



**ANNUAL  
INTEGRATED  
REPORT 2021**



50 years of independence

 **Bank Asia**

COMMITTED TO SERVE THE NATION  
FOR A BETTER TOMORROW



# annual integrated report 2021

50 years of independence  
COMMITTED TO SERVE THE NATION  
FOR A BETTER TOMORROW

The year 2021 marked some of the greatest achievements in Bangladesh's history. In 2021, we celebrated our Golden Jubilee of Independence and graduated from LDC and appeared as one of the fastest growing economies in the world. We reduced poverty level significantly from 24.3% to 20.5% before the beginning of the pandemic. The economic growth of the country is reflected in all sectors like agriculture, industry, service and reached every corner of the country. Even the pandemic could not refrain us from economic recovery. When the world economy shrank, Bangladesh economy was able to grow moderately defying this devastating catastrophe. Like the country, Bank Asia with the vision of making a "poverty free Bangladesh" has been striving to cater to the financial need of the businesses and people across the country through its branches, sub-branches, Islamic windows and around 5,000 agent outlets to ensure sustainable and inclusive economic growth.

# MILESTONE over the years

Bank Asia has dedicated itself to ensure sustainable growth of the economy and its customers through innovative services and products to meet the financial needs of the current times for a better tomorrow.



**2002**

Acquisition of Bangladesh operation of Muslim Commercial Bank (MCB) of Pakistan

**2001**

Acquisition of Bangladesh operation of Nova Scotia of Canada

**1999**

- Obtained Certificate of incorporation and Certificate of Commencement of business
- Obtained Banking License
- Inauguration of Bank

**2003**

Started Online Banking Operations

**2004**

Listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE)

**2011**

- Started CTSU to facilitate Non-AD branches foreign trade operations
- Started operation of BA Exchange Company (UK) Ltd. In London

**2015**

- Successfully issued of Tk. 3,000 million 7 year Non-convertible Subordinated Bond
- Country's first School Banking service started through Agent Banking outlet

**2014**

- Started operation of the 2nd overseas company in USA, BA Express USA Inc. at NY, USA
- Obtained registration of Bank Asia Foundation

**2013**

- Awarded as the first Bangladeshi Bank with GRI certification for its Sustainability Reporting
- Agent banking started its operation for strengthening the ongoing financial inclusion program



## 2021

- For the first time, Bank Asia has been awarded as Overall Winner among the SAARC countries by South Asian Federation of Accountants (SAFA) for 1st prize in Best Presented Annual Report and Corporate Governance category
- Bank Asia launched phone call based (any phone) banking service 'Voice Banking' conducted by AI-run Telephony Artificial Neural Network
- Bank Asia is the first Bangladeshi bank to get connected with Eurogiro (500,000+ branches around the globe) where the Bank will engage all postal outlets with this huge network through post office banking to provide remittance services.



## 2018

- Bank Asia Limited launched "SHADHIN" the first ever freelancer card in Bangladesh
- Bank Asia launched the country's first-ever complete banking services "RMG Digital Banking Booth" for garment workers through the digital channel
- Awarded 1st prize for 'Best Presented Annual Report 2017' in the ICAB National Award

## 2019

- For the first time Bank Asia has been awarded first prize by SAFA, ICAB and ICSB for Annual Integrated Report 2018
- Certified with ISO/IEC 27001:2013 for ensuring appropriate management of IT

## 2020

- 1<sup>st</sup> prize Winner among all Private Banks in South Asia for Best Presented Annual Report 2019 arranged by SAFA
- Being the pioneer of Micro Merchant Business Model, Bank Asia running a network of more than 11,510 Micro Merchant outlet throughout the country
- Successfully implemented world best scalable technology Oracle Real Application Cluster and migrate Oracle Database 120.1.0.1 to Oracle Database 12.1.0.2 for the Bank

## 2016

- Unveiled the plaque of construction work of Bank Asia's own Building
- Introduced TAB based digital SME & Agri proposal processing service named DIGANTA OCAS (online credit approval system) for the first time in the banking industry
- Introduced A-Card (Agricultural Card) for first time in Bangladesh to facilitate marginal farmers to get agri-loan in card
- Inaugurates Bank Asia's own 6 storied Training Institute



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# Sustainable Development Goals & Impacts

In executing operational decisions, Bank Asia strives to align its strategies, initiatives, and targets with the Sustainable Development Goals (SDGs) to build a better planet, to help the underprivileged section of the country, to deliver excellent value to its stakeholders & to ensure sustainable growth of the company. The following table illustrates the actions taken by Bank Asia with the objective of meeting the SDG goals.





# Prelude

The year 2021 was a momentous year for our country as we celebrated our golden jubilee of independence in a very joyful manner. This historical moment converges with great achievement of country's economic and social progress. Now, our country is one of the fastest developing economies in the world. We have graduated from LDC and now on the path of becoming a middle income country. The government has set a plan to reach upper-middle income country status by 2031 and a developed country by 2041. We have reduced poverty level significantly from 24.3% in 2016 to 20.5% before the pandemic. The economic growth of the country is reflected in all sectors like agriculture, industry & service and has reached every corner of the country.

From the very beginning of the journey, Bank Asia has dreamt to be a growth partner of the economy. Being spirited from the firm commitment of our freedom fighters, we are also striving to contribute for the economic emancipation of the country. We believe that financial freedom is not possible without financial inclusion. As a part of our commitment towards financial inclusion, we have taken banking services at the doorsteps of the marginalized people across the country through our agent banking network. Bank Asia is the pioneer of agent banking and has become a role model for financial inclusion in the banking industry. Bank Asia is an advocate of the philosophy of responsibly growing together 'for a better tomorrow'. We want to contribute for financial emancipation of the unbanked, empowering communities through its services, creating opportunities of livelihood, pioneering equality in all fields and encouraging sustainable financing. This year our theme is 'To Serve the Nation for a Better Tomorrow'. On this 50th Anniversary of independence, we are more committed and hopeful to cater to the need of financial services at the doorstep of the people of the country with technology driven banking services.

Bank Asia has always given priority to the dissemination of information to its stakeholders. Our persistent endeavor is to present an accurate, true and fair description of the activities of the Bank in all areas of operation based on futuristic approaches. Disclosure on related party transactions, financial statements, along with major policies and explanatory notes are elaborated to cater to the needs of stakeholders, researchers, regulatory bodies, international financiers etc. As part of the integrated report, a summary Sustainability Report has been included to portray the Bank's impacts on economic, environmental, governance and social aspects.

This report aims to give you the proper tools for conducting necessary research and analysis for your investment and other needs.



Md. Arfan Ali  
President and Managing Director

# How to read Annual Integrated Report

Our Annual Integrated Report 2021 has been divided into 5 distinct segments. The first 4 major segments can be categorized into non-financial categories i.e. Directors Report, Risk Management Report, Summary Sustainability Report, Corporate Governance Report and the last portion consisting of our financial performance. Besides these, the beginning of the integrated report contains Bank Asia's summarized performance for the year followed by a letter from our honorable chairman addressing the shareholders followed by a letter from the President and Managing Director detailing our performance and future plans.

The first major segment includes the "Director's report" detailing the global and country's macroeconomic performance as well detailing the banking industry of the country and how Bank Asia performed in comparison. The next portion is the "Risk management" portion addressed by our Chief Risk Officer detailing how the bank takes necessary precaution against mitigating risks arising from the mounting Non Performing Loan issue inherent in the banking sector of Bangladesh and Basel III compliance disclosure. The following segment is our "Summarized Sustainability Report" which has been our primary focus segment this year to work towards a more sustainable Bangladesh that our future generation can be proud of to call home. After this comes our "Corporate Governance Report" including a letter from our Chief Financial Officer analyzing our business performance and future strategies, which is subsequently followed by the bank's audited financial report for the year ended December 31, 2021 including detailed notes associated with each financial performance figure.



# Competitive Edge



## OUR SCALE OF OPERATIONS

- **Tk. 438,293 Mln**  
+ total assets
- **Tk. 317,782 Mln**  
+ customer deposits
- **Tk. 262,266 Mln**  
+ loan book

Strong Asset & deposit Base with Quality Assets



## CUSTOMER BASE

- **6,385,078**  
+Deposit A/C
- **73,367**  
+Loan A/C

Above 7 mln customer under Bank Asia coverage



## NETWORK & DISTRIBUTION CHANNEL

- **129** branches
- **4,898** Agent Outlet
- **50,000+** Micro Marchant
- **198** Owned ATM Booth

Digital coverage of banking service across the country



## COMMUNITY DRIVEN DEVELOPMENT

- **19010** Number of loan ac through agent bank
- **4,516,832** Number of Rural Accounts
- **3,110,332** Number of Female Accounts

Pioneer in ensuring Financial inclusion



## EMPLOYEE BASE

- **50%**  
+ work force with over 10 years service and 22% Female
- **68%**  
of staff members are aged below 40 years signifying a young, dynamic and capable workforce

Young, Competent & dedicated human resource



## AWARD & RECOGNIZATION

- **3** National Awards
- **4** International Awards (Under Publication)

Brand Image validated by reception of National & International award



# Awards and Recognition



*Mr. Md. Arfan Ali, Hon'ble President and Managing Director received the trophy from Mr. Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce, GoB for Best Presented Annual Reports 2020 by Institute of Chartered Accountants of Bangladesh (ICAB)*



**OVERALL WINNER**  
for the year 2020 among the SAARC countries by SAFA

# 2021

**SAFA(South Asian Federation of Accountants)** awarded

- **Overall Winner** among the SAARC countries
- **1<sup>st</sup> Prize** (Winner) for Private sector banking institutions category
- **1<sup>st</sup> Prize** (Winner) for Corporate Governance category

**ICAB(Institute of Chartered Accountants of Bangladesh)**

- **1<sup>st</sup> position** under Corporate Governance Disclosures category
- **2<sup>nd</sup> position** under Private Sector Banks category
- **3<sup>rd</sup> prize** under Integrated Reporting Category

**NCSR (National Centre for Sustainability Reporting) & ICSP (Institute of Certified Sustainability Practitioners)** in Indonesia granted

- **'Gold Rank'** in Asia Sustainability Reporting Rating 2021 by NCSR and ICSP for Sustainability Report 2020

Bank Asia has been awarded Bangladesh **Innovation Award 2021** in banking category for outstanding efforts for digital payment through Micro Merchant channel in Bangladesh by Bangladesh Innovation Enclave of Bangladesh Brand Forum (BBF)

Bank Asia has achieved **Excellence in Mastercard Remittance Innovation 2020-21** Award

# 2020

**SAFA (South Asian Federation of Accountants)** awarded

- **1<sup>st</sup> Prize** for Best Presented Annual Report-2019- Private Sector Banks category
- **2<sup>nd</sup> Runner Up** for Corporate Governance Disclosures category

**ICAB (Institute of Chartered Accountants of Bangladesh)**

- **2<sup>nd</sup> position** under Private Sector Banks category
- **2<sup>nd</sup> position** under Corporate Governance Disclosures category
- **3<sup>rd</sup> prize** under Integrated Reporting Category

**ICSB (Institute of Chartered Secretaries of Bangladesh)**

- **Bronze award** for Corporate Governance Excellence

**NCSR (National Centre for Sustainability Reporting) & ICSP (Institute of Certified Sustainability Practitioners)** in Indonesia granted

- **Gold Rank** in Asia Sustainability Reporting Rating 2020 for Sustainability Report 2019

Awarded **BFP-B Excellence Award** for supporting the financial inclusion mandate by Business Finance for the Poor in Bangladesh (BFP-B), a project managed by **NATHAN** Associates London and funded by **DFID, UKAID**

Bank Asia is ranked one of the **Top 10** Banks in **Sustainability Rating 2020** by Bangladesh Bank



# Mission

To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy.

To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees.

To become the most sought after Bank in the country, rendering technology driven innovative services by our dedicated team of professionals.

# Vision

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

# Core Values

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



# CODE OF CONDUCT

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

# GOALS

## **Sustainable Growth**

Synergies between new knowledge and human capital for sustainable economic growth

## **Capital Stewardship**

Preservation and enlargement of multiple forms of capital; "like intellectual, natural, financial, organizational, social; all of which contribute to long term value creation.

