMPANY (UK) LIMITED

We have marched through another year of adversity due to Russia-Ukraine war. UK economy is forecasted to be slow to a standstill as it suffers more than any other major industrial country. Along with the political instability, British Pound dropped more than 3000 pips against Dollar creating a record low since 1985. The cost of living increased sharply, and the rate of inflation reached a 41 year high which has affected the affordability of goods and services for households. At the same time, we have seen the emergence of increased number of online remittance companies that made the already competitive sector even worse.

Despite all these major challenges, we have had another year of success, sincere gratitude to our loyal customers. Almost 100% of our transactions are now fully online, making

money transfer completely effortless for our customers through web and mobile apps. Cardless payment facility through the integration of open banking platform accounted more than 75%, reducing the delay in receiving funds and merchant cost. Our number of transaction increased by 18%, volume increased by 27% and more importantly number of new customer increased by 39% which is a remarkable growth in all aspects.

Since the beginning of our journey, we have been focused on innovation to make money transfer more convenient, effortless, and affordable and our customers have been enjoying a great journey through us, moving from offline to online facility, cash to card and card to cardless. We will continue exploring innovations in online remittance space in the days ahead.



BA EXPRESS USA INC.

In October 11, 2011 Bank Asia Limited opened its 2nd, 100% owned overseas subsidiary company in New York, USA namely “Bank Asia Money Transfer Corporation”, USA which was renamed as ‘BA Express USA, Inc.’ on October 11, 2011 and incorporated under New York State Department of Financial Services (NYDFS) in New York, USA with the permission for engaging in Money Service Business on November 22, 2013. The company started its operations on June 18, 2014. BA Express USA, Inc. is suitably located in the New York with three branches operating in Jamaica, Brookline and Jackson Heights. Over the years, the company has built an extensive agent network throughout the New York, providing a wider reach to customers for ease and convenience cross-border remittance transfer.

BA Express is successfully penetrating the community in New York and uphold the image of Bank Asia Limited with reputation. BA Express is going to open a new location in Ozone Park, another Bangladeshi hub in New York aiming to collect more remittance through our own locations.

BA express has earned \$88,729 profit this year, 2nd consecutive year of profit since inception of the company.



FUTURE PLANS

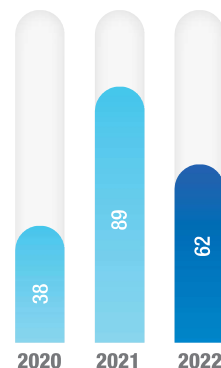
- Open a new location in Ozone Park
- Increase volume of remittance
- Expansion of collection and distribution channels



BA Express USA (Remittance)
USD **62** million

Total Remittance

USD Million



EVALUATION OF QUARTERLY REPORTS

The Board of the Directors evaluates the quarterly reports every year. The Management prepares the financials and submits to the Board for approval. The Board examines the financials with due diligence in order to ensure the financial statements are fairly stated. Thereafter the Board approves the financials with recommendation in various aspects such as reducing non-performing loan, increase of profitability and other key issues for improvement of financial performance.

ADDITIONAL STATEMENTS

Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (amended up to 2020) (Act No. XVIII of 1994) is described in a separate segment ([page no. 281-282](#)) where different issues such as detailed discussion on related party transactions, explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements, remuneration paid to the directors including independent directors, statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, explanation of significant deviations from the last year's operating results (if any), 5 (five) years summarized performance etc. are discussed.

OUR GRATITUDE AND THANKS

We want to continue on doing the best and ensure prolonged development in the economy, society, lifestyle and thus every sphere of our country in line with our vision. Our sustainable banking operation is attributed to our prudent Board of Directors, effective Management, enthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders. We would like to convey our earnest gratitude to the Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), Government and other concerned authorities for their guidance, valuable suggestion and continuous support. Our Board of Directors, Management and staffs of the bank are devoted to achieve the priceless goals of the bank and to maximize shareholders value through combined efforts and strengths.

On behalf of the Board of Directors

Mohd. Safwan Choudhury
Vice Chairman

Ms. Romana Rouf Chowdhury
Director

Tania Nusrat Zaman
Director