## **Accelerating Financial Inclusion**

Accelerate progress towards financial inclusion with technology like ATM, mobile phone, smart card based banking services and renewable energy generation projects especially in rural areas.

## **Differentiating Value Added Services**

Strong focus on extremely cost-efficient and green services through internet banking, electronic fund transfer, automated cheques clearing, e-bank statement, SMS alert etc.

## **Going Green**

Quantification of in-house facilities and energy consumption to promote paperless office and enhance energy efficiency. Greater emphasis on green banking projects.

## **Leader in Business**

Create new dimension in the syndication and structured financing. Grow with export. Well diversified portfolio.

# Bank Asia at a Glance

## A Dream Comes True

Bank Asia started its journey on November 27, 1999 with a view to providing the best quality technology driven services in banking sector. Since inception it has been able to cover major parts of the country by extending and expanding its network by opening of branches, agent banking outlets etc. The Bank started its Islamic banking operation in 2008. It established the 1st subsidiary company 'Bank Asia Securities Limited' on March 16, 2011, then 'BA Exchange Company (UK) Limited' in London, United Kingdom on May, 2011 and 'BA Express USA Inc.' in Jamaica, New York, USA on June 01, 2014. At present Bank Asia has 129 Branches including 4 SME/Agri branches, 7 sub branches, 5 Islamic Windows, 4 SME Service Centers, 1 Off-shore Banking Unit and 3 Subsidiaries. With an aim to serve the unbanked people, Bank Asia is now operating ABAK (Amar Bari Amar Khamar) banking services in 31 districts having 222 upazilas and 1.2 million beneficiaries. The Bank has implemented 4,898 agent banking outlets in 64 districts to provide banking services to geographically dispersed rural poor segment of the society. With our ever increasing agent banking network, and our aim of including the unbanked population of the country irrespective of their socioeconomic background through financial inclusion development, Bank Asia signed an MoU with Bangladesh Post Office to launch the country's first ever "Post Office Banking" service. Under this network, we will utilise the 8,500 digital post offices spread across the nation to provide banking facility.

## Faithful and Efficient Workforce

Bank Asia has the right blending of talented youth and experienced senior workforce which is truly efficient and dynamic. Mr. Md. Arfan Ali who has more than 29 (twenty nine) years' of multifarious experience in banking profession leads the team from the forefront as President and Managing Director. At the end of 2021, the bank has 2,547 employees including 430 executives and 2,100 officers to serve its clients across the country. Bank Asia provides a work friendly elegant environment to its employees. Its unique reward and performance appraisal system encourage employees to give their best to serve the Bank and its stakeholders.

## Giving Back to the Underprivileged & Concern to Ecology

Bank Asia always tries to make a better society by working and donating in different sectors such as education, health, disaster management, sports and some other sectors including the free eye camp and ophthalmological operation facility. The Bank is also providing services to senior citizen, widow, and disabled beneficiaries through the government's project of Social Safety Net Program. In addition, it streamlines green banking initiatives in its in-house

management and investing in environment friendly projects and participating in environment protecting activities. As a Bank, we play an intermediary role between economic development and conservation of the environment.

## Eagerness for High-Tech Solution

Bank Asia always welcomes the innovation for the operation of the banking activities as well as reporting systems. Bank Asia has associated Islamic banking, Offshore banking, CMSE financing, Agent Banking, ABAK & Social Safety Net program, Remittance channelling, micro merchant & many more specialized services with its core banking activities. To excel in this new era of technological triumph, Bank Asia has successfully introduced utility & remittance payment and fees collection through Online, cutting edge ICT, state of the art network solution, 24/7 ATM service & many other e-products. Bank Asia has also started the incorporation of Artificial Intelligence into its business operations.

## Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) awarded Bank Asia Limited 'AA2' in the Long Term and 'ST-2' rating in the Short Term based on the financials of 2020 will remain valid upto June 30, 2022. We have successfully maintained this satisfactory rating for the last 6 (six) years.

## Accolades & Recognition

For the first time ever in the bank's history, Bank Asia has been awarded with the overall winner among the SAARC countries for Best Presented Annual Report by SAFA (South Asian Federation of Accountants), as well as awarding us with 1st prize (Winner) for private sector banking institutions category and also for Corporate Governance category.

Alongside these, ICAB (Institute of Chartered Accountants of Bangladesh) awarded Bank Asia with 1st position under Corporate Governance Disclosures category, 2nd position under Private Sector Banks category and 3rd prize under Integrated Reporting Category.

NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia has awarded Bank Asia with "Gold Rank" in Asia Sustainability Reporting Rating 2021 for our Sustainability Report 2020.

Central Bank of Bangladesh has ranked Bank Asia as one of the Top 10 Banks in Sustainability Rating 2020.

Bank Asia has received Bangladesh Innovation Award 2021 in the Banking Category for Digital Payment through Micro Merchant Channel by BBF.

Bank Asia also achieved the Excellence in MasterCard Remittance Innovation 2020-21 Award.

# Business Ethics

## **Business Principle**

Bank Asia goes beyond minimum legal requirements and reflects the Bank's long term commitment to building a business that is successful, honest and responsible.

## **Human Worth**

Bank Asia supports the international human rights as outlined by the UN declaration and convention. No one in the Bank shall in any way cause or contribute to the violation or circumvention of human rights.

## **Human Capital**

Bank Asia is devoted to human capital initiative connecting with milestone training, performance coaching & development, key talent management, balancing of work/ life choice and human capital reviews.

## **Health, Safety and Working Environment**

Bank Asia is committed to establish effective arrangement to identify and eliminate or control all work related hazards and risks and promote health at work and continuous improvement of health, safety and working environment.

## **Confidentiality**

Clear, honest and open communication is maintained in Bank Asia to ensure full accountability but subject to business confidentiality. The use of company confidential information before it is made public for personal gain is strictly prohibited and may constitute a criminal offense.

## **Protection of Personal Data**

Bank Asia's processing of personal data shall be subject to care and awareness, which is required according to laws and regulation and relevant for information that might be sensitive, regardless of the data refer to customers, employees or others.

## **Intellectual Property**

Intellectual property such as know-how, methodology, concepts and ideas are important to Bank Asia's successes in the market. Unless otherwise specified by law or orders from other public authorities, no employee shall make corporate secret or other information available to unauthorized persons.

## **Nature and the Environment**

Bank Asia is very much aware regarding environmental protection, by minimizing environmental damages and by developing, promoting and utilizing environment friendly technology.

## **Information that may affect the Share Price**

As a publicly listed company, Bank Asia is subject to strict rules concerning the handling the non-public information that may affect the market price of Bank Asia's shares or other financial instruments issued by the Bank.

## **Accounting**

Bank Asia has the highest regard for truth, completeness and accuracy in the recording of business transactions in full compliance with applicable Bangladesh laws & regulation, financial reporting standards, good accounting practices as well as maintaining valid authorization and ensuring complete documentation. The annual accounts and interim accounts shall be in accordance with the law, BFRS and good accounting practices.

## **Competition**

Bank Asia is committed to staying over and above the prevailing market competition through constant innovation of technology based products and efficiency enhancement; being responsive to the requirements of our customers and partners.

## **Corruption and Bribery**

Bank Asia is firmly opposed to all forms of corruption. Bribery is fundamentally inconsistent with the Bank's values; any direct and indirect promise of payment to gain any perceived personal advantage is totally unacceptable.

## **Money Laundering**

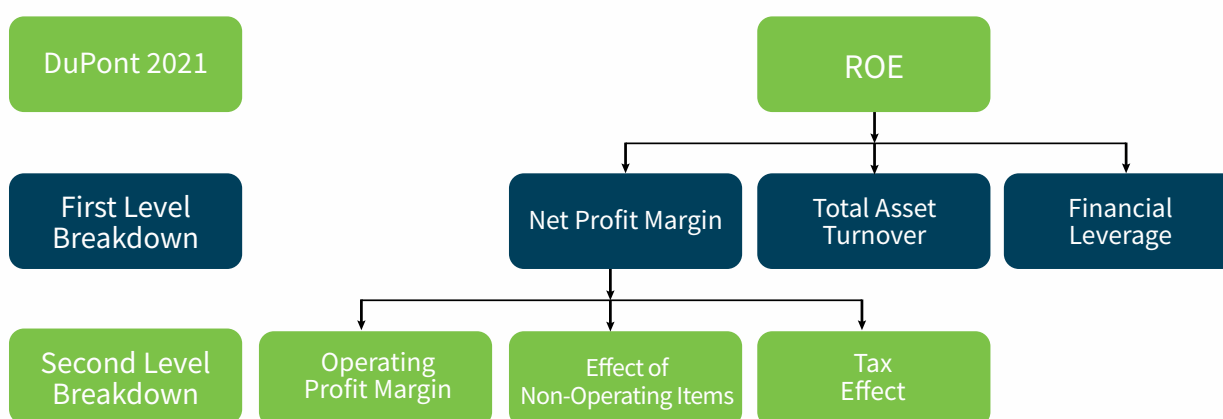
Bank Asia is firmly opposed to all forms of money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

## **Political Activity**

Bank Asia does not give support to political parties, either in the form of direct financial support or paid working time. Employees may exercise their right to take part in politics as long as there is no conflict of interest situation with Bank Asia.

# DuPont Analysis 5 Factors Model

DuPont analysis is an approach to decomposing return on equity for better understanding about which factor contributed to the ROE most and which factor caused the ROE to move. For broader analysis, we used 5 factors model that covers net profit margin, total asset turnover and financial leverage. Net profit margin is further broken down to operating profit margin, effect of non-operating items and tax effects.



Particulars	2021	2020	2019
<b>ROE</b>	<b>9.89%</b>	<b>7.81%</b>	<b>8.16%</b>
<b>Net Profit Margin</b>	9.21%	7.24%	6.42%
<b>Total Asset Turnover</b>	0.0694	0.0737	0.0924
<b>Financial Leverage</b>	15.4740	14.6283	13.7483
<b>Operating Profit Margin</b>	31.27%	21.60%	30.53%
<b>Effect of Non-operating Items</b>	0.4794	0.6519	0.4206
<b>Tax Effect</b>	0.6142	0.5144	0.5001

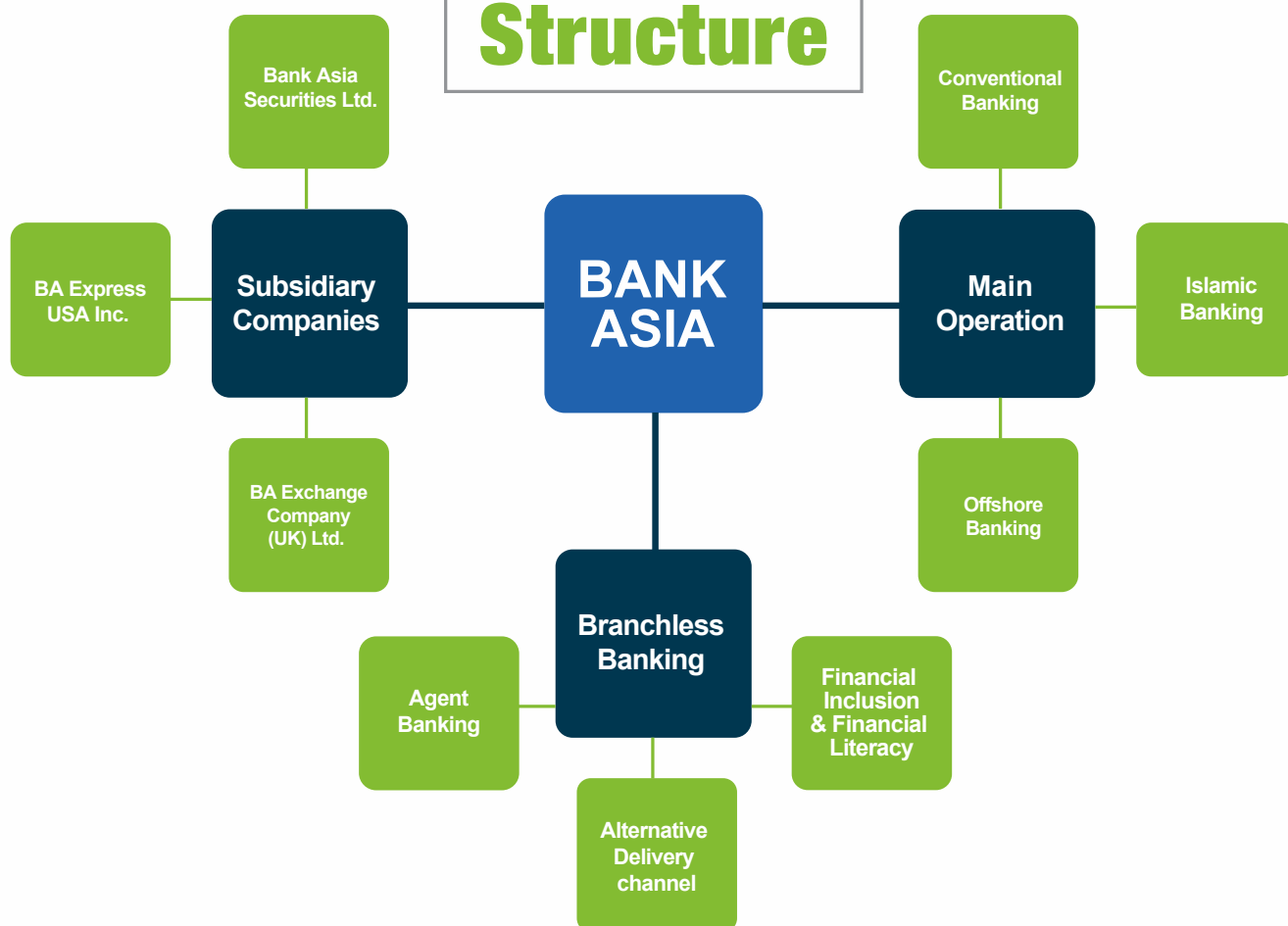
The higher the value of all components of DuPont analysis, the higher the positive impact on Return on Equity. Net profit margin consists of three important components namely operating profit margin, effects on non-operating items and tax effects as mentioned in second level break down. Operating profit margin of 2021 increased to 31.27% compared to that of 21.60% in 2020.

Effects on non-operating items include loan loss and other provision which decreased to 0.4794 from 0.6519 for the increase of provision by 126%. Tax effect increased to 0.6142 from 0.5144. The combined effects of these three components

(increase of operating profit margin, decrease of effect of non-operating items and increase of tax effect) resulted in increase of net profit margin to 9.21% in 2021 from 7.24% of last year.

Efficiency of utilization of assets as implied by average total assets turnover which was lower than previous year. Bank Asia's financial leverage increased to 15.4740 from last year's 14.6283 that contributed to increase return on equity.

# Corporate Structure



Million Taka

	2021 (Consolidated)	2021 (Solo)
<b>Income Statement Matrix</b>		
Operating Profit	9,552	9,193
Profit Before Tax	4,523	4,407
Profit After Tax	2,728	2,707
<b>Balance Sheet Matrix</b>		
Total Shareholders' Equity	27,204	27,357
Deposits	318,425	317,782
Loans and Advances	264,999	262,267
Investments	77,951	77,021
Fixed Assets	6,145	6,039
Total Assets	441,026	438,293
<b>Capital Measure</b>		
Capital to Risk Weighted Asset Ratio Basel-III	15.50%	15.72%
<b>Share Information Matrix</b>		
Earnings Per Share (Taka)	2.34	2.32
Net Asset Value Per Share (Taka)	23.33	23.46
<b>Credit Quality Ratios</b>		
Classified Loans	5.08%	5.14%
<b>Profitability Ratio</b>		
Return on Equity	10.03%	9.89%
Return on Assets	0.64%	0.64%



# Corporate Information

Letter of intent received .....	24/02/1999
First meeting of promoters.....	15/04/1999
Certificate of incorporation received.....	28/09/1999
Certificate of commencement of business.....	28/09/1999
First meeting of board of directors held.....	01/10/1999
Banking license received.....	06/10/1999
First branch license received.....	31/10/1999
Inauguration of Bank.....	27/11/1999
Date of publication of prospectus.....	29/06/2003
Date of IPO subscription.....	23/09/2003, 24/09/2003
Date of first Share trading in bourse.....	08/01/2004
Date of agreement with CDBL.....	20/12/2005
Date of first scripless trading.....	30/01/2006
Number of promoters.....	22
Number of directors.....	17
Number of branches.....	125
Number of Sub-Branches.....	7
Number of SME centers.....	4
Number of Islamic windows.....	5

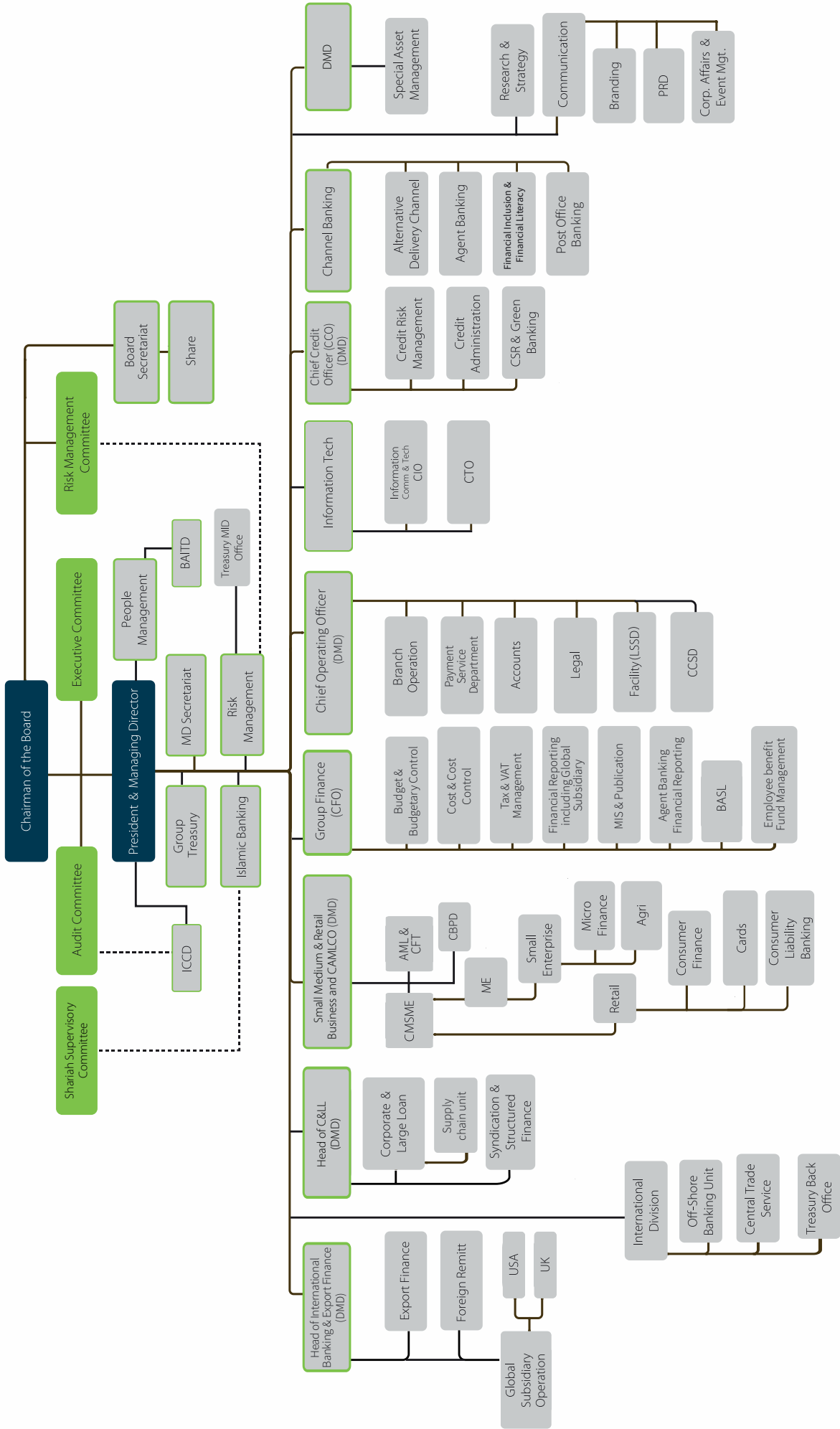
Auditors	M/s. Hoda Vasi Chowdhury & Company, Chartered Accountant BTMC Bhaban (7th floor) 7-9 Karwan Bazar, Dhaka-1215, Phone:+88(02)9140094, :+88(02)9120090,
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Tax Advisors	S.F Ahmed & Co.(SFACO) Chartered Accountant and tax & Management Consultants House#51(3 <sup>rd</sup> floor) Road # 9, Block # F Banani, Dhaka-1213
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Legal Retainer/ Advisors	M. Sakhawat Hossain Road No. 22, House No. B-138 (4 <sup>th</sup> Floor), New DOHS, Mohakhali Dhaka-1206
--------------------------	--

Registered Office	Bank Asia Tower 32 & 34 Kazi Nazrul Islam Avenue Karwan Bazar Dhaka- 1215
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# Corporate Organogram



# Board of Directors



Standing  
from left

Helal Ahmed Chowdhury

M.A. Baqui Khalily

Major General Mohammad Matiur Rahman (retd.)

Sitting  
from left

Dilwar H Choudhury

Romana Rouf Chowdhury

Mohd. Safwan Choudhury

*PS: Some of our hon'ble Directors are not seen in the picture, their names and profile can be seen in the Director's Profile section*



Enam Chowdhury

Md. Arfan Ali

Md. Abul Quasem

Tania Nusrat Zaman

A. Rouf Chowdhury

Rumee A Hossain

Ashrafal Haq Chowdhury



# Bank Asia Foundation Governing Body



**Standing  
from left**

Enam Chowdhury

M. Shahjahan Bhuiyan

**Sitting  
from left**

Mashiur Rahman

Romana Rouf Chowdhury

Mohd. Safwan Choudhury





**Md. Arfan Ali**

**Aminul Islam**

**A. Rouf Chowdhury**

**Zakia Rouf Chowdhury**

**Rumees A Hossain**

# DIRECTORS' PROFILE



## **A. Rouf Chowdhury**

*Chairman*

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



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

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



**Romo Rouf Chowdhury**  
*Vice Chairman*

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

## DIRECTORS' PROFILE



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

**Rume A Hossain**

*Director and Chairman of the Executive Committee*



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

**Hosneara Sinha**

*Director*





**Major General  
Mohammad Matiur Rahman (retd.)**  
*Director*

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



**Naheed Akhter Sinha**  
*Director*

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



## DIRECTORS' PROFILE



**Romana Rouf Chowdhury**  
*Director*

**Ms. Romana Rouf Chowdhury** is one of the Directors of Bank Asia Limited. She has an MBA from Florida Institute of Technology and completed her graduation from BRAC University. She has also received executive education from Harvard Business School and Columbia Business School. She has more than 25 years' experience as an industrialist and founded multiple ventures in different fields, such as food, retail, architecture. Currently, she holds the position of Managing Director in Sea Natural Food Limited, Sea Fishers Limited, Sea Resources Group etc. She is a Director of various sister concerns of Rangs Group as well. She is the Nominated Director of Maya Limited on the Board of Bank Asia Limited.



**Farhana Haq**  
*Director*

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



**Mr. Dilwar H Choudhury** had been a career banker with 35 (thirty five) years of work experience in eight different countries. This is spread over a multicultural situation in Asia, Africa and Europe. In the last lag of the career, he was the Managing Director (CC) of City Bank Limited. His most significant career exposure transpired while managing and operating three full-fledged banking operations as Chief Executive Officer in Turkey, Pakistan and Bangladesh. He was also a Banking consultant for KPMG Dhaka during 2004-2005. Currently, pursues a freelance career in M&A, organization development and Credit Portfolio Audit of banks.

**Dilwar H Choudhury**

*Independent Director and Chairman of the Audit Committee*



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

**Ashraf Haq Chowdhury**

*Independent Director*

## DIRECTORS' PROFILE



**Mr. Md. Abul Quasem**  
*Independent Director*

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



**M.A. Baqui Khalily**  
*Independent Director and Chairman of the Risk Management Committee*

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



**Helal Ahmed Chowdhury**  
*Independent Director*

**Mr. Helal Ahmed Chowdhury** is a seasoned banker with around four and half decades of banking experience. He started his career at Pubali Bank in 1977 as a Class-I Officer through Superior Service Examination and was promoted in course to MD & CEO (2006-2014) in the same bank which is a rare event and record. Under his dynamic leadership, Pubali bank got transformed into an institutional role model of government turned private commercial bank and won the prestigious award “Best Financial Institution” of the country given by DHL and the Daily Star in 2009. He is an M.A. and a Deplumed Associate of IBB. He participated in different training, seminar, short and long courses both at home and abroad including Oxford and Cambridge Universities of UK and UC Berkeley and Columbia University of USA. Mr. Chowdhury was an independent Director of Islami Bank Bangladesh Limited and presided over as the Chairman of Audit & Risk Management Committees of the Bank in different times. He was Supernumerary Professor of Bangladesh Institute of Bank Management (BIBM), a Board Member and Vice Chairman of Association of Bankers, Bangladesh (ABB) and a Board Member of BIBM. He is a General Body Member of PKSf, Independent Director of Baraka Power Limited, Baraka Patenga Power Limited and member of ICC Banking Commission. He is engaged with a number of Social Organizations and Trade Bodies at different capacities and working as a resource person in different training/seminars etc.



**Enam Chowdhury**  
*Director*

**Mr. Enam Chowdhury** a graduate in Electrical and Electronic Engineering from Ohio, USA, has more than 35 years of experience in Information Technology field in banking and finance industry. After working with global financial and technology firms for several years in Australia, Japan and the USA he is now permanently residing in Bangladesh. His experience includes working with Deutsche Bank AG, PricewaterhouseCoopers, Compass Group, DXC Technology and EDS Japan. He is the Managing Director of Deep Sea Fishers Limited and Fishers Shipyard Limited, and an Executive Committee member of Bangladesh Marine Fishers Association. He is also the Chairman of IT startup Tiger Digital Ventures Limited. He is the Nominated Director of Zest Polymers Limited in the Board of Bank Asia Limited.

## DIRECTORS' PROFILE



**Tania Nusrat Zaman**  
*Director*

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



**Nafees Khundker**  
*Director*

**Mr. Nafees Khundker** is one of the Sponsor Shareholders of the bank. He worked for Standard Chartered Bank and Deutsche Bank in Bangladesh, UAE and Singapore for more than 20 years. His last assignment was as Managing Director, Head of Transaction Banking, ASEAN, Commercial Banking. His expertise is in Corporate & Financial Institutions client coverage, Transaction Banking and Strategic Partnerships. Mr. Khundker is currently engaged in setting up a Venture Capital Fund for investments into South and South East Asia. He has investments and board oversight in various businesses in retail, distribution, finance, media, information technology and logistics. He also has a special interest in sustainability initiatives and works with small non-profit organizations.

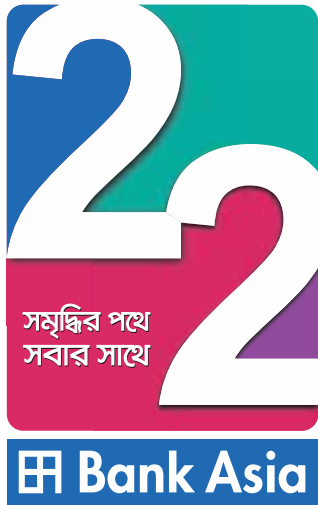




**Md. Arfan Ali**  
*President and Managing Director*

**Mr. Md. Arfan Ali** has been the President & Managing Director of Bank Asia since 2016. Prior to this, he was the Additional Managing Director of Bank Asia Limited. A career banker, Mr. Md. Arfan Ali, is an MBA from the IBA, Dhaka University, having more than 30(Thirty) years of diverse experience in banking profession to his credit. He started his career with Arab Bangladesh Bank Limited as a Probationary Officer in 1991. Later he joined Hanil Bank in 1996 and played key roles in setting up of its Dhaka Office. He joined Bank Asia in 1999 as Assistant Vice President before it started its operation and played vital role at the preoperational stage of launching formal operations of a newly established local bank. Mr. Md. Arfan Ali pioneered and championed Agent Banking operations in Bangladesh. Presently, He is the Chairperson of the SWIFT Member & User Group in Bangladesh. Recently, he has been appointed member of the Board of Directors of The World Savings and Retail Banking Institute (WSBI). He was also the Secretary General of Association of Bankers Bangladesh (ABB). He had worked as part time lecturer of Institute of Business Administration (IBA), Jahangirnagar University for 11 years. He is also current advisor to Bangladesh Money Market Dealers Association (BAMDA).

Note: As per directives of Bangladesh Securities and Exchange Commission (BSEC) ref. no. BSEC/CMMCD/2009-193/09/Admin/117 dated March 22, 2021, details of directorship in other companies are mentioned in page no. 386-389



# 22 years Celebration

The 22<sup>nd</sup> Anniversary of Bank Asia were celebrated in a grand manner as it started with the kick-off Logo unveiling event took place at Bank Asia Corporate office two weeks prior the anniversary day. The theme for 22<sup>nd</sup> Anniversary was “সমৃদ্ধির পথে সবার সাথে” (on the path of prosperity with everyone) which emphasized our relentless effort towards financial inclusion by reaching out to all societal segments with affordable, innovative and convenient banking services. On 25<sup>th</sup> November 2021, we have arranged a “Meet The Press” event at the Intercontinental Dhaka, where journalists from country’s all major print & electronics media participated spontaneously and shared their opinions & questions regarding Bank Asia’s vision and future endeavors. Followed by, the anniversary day on 27<sup>th</sup> November were celebrated in a festive manner at the conference hall of Bank Asia Tower where the program ended with a cake cutting ceremony after valuable speeches from present and former board members and management. We have also sponsored the “Ilish Festival” at Bikrampur, Munshiganj like previous year, as a part of the 22<sup>nd</sup> Anniversary Celebration.



Bank Asia Ltd unveiled the 22<sup>nd</sup> Anniversary Logo



Bank Asia arranged a ‘Meet the Press’ on the occasion of its 22<sup>nd</sup> anniversary at The InterContinental Dhaka





*Bank Asia arranged 22<sup>nd</sup> Anniversary Day Celebration Program in honor of its Benefactors and Well-wishers*



*Bank Asia arranged the "Ilish Festival" at Birkampur, Munshiganj*

# Key Events 2021

## January

Bank Asia Ltd. & ERA-InfoTech Ltd. have signed an agreement for Micro Merchant Management Solutions through Micro Merchant (MM) Apps. Using MM Apps, Individuals will be able to do personal banking, banking with other connected people and accelerate merchant payment through Bangla QR



## February

'Global Business CSR Award' received from Bangladesh American Chamber of Commerce-Bangladesh Chapter for the exceptional contribution in socio-economic development of Bangladesh through Agent Banking services





# March

Bank Asia has launched phone call based (any phone) banking service “Voice Banking” on the occasion of Golden Jubilee of Independence of Bangladesh. AI (Artificial Intelligence) Company HISAB Limited has provided technical support for “Voice Banking” service which will be conducted by AI runs Telephony Artificial Neural Network



# April

Bank Asia Ltd. has signed an agreement with Sustainable Finance Department (SFD) of Bangladesh Bank for obtaining Refinance Facility under Technology Development/Upgradation Fund amounting Tk. 1,000 crores





## Key Events 2021

### May

Bank Asia Ltd has inaugurated "COVID Isolation Center" to ensure healthcare facilities for the COVID-19 affected employees of the Bank



### June

To appreciate the sacrifice and struggle of father, Bank Asia organized a program through digital platform on the occasion of Father's Day 2021



# July

Bank Asia has launched “AML & CFT-PF Automation” to ease the monitoring process as a requirement of BFIU, Bangladesh Bank



# August

Bank Asia donated to Sena Kalyan Sangstha for the welfare of the people affected by Covid pandemic



# September

Bank Asia inaugurated an Agent Banking Outlet at the premises of Israq Spinning Mills Ltd. at Madhkhola Bazar, Shreepur, Gazipur to ensure necessary banking services for factory workers, employees and alongside people living around the area





## Key Events 2021

# October

Bank Asia has been developing Banking Trainers through frequent training to Digital Post Office (DPO) entrepreneurs



# November

Bank Asia Ltd., as the Lead Bank in collaboration with Bangladesh Financial Intelligence Unit (BFIU) arranged a day long Training on "Prevention of Money Laundering and Terrorist Financing" at BRAC Learning Centre, Basherhat, Dinajpur



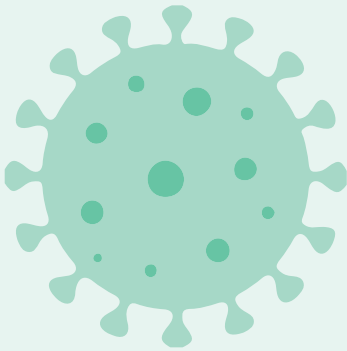
# December

Bank Asia has participated in the Human Chain program as part of observance of International Anti-Corruption Day 2021, organized by Anti-Corruption Commission. Say No To Corruption- with this slogan the human chain program was taken place at Mukhtangon of the capital city



**Financials sign-off ceremony**

# Economic Rebounding from The Devastations of Covid-19 Pandemic



## Country Context

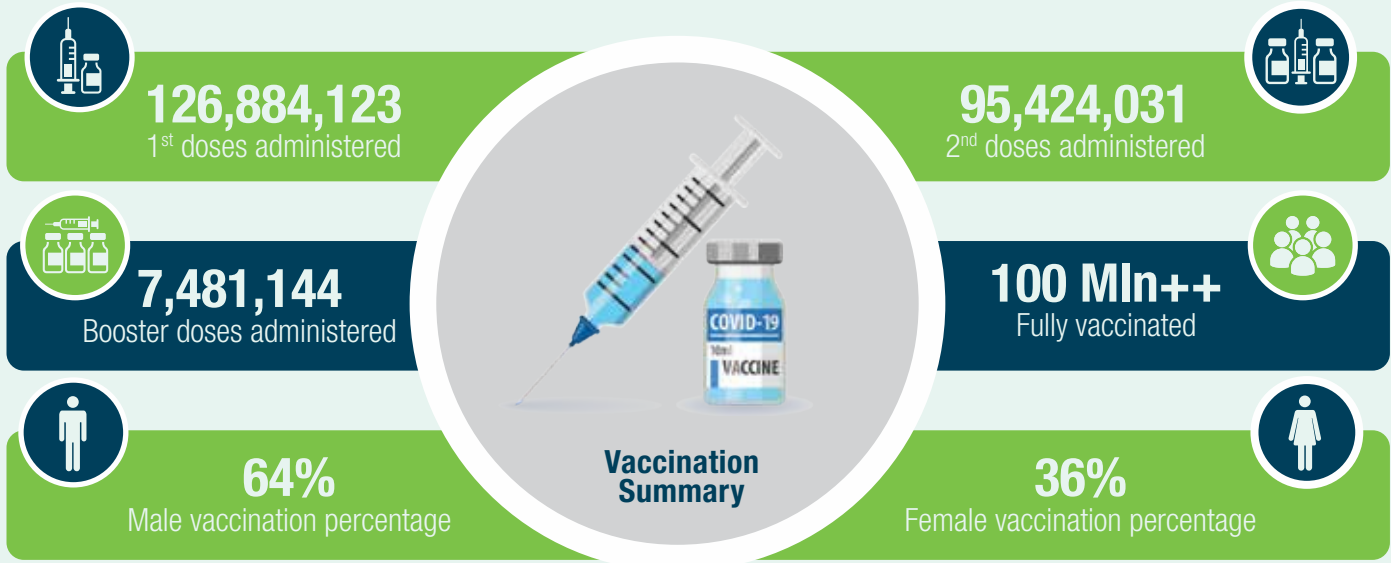
Till 31 December, 2021

## Coronavirus update in Bangladesh

Status	Total
Cases	1,951,239
Death	28,816
Recovered	1,677,131
Test	12,779,983

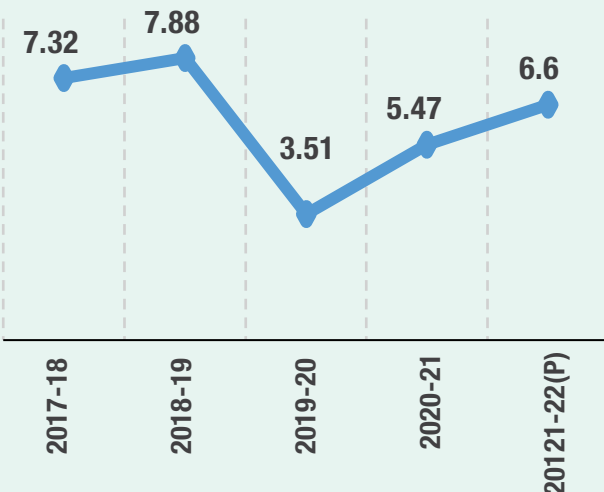
Source: <https://corona.gov.bd>

The Covid 19 pandemic is a crisis unlike any we have seen in the last couple of decades. Our economy was predicted to be particularly hard hit by the crisis, with demand for Bangladesh's exports falling dramatically, the service industry collapsing and remittances declining. However, Bangladesh Economy showed early signs of recovery in 2021.

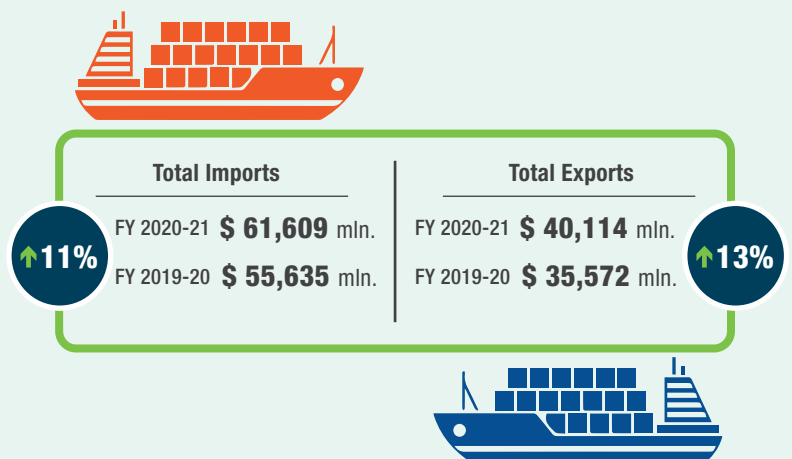


Strong export growth – mainly supported by returning readymade garment demand from abroad, improving labor income and remittance inflows etc. ensured the recovery.

### GDP GROWTH RATE%



### FOREIGN EXCHANGE BUSINESS



\*\*2021-22 data projection from IMF



# Bank Asia's Response to the Covid-19 Pandemic



## Saving lives

Bank Asia has restructured the health system to guard against COVID health issues by established the isolation center, emergency medical team, disinfect chamber, keeping up social distance & maintaining hygienic environment for employees and customers at large



## Community Driven Development

Bank Asia is involved with many community-driven development programs with the aim to develop the farmer's community, provide them agronomic training and assuring access in the market



## Donation

Bank Asia donated BDT 104.7 million in 2021 including PM fund & other areas for assuring health safety in the society

## Supporting Business Growth and Rebuild

Government has undertaken stimulus packages amounting to Tk. 121,353 crore to tackle the impact of pandemic. Bank Asia playing an active role in loan disbursement under the stimulus packages to bring vibration in the business



## Building Equity & Inclusion

Bank Asia is promoting an equitable society. Through different project Bank Asia is providing loans to women & smallholders at the rural area to upgrade their livelihood in a better way during pandemic



## Digitalization

Bank Asia is working on digital transformation for better customer service and operational efficiency. This enables the bank to provide banking services to mass people at their doorstep



# Observance of National Mourning Day



Celebration of Independence Day





*Cake cutting ceremony on Victory Day*



# Senior Management Team



## Standing from left

**Alamgir Hossain**  
DMD, Corporate &  
Large Loan

**Hossain Ahmad**  
Chief Information  
Officer

**Mohammad Ataur  
Rahman**  
Member Secretary

**Mohammed Rashidul  
Kabir Rajib**  
CRO

## Sitting from left

**Shafiuzzaman**  
DMD & CCO

**S.M. Iqbal Hossain**  
DMD, International  
Banking & Export Finance

**Mohammad Ziaul Hasan Molla**  
DMD, SMR & CAMLCO



**Arequl Arefeen**  
Head of  
Group Treasury

**Mohammad Ibrahim  
Khalil, FCA**  
CFO

**Zia Arfin**  
Head of ID

**Tahmidur Rashid**  
Head of CRM

**M. Esamul Arephin**  
Head of PMD

**Md. Arfan Ali**  
President &  
Managing Director

**Md. Sazzad Hossain**  
DMD & COO

**Adil Chowdhury**  
DMD



# Five Years Performance

Million Taka unless otherwise specified

Particulars	2021	2020	2019	2018	2017
<b>BALANCE SHEET MATRIX</b>					
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	11,659.07	11,659.07	11,659.07	11,103.87	9,870.11
Reserve Fund & Surplus	15,040.05	15,721.82	13,086.05	12,236.26	11,184.38
Total Shareholders' Equity	27,356.64	27,380.90	24,745.12	23,340.13	21,054.49
Deposits	317,782.43	303,028.11	253,709.57	222,471.72	207,041.47
Loans and Advances	262,266.70	244,642.03	227,298.96	214,618.15	197,504.14
Investments	77,021.19	94,251.18	54,932.58	35,999.20	27,545.82
Fixed Assets	6,039.14	6,708.66	7,025.60	5,431.55	5,329.74
Total Assets	438,293.29	408,960.69	353,800.37	307,291.40	288,996.64
Total Off Balance Sheet Items	173,965.53	122,190.43	120,617.28	137,459.26	136,156.44
Interest Earning Assets	388,166.24	372,489.99	312,059.88	278,695.30	256,765.52
Non-Interest Earning Assets	50,127.05	36,227.16	41,740.49	28,596.10	32,231.12
<b>INCOME STATEMENT MATRIX</b>					
Interest income	18,340.77	18,112.00	22,863.14	20,910.68	16,411.57
Interest Expenses	12,700.89	14,926.68	14,462.38	13,007.99	10,841.56
Investment income	6,848.83	6,484.40	3,293.06	2,311.46	2,535.39
Non-Interest income	6,609.12	4,462.27	4,456.40	4,015.84	4,120.56
Operating Expense	7,500.88	7,108.05	6,751.46	6,062.19	5,279.83
Total income	29,394.30	28,105.56	30,536.30	27,130.56	22,808.95
Total Expenditure	20,201.77	22,034.72	21,213.84	19,070.18	16,121.39
Operating Profit	9,192.53	6,070.84	9,322.46	8,060.40	6,687.56
Profit Before Tax	4,406.74	3,957.71	3,920.81	4,616.30	4,057.53
Net Profit After Tax	2,706.74	2,035.71	1,960.81	2,266.28	2,047.53
<b>CAPITAL MEASURES</b>					
Risk Weighted Assets	263,153.19	254,905.15	238,427.23	233,085.63	221,114.65
Core Capital (Tier-I)	25,152.67	23,558.94	22,635.99	21,165.37	18,852.66
Supplementary Capital (Tier-II)	16,217.71	20,195.00	20,121.11	13,917.53	14,061.29
Total Capital	41,370.38	43,753.94	42,757.10	35,082.90	32,913.96
Capital Surplus/(Deficit) over Minimum Capital	15,055.06	18,263.42	18,914.38	11,774.34	10,802.49
Capital Surplus/(Deficit) over Conservation Buffer	8,476.23	11,890.80	12,953.70	7,403.98	8,038.56
Tier I Capital Ratio	9.56%	9.24%	9.49%	9.08%	8.53%
Tier II Capital Ratio	6.16%	7.92%	8.44%	5.97%	6.36%
Capital to Risk Weighted Asset Ratio Basel-III	15.72%	17.16%	17.93%	15.05%	14.89%
<b>CREDIT QUALITY</b>					
Classified Loans	13,469.54	7,930.93	10,479.99	8,809.83	8,642.30
Provision for Unclassified Loans	8,727.71	9,841	7,674.46	5,091.24	4,101.19
Provision for Classified Loans	7,290.00	4,120.20	4,604.66	3,892.76	3,740.00
Provision for Contingent Liabilities	1,490.00	1,005.00	961.65	1,158.03	1,331
Percentage of NPLs to total Loans and Advances	5.14%	3.24%	4.61%	4.10%	4.38%
<b>FOREIGN EXCHANGE BUSINESS</b>					
Import	225,789.00	141,289	158,115	165,203.00	181,468.00
Export	141,496.00	108,549	132,465	136,733.00	118,172.00
Remittance (Inward)	128,441.00	98,911	79,750	60,113.00	51,778.00

Million Taka unless otherwise specified

Particulars	2021	2020	2019	2018	2017
<b>OPERATING PROFIT RATIOS</b>					
Credit Deposit Ratio	65.58%	69.42%	76.47%	81.75%	81.88%
Cost of Deposit	3.94%	4.95%	5.67%	5.65%	5.08%
Cost of Deposit & Borrowing	3.87%	4.27%	5.68%	5.65%	5.23%
Administrative Cost	2.09%	2.27%	2.59%	2.60%	2.50%
Yield on Loans and Advances	7.61%	7.68%	10.19%	9.99%	9.03%
Spread	3.67%	2.73%	4.52%	4.34%	3.95%
Return on Assets	0.64%	0.53%	0.59%	0.76%	0.76%
Return on Equity	9.89%	7.81%	8.16%	10.21%	10.21%
Current Ratio	1.07	1.07	1.05	1.07	1.05
Debt Equity Ratio	15.02	13.94	13.30	12.17	12.73
<b>PERFORMANCE RATIOS</b>					
Profit per Employee	3.61	2.46	3.92	3.57	3.20
Operating profit as % of Working Fund	2.17%	1.59%	2.82%	2.70%	2.47%
Net Interest income as % of Working Fund	2.41%	2.29%	3.51%	3.39%	2.89%
Burden Coverage	56.06%	49.37%	64.88%	64.47%	73.15%
Burden Ratio	0.21%	0.62%	0.67%	0.70%	0.43%
Expense Coverage	88.11%	62.77%	66.01%	66.24%	78.04%
Ratio of Fees income	18.98%	18.78%	20.91%	21.18%	26.07%
Salary Exp. to total Overhead Exp.	51.87%	50.03%	48.63%	47.77%	47.99%
Salary Exp. to Fees income	186.53%	143.68%	97.67%	96.84%	81.21%
Cost to income/ Efficiency ratio	44.93%	54.00%	42.00%	42.93%	44.12%
<b>DIVIDEND &amp; RIGHTS ISSUE</b>					
Cash	15.00%	10.00%	10.00%	5.00%	
Stock				5.00%	12.50%
Total Dividend	15.00%	10.00%	10.00%	10.00%	12.50%
<b>SHARES INFORMATION MATRIX</b>					
No. of Shares Outstanding	1,165.91	1,166	1,165.91	1,110.39	987.01
Earnings Per Share (Taka)	2.32	1.75	1.68	1.94	1.84
Number of Shareholders	7,583.00	8391	8960	10344	10,681
Market Value Per Share (Taka)	21.80	18.20	18.20	17.70	23.10
Price Earnings Ratio	9.40	10.40	10.83	8.67	11.14
Net Asset Value Per Share (Taka)	23.46	23.48	21.22	20.02	18.96
Dividend Coverage ratio	1.55	1.75	1.68	2.04	1.66
<b>OTHER INFORMATION</b>					
Total Number of Branches	129	129	128	127	116
Number of SME Service Centers	4	4	4	4	4
Number of Islamic Windows	5	5	5	5	5
Off Shore Banking Unit	1	1	1	1	1
Number of Sub Branches	7	6	-	-	-
Agent Outlet	4898	4628	3,525	2,566	1,497
Number of Employees	2547	2463	2,376	2,256	2087
Number of Foreign Correspondents	670	670	677	698	727

### Total Assets

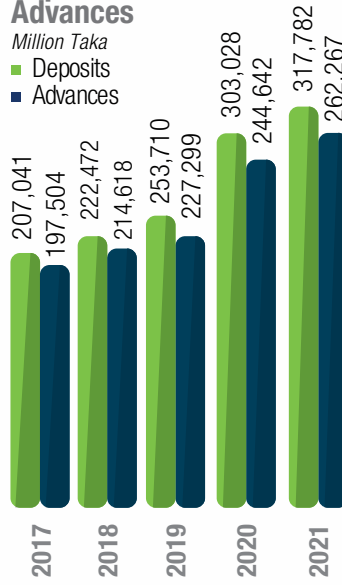
Million Taka



### Deposits and Advances

Million Taka

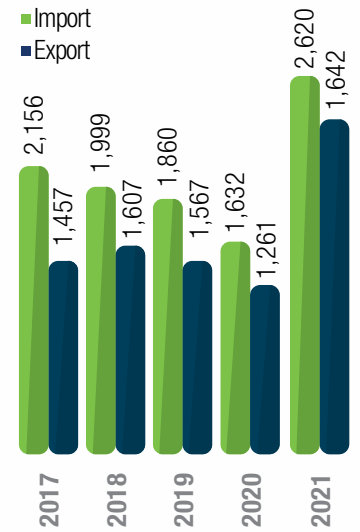
■ Deposits  
■ Advances



### Import and Export

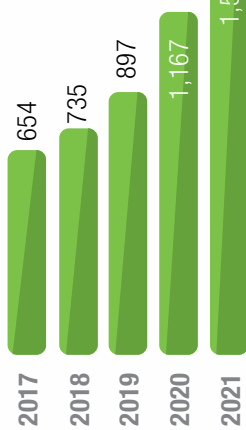
Million USD

■ Import  
■ Export



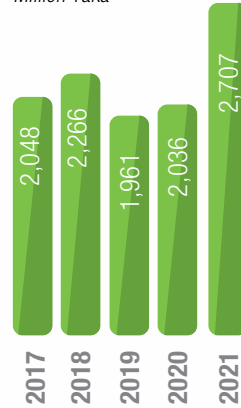
### Inward Remittance

Million USD



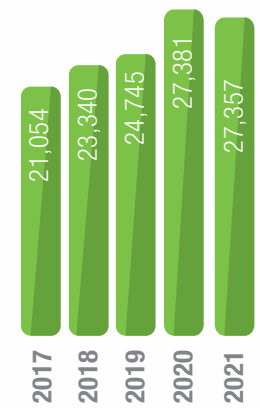
### Net Profit After Tax

Million Taka

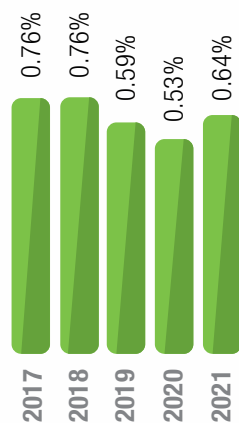


### Total Shareholders' Equity

Million Taka

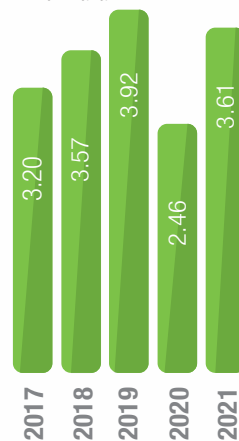


### Return on Assets (ROA)

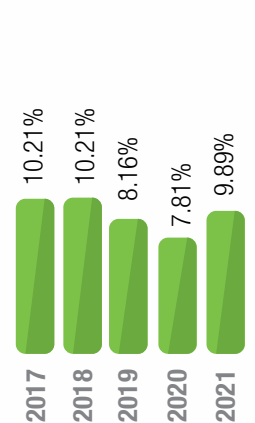


### Profit per Employee

Million Taka

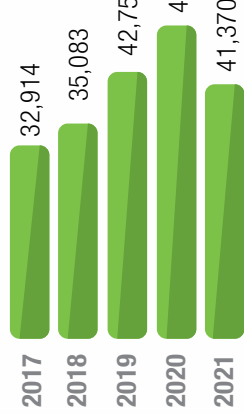


### Return on Equity (ROE)

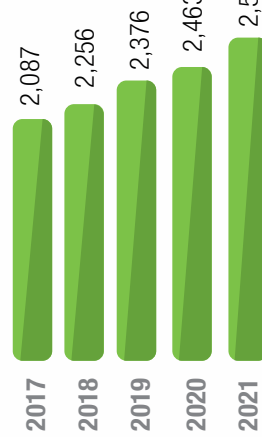


# Five Years Performance

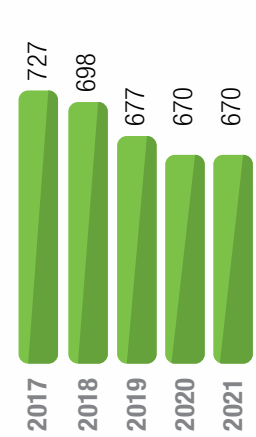
**Total Capital**  
Million Taka



**Number of Employees**

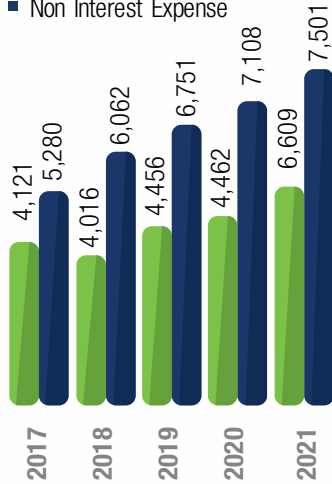


**Number of Foreign Correspondents**

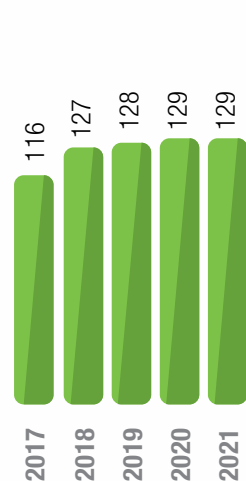


**Non Interest Income & Non Interest Expense**  
Million Taka

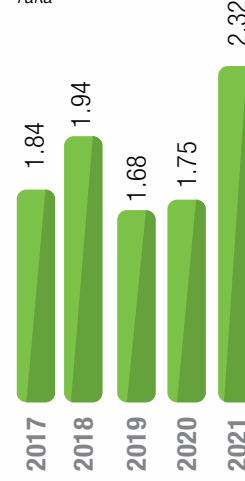
■ Non-Interest Income  
■ Non Interest Expense



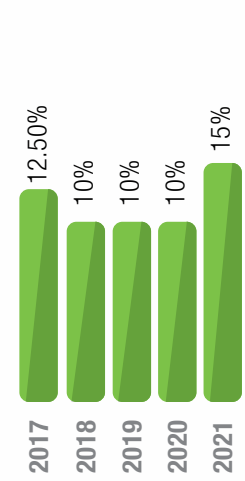
**Number of Branches**



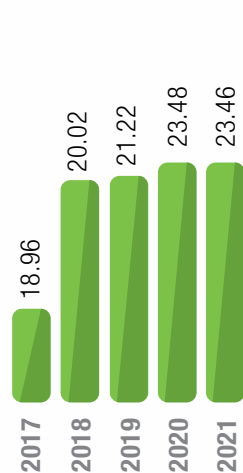
**Earnings per Share**  
Taka



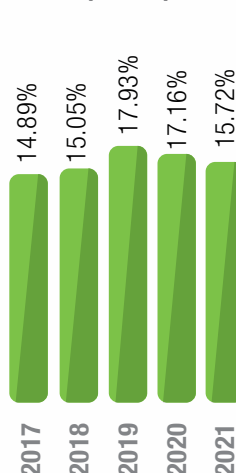
**Dividend**



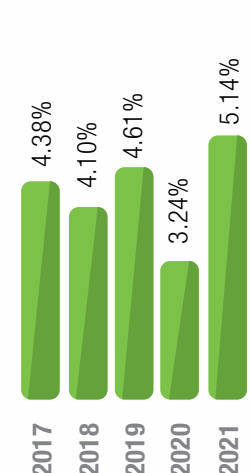
**NAV per Share**  
Taka



**Capital to Risk Weighted Asset Ratio (CRAR)**



**Non-Performing Loan Ratio**



# Horizontal Analysis

For the last five years, profit and Loss Statement

	2021	2020	2019	2018	2017
<b>OPERATING INCOME</b>					
Interest income	111.76%	110.36%	139.31%	127.41%	100.00%
Interest paid on deposits and borrowings, etc	117.15%	137.68%	133.40%	119.98%	100.00%
<b>Net interest income</b>	101.25%	57.19%	150.82%	141.88%	100.00%
Investment income	270.13%	255.76%	129.88%	91.17%	100.00%
Commission, exchange and brokerage	101.56%	79.33%	107.74%	95.86%	100.00%
Other operating income	139.63%	139.33%	137.26%	123.65%	100.00%
<b>Total operating income</b>	139.49%	110.12%	134.31%	118.01%	100.00%
<b>Operating Expenses</b>					
Salaries and allowances	153.59%	140.36%	129.63%	114.38%	100.00%
Rent, taxes, insurance, electricity, etc	78.40%	71.83%	71.77%	111.62%	100.00%
Legal expenses	67.26%	53.27%	83.42%	102.43%	100.00%
Postage, stamp, telecommunication, etc	132.13%	140.66%	139.01%	121.16%	100.00%
Stationery, printing, advertisements, etc	119.19%	152.06%	160.86%	137.01%	100.00%
Managing Director's salary and fees	146.77%	138.58%	119.23%	100.00%	100.00%
Directors' fees	135.03%	107.22%	114.44%	122.19%	100.00%
Auditors' fees	102.68%	89.59%	155.26%	91.95%	100.00%
Depreciation and repairs of Bank's assets	188.35%	184.77%	181.35%	103.44%	100.00%
Other expenses	137.73%	135.20%	129.52%	118.98%	100.00%
<b>Total operating expenses</b>	142.07%	134.63%	127.87%	114.82%	100.00%
<b>Profit before provision</b>	137.46%	90.78%	139.40%	120.53%	100.00%
<b>Provision for loans and advances/investments</b>					
General provision	-94.98%	184.86%	243.04%	84.59%	100.00%
Specific provision	426.25%	-33.47%	227.16%	210.62%	100.00%
Provision for off-balance sheet items	217.12%	19.41%	-87.91%	-77.43%	100.00%
Provision for diminution in value of investments	-	-!	-	-	-
Other provisions	-	-!	-	-	-
<b>Total provision</b>	181.97%	80.35%	205.38%	130.95%	100.00%
<b>Total profit before tax</b>	108.61%	97.54%	96.63%	113.77%	100.00%
<b>Provision for taxation</b>					
Current tax	86.36%	97.64%	99.57%	119.38%	100.00%
Deferred tax	0.00%	0.00%	0.00%	0.00%	100.00%
<b>Net profit after tax</b>	132.20%	99.42%	95.76%	110.68%	100.00%

## Horizontal Analysis (Profit and Loss Statement)

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2017 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Operating profit is showing increasing trend over the years except 2020. Reduction of interest expense played a vital role on profitability in 2021. In addition to this, Investment income and commission income increased significantly that helped to attain substantial operating profit this year. Net Profit also increased in 2021.



# Horizontal Analysis

For the last five years balance Sheet

	2021	2020	2019	2018	2017
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	186%	100%	134%	87%	100%
In hand (including foreign currencies)	181%	149%	163%	135%	100%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	187%	94%	130%	81%	100%
<b>Balance with other banks and financial institutions</b>	136%	106%	78%	87%	100%
In Bangladesh	135%	102%	68%	82%	100%
Outside Bangladesh	169%	242%	433%	284%	100%
<b>Money at call and on short notice</b>					
<b>Investments</b>	280%	342%	199%	131%	100%
Government	289%	369%	214%	136%	100%
Others	203%	135%	88%	92%	100%
<b>Loans and advances/investments</b>	133%	124%	115%	109%	100%
Loans, cash credits, overdrafts, etc/investments	129%	126%	115%	107%	100%
Bills purchased and discounted	175%	101%	120%	131%	100%
<b>Fixed assets including premises, furniture and fixtures</b>	113%	126%	132%	102%	100%
<b>Other assets</b>	116%	124%	116%	88%	100%
<b>Total Assets</b>	152%	141%	122%	106%	100%
<b>LIABILITIES AND CAPITAL</b>					
Liabilities					
Borrowings from other banks, financial institutions and agents	158%	119%	114%	103%	100%
Subordinated non-convertible zero coupon bonds	106%	126%	146%	91%	100%
<b>Deposits and other accounts</b>	153%	146%	123%	107%	100%
Current/Al-wadeeah current accounts and other accounts	152%	141%	113%	112%	100%
Bills payable	100%	94%	94%	104%	100%
Savings bank/Mudaraba savings bank deposits	230%	186%	140%	115%	100%
Fixed deposits/Mudaraba fixed deposits	135%	139%	122%	104%	100%
<b>Other liabilities</b>	163%	143%	129%	101%	100%
<b>Total liabilities</b>	153%	142%	123%	106%	100%
<b>Capital/shareholders' equity</b>					
<b>Total shareholders' equity</b>	130%	130%	118%	111%	100%
Paid-up capital	118%	118%	118%	112%	100%
Statutory reserve	146%	134%	123%	113%	100%
Revaluation reserve	0%	175%	96%	98%	100%
General reserve	26440%	100%	100%	100%	100%
<b>Retained earnings</b>	167%	125%	117%	110%	100%
<b>Total Liabilities and Shareholders' Equity</b>	152%	141%	122%	106%	100%

## Horizontal Analysis (Balance Sheet)

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2017 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, total assets, liabilities and shareholders' equity are showing consistent growth over the last five years which symbolize sustainable balance sheet growth of the bank as a whole. Deposit and advance is growing steadily over the years but investment declined in last year due to selling of T-bill/bond for realizing capital gain.

# Vertical Analysis

For the last five years, profit and Loss Statement

	2021	2020	2019	2018	2017
<b>OPERATING INCOME</b>					
Interest income	62.40%	64.44%	74.87%	77.07%	71.95%
Interest paid on deposits and borrowings, etc	43.21%	53.11%	47.36%	47.95%	47.53%
<b>Net interest income</b>	19.19%	11.33%	27.51%	29.13%	24.42%
Investment income	23.30%	23.07%	10.78%	8.52%	11.12%
Commission, exchange and brokerage	10.78%	8.81%	11.01%	11.02%	13.68%
Other operating income	3.53%	3.68%	3.34%	3.38%	3.25%
<b>Total operating income</b>	56.79%	46.89%	52.64%	52.05%	52.47%
Salaries and allowances	13.17%	12.58%	10.70%	10.62%	11.05%
Rent, taxes, insurance, electricity, etc	1.64%	1.57%	1.44%	2.52%	2.69%
Legal expenses	0.06%	0.05%	0.07%	0.09%	0.11%
Postage, stamp, telecommunication, etc	0.40%	0.45%	0.41%	0.40%	0.39%
Stationery, printing, advertisements, etc	0.39%	0.53%	0.51%	0.49%	0.43%
Managing Director's salary and fees	0.07%	0.07%	0.05%	0.05%	0.06%
Directors' fees	0.01%	0.01%	0.01%	0.01%	0.01%
Auditors' fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation and repairs of Bank's assets	2.95%	3.02%	2.73%	1.75%	2.02%
Other expenses	6.83%	7.01%	6.18%	6.39%	6.39%
<b>Total operating expenses</b>	25.52%	25.29%	22.11%	22.34%	23.15%
<b>Profit before provision</b>	31.27%	21.60%	30.53%	29.71%	29.32%
Provision for loans and advances/investments					
General provision	-3.79%	7.71%	9.33%	3.65%	5.14%
Specific provision	17.91%	-1.47%	9.19%	9.59%	5.41%
Provision for off-balance sheet items	1.65%	0.15%	-0.64%	-0.64%	0.98%
Provision for diminution in value of investments	0.00%	0.64%	-0.26%	0.04%	0.00%
Other provisions	0.51%	0.49%	0.08%	0.06%	0.00%
<b>Total provision</b>	16.28%	7.52%	17.69%	12.69%	11.53%
<b>Total profit before tax</b>	14.99%	14.08%	12.84%	17.02%	17.79%
Provision for taxation					
Current tax	5.78%	6.84%	6.42%	8.66%	8.63%
Deferred tax	0.00%	0.00%	0.00%	0.00%	0.18%
<b>Net profit after tax</b>	9.21%	7.24%	6.42%	8.35%	8.98%

## Vertical Analysis (Profit and Loss Statement)

Vertical Analysis on Income Statement refers to the components of income statement items as a percentage amount of total income over the periods which would be termed as common sizing of income statement. In income side, interest income (62.40%), income from commission, exchange and brokerage (10.78%) and investment income (23.30%) hold major portion of total income. Although interest income was in decreasing trend since 2019, increase of commission income helped the bank to offset a major portion of the adverse impact on interest income due to the pandemic as well as fixed interest rate regime (6-9).

# Vertical Analysis

For the last five years balance Sheet

	2021	2020	2019	2018	2017
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	7.61%	4.38%	6.78%	5.06%	6.20%
In hand (including foreign currencies)	0.82%	0.72%	0.92%	0.87%	0.69%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	6.79%	3.65%	5.86%	4.19%	5.52%
<b>Balance with other banks and financial institutions</b>	9.21%	7.70%	6.53%	8.42%	10.24%
In Bangladesh	8.89%	7.21%	5.51%	7.64%	9.95%
Outside Bangladesh	0.32%	0.50%	1.02%	0.77%	0.29%
<b>Money at call and on short notice</b>	1.46%	0.00%	1.30%	0.03%	0.00%
<b>Investments</b>	17.57%	23.06%	15.53%	11.72%	9.53%
Government	16.13%	22.03%	14.75%	10.78%	8.45%
Others	1.44%	1.03%	0.77%	0.93%	1.08%
<b>Loans and advances/investments</b>	59.84%	59.86%	64.24%	69.84%	68.34%
Loans, cash credits, overdrafts, etc/investments	53.44%	55.90%	58.80%	63.04%	62.80%
Bills purchased and discounted	6.39%	3.96%	5.44%	6.80%	5.54%
<b>Fixed assets including premises, furniture and fixtures</b>	1.38%	1.64%	1.99%	1.77%	1.84%
<b>Other assets</b>	2.93%	3.36%	3.63%	3.16%	3.84%
<b>Total assets</b>	100.00%	100.00%	100.00%	100.00%	100.00%
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents	10.91%	8.80%	9.72%	10.19%	10.47%
Subordinated non-convertible zero coupon bonds	1.96%	2.50%	3.34%	2.41%	2.80%
<b>Deposits and other accounts</b>	72.50%	74.14%	71.71%	72.40%	71.64%
Current/Al-wadeeah current accounts and other accounts	14.52%	14.52%	13.41%	15.37%	14.53%
Bills payable	0.91%	0.92%	1.06%	1.34%	1.37%
Savings bank/Mudaraba savings bank deposits	18.07%	15.70%	13.65%	12.87%	11.94%
Fixed deposits/Mudaraba fixed deposits	39.00%	43.00%	43.59%	42.81%	43.80%
<b>Other liabilities</b>	8.38%	7.86%	8.24%	7.41%	7.80%
<b>Total liabilities</b>	93.76%	93.30%	93.01%	92.40%	92.71%
<b>Capital/shareholders' equity</b>					
<b>Total shareholders' equity</b>	6.24%	6.70%	6.99%	7.60%	7.29%
Paid-up capital	2.66%	2.85%	3.30%	3.61%	3.42%
Statutory reserve	2.45%	2.41%	2.56%	2.69%	2.54%
Revaluation reserve	0.00%	0.92%	0.58%	0.69%	0.75%
General reserve	0.49%	0.00%	0.00%	0.00%	0.00%
Retained earnings	0.64%	0.51%	0.55%	0.60%	0.58%
<b>Total liabilities and shareholders' equity</b>	100.00%	100.00%	100.00%	100.00%	100.00%

## Vertical Analysis (Balance Sheet)

Vertical Analysis on Income Statement refers to the components of income statement items as a percentage amount of total income over the periods which would be termed as common sizing of income statement. In income side, interest income (62.40%), income from commission, exchange and brokerage (10.78%) and investment income (23.30%) hold major portion of total income. Although interest income was in decreasing trend since 2019, increase of commission income helped the bank to offset a major portion of the adverse impact on interest income due to the pandemic as well as fixed interest rate regime (6-9).





# Chairman's Statement

## Human Capital

Development of human resources is not an expenditure; it is an investment. You get the highest return from HR investment. Let's make maximum investment in quality human resources. They are the leaders; they will take the Bank forward.

*-A Rouf Chowdhury*

## Assalamualaikum

With immense pleasure, I would like to welcome you all to the 23<sup>rd</sup> Annual General Meeting of Bank Asia Limited. I am delighted to present the Annual Integrated Report 2021 in this platform to shed light on the Bank's overall performance, exchange views on economic environment and strategic priorities we followed in 2021.

## Economic Context

In 2021, the world economy rebounded and the economic growth stood at 5.9% from -3.10% in 2020, however, there was a sharp rise in inflation worldwide. Economists have attributed this sharp rise to factors such as disruption in global supply chain, shortage of labor arising from job layoffs and unemployment caused during the pandemic and subsequent rebound in consumer spending as businesses were going back to their pre-pandemic levels. The country's overall GDP growth for FY21 stood at 5.47%, up from 3.51% in FY20. Export receipts rose by 31.43% to stand at USD 44.22 billion whereas import payment grew by 46.86% to USD 67.91 billion in 2021. Remittance growth was marginal and grew by 1.52% to USD 22.07 billion. Foreign exchange reserve stood at USD 46.15 billion in 2021 having growth of 6.93%.

Private sector credit growth during 2021 was not so much impressive throughout the year although ended the year at 10.11% which was an increase compared to last year's growth of 8.37%. The deposit growth stood at 10% in 2021 against 13.50% last year. Non-performing loans in the country's banking sector increased by 16.38% year-on-year to Tk. 1,032.74 billion in 2021 despite a relaxed loan classification policy taken by the Bangladesh Bank. Industry CL ratio stood at 7.9% in 2021 in contrast to 7.6% last year.

## Bank's Performance

### Financial Highlights

Bank Asia has posted remarkable performance in 2021. Operating profit of the Bank increased by Tk.3.12 billion or 51% over last year and stood at Tk.9.19 billion. After setting aside provision for loans and advances, tax, reserve and others, the bank attained net profit of Tk.2.71 billion which is higher than last year by 33%. This profit growth resulted from decrease of cost of deposit, significant growth of non-funded business and income, capital gain from treasury business and so on. The bank managed to reduce its cost of deposit to 3.94% in 2021 which was 4.95% in the previous year. We successfully managed to keep our operating expenses within reasonable limit. All these factors collectively played a vital role in increasing our operating income. Bank Asia is always vigilant in loan monitoring so that no willful defaulter would take place and overall classified loan would not shoot up extremely for withdrawal of Bangladesh Bank relaxation of loan classification. We have complied Bangladesh Bank provision requirement of extra 2 percent provision against clients enjoyed Covid-19 facilities and maintained additional provision based on the qualitative judgement of Bangladesh Bank for absorbing any unforeseen shocks. For this reason, total provision increased by Tk. 2.67 billion or 126% over last year and stood Tk. 4.41 billion. This excess provision squeezed the position of distributable profit. The Board of Directors recommend 15% cash dividend for the year 2021. Earnings per share (EPS) of the Bank increased to 2.32 which was 1.75 last year.

# Chairman's Statement

## Capital and Assets Base

Bank Asia's capital base is fundamentally strong and is one of the highest in the banking industry. In 2021, total capital reached Tk.41.37 billion. The capital adequacy ratio of the Bank was 15.72% against regulatory requirement of 12.50%. Credit rating of clients plays a pivotal role in reducing capital requirement of the Bank which also enables the Bank to maintain quality asset. To facilitate substantial business growth in 2022 as well as strengthen the capital base, Bank Asia has decided to issue Tk. 5 billion perpetual bond and received consent from both Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC) in this regard. Total Assets of the Bank increased to Tk. 438 billion from Tk. 409 billion with the growth of 7%.

## Financial Inclusion

Bangladesh economy has been growing rapidly over the years. Bangladesh is on its way to become middle income country. The government has set a plan to reach upper-middle income country status in 2031 and a developed country by 2041. Financial inclusion is the pre requisite to achieve this goal. "Poverty Free Bangladesh" being our bank's vision, is in line with the United Nations Sustainable Development Goal (SDG) framework. True financial inclusion and achievement of SDGs can occur only when people from every corner of the country, irrespective of their background or circumstances, can be brought under a formal banking channel. More than half of the country's population are still unbanked, without access to a financial network. Bank Asia is the pioneer of the Agent Banking model which has gained tremendous popularity over the last few years as a means to provide banking services to the rural and grassroots level people. It is my honor to announce that till 2021, we managed to bring in almost 4.92 million people under our Agent Banking network, which was a 36% increase from last year's 3.50 million. We have strengthened our agent centric asset business model further to work across the country so that marginal people will be able to avail loan at a very low rate even at Bangladesh Bank concessional rate. In 2021, the number of agent outlets stood at 4,898, spread across 530 Upazilas under 64 districts and total deposit mobilization grew by 20% to Tk. 33,830 million in 2021.

## Shifting focus to SME& Agriculture

SME sector of the country has been developing rapidly that reinforces the economic expansion. Employment generation in this sector is remarkable and contribution to GDP growth is significant. Bank Asia has put emphasis on developing SME segment portfolio as a priority sector for encouraging financial inclusion and at the same time shifting our focus from the corporate segment which have an inherent higher risk of loan concentration and default. Agricultural credit and rural credit to farmers are two other important segments that play a vital role towards ensuring proper financial inclusion. In 2021, Bank Asia disbursed agri credit of Tk. 6,053 million to 96,331 farmers. Every year, the bank superseded the target set by Bangladesh Bank for agri credit. Bank Asia also underscores sustainable financing and in recognition of that Central Bank of Bangladesh has ranked Bank Asia as one of the Top 10 Banks in Sustainability Rating 2020.

## Responsibilities to the Underprivileged

Corporate Social Responsibility (CSR) has always been an integral part of Bank Asia's business ideology. From the beginning, Bank Asia has focused on investing in the development of the underprivileged segment. Bank Asia Foundation has been established to give more focus on this social issue. Last year, Bank Asia Ma Amiran Hospital served 14,862 patients. The proposed 50 bed hospital of Bank Asia-Ma Amiran Hospital and Diagnostic Centre is being set up in the first and second floors of the existing three storied building with a total area of 26,000 sft. For the development of Ma Amiran Hospital and establishment of Azhar Fatema Medical College in Bhola, Tk. 53.49 million was donated. I am pleased to announce that the Bank has spent a total of Tk. 247.45 million in 2021 for CSR activities, out of which Tk. 104.70 million was invested in various healthcare related activities. Higher education scholarship to unprivileged and meritorious students has been the focal point of our CSR activities. In 2021, the bank provided scholarship to 417 students worth Tk. 22.30 million to assist them in pursuing their educational endeavors towards a brighter future for themselves and their family. Bank Asia donated Tk. 50 million to the PM's

Relief & Welfare Fund for prevention of Covid crisis, Tk. 48.85 million to purchase blankets for donating to cold struck people and Tk. 10.86 million for purchase of desktop computers for Khulna Public College Digital Lab and braille and other training materials for BTTD & VTCB.

### **Awards & Recognitions**

2021 is a successful year for us as we have received numerous prestigious awards and recognitions from both local and international bodies. I am delighted to announce that for the first time in the bank's history, Bank Asia has been awarded 'Overall Winner' among the SAARC countries by South Asian Federation of Accountants (SAFA). In addition to this, the bank has been awarded 1<sup>st</sup> prize (Winner) for Best Presented Annual Report (Private Sector Banks) as well as for Corporate Governance category. Alongside these, ICAB (Institute of Chartered Accountants of Bangladesh) awarded Bank Asia 1<sup>st</sup> Prize under Corporate Governance Disclosures category. NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia has awarded Bank Asia "Gold Rank" in Asia Sustainability Reporting Rating 2021 for our Sustainability Report 2020. Bank Asia has also received Bangladesh Innovation Award 2021 in the Banking Category for Digital Payment through Micro Merchant Channel by BBF (Bangladesh Brand Forum).

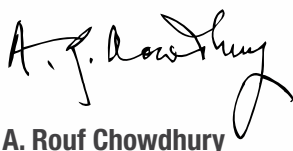
### **Future Outlook**

The year 2022 is certain to be another year full of hurdles and unpredictability. With the escalation of the Russia-Ukraine conflict, global supply chains are at risk of facing severe disruptions and causing global commodity prices to inflate even further. A lot of bilateral trade agreement between Russia and Bangladesh would be impacted. Higher import cost will intensify inflation of the country. Bangladesh Government has played an extremely commendable job of distributing and ensuring vaccination for its citizens. Offices, businesses and educational institutions are finally opening up and the country is returning back to normalcy. I expect that private and public Investment will get momentum very soon.

Next, I would like to thank Bangladesh Bank, Bangladesh Securities and Exchange Commission, external auditors and other regulatory authorities for their prudent guidance and assistance. I am also thankful to the Board of Directors, entire management team and every employee of the Bank for their continuous endeavor and dedication towards achieving desired goals.

Last but not the least, I would like to extend my most humble appreciation to all the stakeholders who have been a source of continuous and unwavering support for all these years.

My very best wishes to all of you.



**A. Rouf Chowdhury**

Chairman  
Bank Asia Limited

# Our Acknowledgement to

## Ex Chairmen with Present Chairman



▲ Mr. M Syeduzzaman  
(1999-2008)



▲ Mr. Anisur Rahman Sinha  
(2008-2010)



▲ Mr. A Rouf Chowdhury  
(2010 to till now)

## Ex Managing Directors



▲ Mr. Quazi Baharul Islam  
(1999-2000)



▲ Mr. Syed Anisul Huq  
(2000-2008)



▲ Mr. Erfanuddin Ahmed  
(2009-2011)



▲ Md. Mehmood Husain  
(2011-2016)



# PRIORITIES WE FOLLOWED IN 2021

Committed to Serve the Nation for a Better Tomorrow

	Human Capital	Improvement of employee productivity	<ul style="list-style-type: none"> <li>42,816 man hours of training to 5,115 participants</li> <li>Human capital is Tk. 23,043 million</li> </ul>
	Paying back	Expanding the horizon of community services	<b>CSR activities: Tk. 247.45 million</b> <ul style="list-style-type: none"> <li>Health: Tk. 104.70 Million</li> <li>Education: Tk. 42 Million</li> <li>Disaster Management: Tk. 48.85 Million</li> <li>Art &amp; Culture: Tk. 1 Million</li> <li>Others: Tk. 50.90 Million</li> </ul>
	Technological Innovation	Reducing lead time by technological advances	<b>OCAS-Diganta project</b> <ul style="list-style-type: none"> <li>Number of Accounts: 23,500</li> <li>Loans processed: Tk. 14,450 Million</li> <li>Robotic Process Automation for Remittance Channeling</li> <li>Developed Artificial Intelligence Workforce (AIW)</li> </ul>
	Financial Inclusion	To reduce poverty by promoting financial inclusion	<b>Agent Banking</b> <ul style="list-style-type: none"> <li>64 districts</li> <li>4,898 Outlets</li> <li>4.92+ Million Customers</li> <li>Micro-merchant: On-Boarded 51,237</li> </ul> <b>Post office Banking</b> <ul style="list-style-type: none"> <li>Outlets 920</li> <li>Accounts 180,993</li> <li>Agents: 3,783</li> </ul>
	Operating efficiency through Core Business	To maintain consistency and focus on asset quality	<ul style="list-style-type: none"> <li>Cluster wise branch segments for faster loan processing</li> <li>NAV per share Tk. 23.46</li> <li>Cost to income ratio improved to 45% from 54%</li> <li>+5% Deposit   +7% Advance</li> <li>+30% Export   +60% import</li> </ul>
	Capital Planning and Management	Ensure adequacy of capital as per Basel III Capital Accord to support healthy growth of business	<ul style="list-style-type: none"> <li>Total Capital Tk. 41,370 million   CRAR 15.72%</li> <li>LCR 217.27%   NSFR 107.93 %   Leverage ratio 4.87%</li> </ul>
	Liquidity Risk Management	To ensure smooth banking operation	<ul style="list-style-type: none"> <li>AD Ratio: 65.58%</li> <li>ROA: 0.64%</li> <li>ROE: 9.89%</li> </ul>
	Recovery of Classified Loan	Recovery of Classified Loan through proper monitoring & relationship management	<ul style="list-style-type: none"> <li>Non-performing loans stood at 5.14%</li> <li>Maintained provision amount is 7,290 million</li> <li>Cash Recovery from CL and Written of Loan was Tk. 287.43 million</li> </ul>





# President and Managing Director's Review

In 2021, the global economy rebounded from the pandemic-triggered recession. With the rollout of the vaccination program, we witnessed gradual recovery and economic growth across the globe. The accommodative monetary and expansionary fiscal policies adopted by many countries contributed towards the recovery. However, the trajectory of recovery in 2021 was uneven across the world as consequence of the divergent pace of vaccination and resurgence in infections from the emergence of omicron and other new variants. While some form of restriction and containment measures still persisted in many parts of the world, disruption of international supply chain, increase of energy and fuel price, rising inflation and geopolitical tension in Europe and the USA appeared as significant threats for the global economy at the end of the year 2021.

In 2021, the economy of Bangladesh started to recover from the effects of Covid-19 pandemic. The GDP of the country grew by 5.47% and the economy performed better than many other similar economies as the government provided continued support and our private sector exhibited commendable resilience. These factors played a pivotal role to make a rapid recovery from the vulnerable situation. The banking sector of the country has been struggling in the recent years to cope with pressure of higher percentage of non-performing loans. To add to woes, the banking sector of Bangladesh is now facing the wrath of the pandemic. Against the backdrop of this challenging condition, Bank Asia achieved the target of operating profit. Our strong financial performance demonstrates how we are creating more value for our clients, communities and shareholders. It also illustrates the strength of our diversified business model and disciplined approach to controlling costs and managing different kinds of risks. The major factors and other events that impacted the performance and business strategies of the bank in the year 2021, are elaborated below:

- The United Nations Committee for Development Policy (CDP) recommended graduation of Bangladesh from the category of Least Developed Country (LDC) as it fulfilled the eligibility criteria in terms of per capita income, human assets and economic and environmental vulnerability. This recognition will help to enhance confidence of international financial bodies and improve credit rating and bring higher FDI benefit for Bangladesh.
- Banking sector witnessed private sector credit growth of 10.68% in December 2021 whereas it was 8.32% in December 2020. However, the growth is still far below the monetary target of 14.8% set for the current fiscal year. High import expenditure, mainly for trade financing for settling import payment are the main drivers behind this growth. Strong demand for credit contributing to an uptick in credit growth as investors expanded their business.
- Considering the COVID -19 fallout, Bangladesh Bank declared policy relaxation on bank loan repayment to make early recovery from business distraction. Although the economic activities are picking up, the health crisis is still there and uncertainties are running deep and the support may be extended in 2022.
- The banking sector expanded in terms of assets during the last few years. The sector also went through several reform measures to improve the performance. However, the sector is still plagued with several challenges. Among them most severe one is rising NPLs. Then non-performing loans (NPLs) ratio rose to 7.93% as of December 31, 2021 from 7.66% of the previous year.
- Capital market of Bangladesh went through a bullish ride in 2021. Strong participation of investors, low interest rate on bank deposits, praiseworthy regulatory steps by the new BSEC board were the pivotal reasons behind the decent year for the Bangladesh capital market.
- The country's export receipts in the year 2021 stood at USD 44.22 billion, which was USD 33.61 billion in the previous i.e. registered a rise of 31.6%. Similar to export receipts, the import payment also saw a rise in its value during 2021. The import payment was USD 60.17 billion versus the previous year's import payment of USD 41.14 billion. The import payment rose by 46.26%.
- The remittance inflow increased even amidst the pandemic in the year 2021. The remittance growth was, however, marginal in comparison to the rise in export and import. The government continued to provide the 2% bonus for all remittance inflows. The volume of inward remittance was USD 22.07 billion during the year 2021 which was USD 21.74 billion in 2020 i.e. marked a rise of 1.52%.



# President and Managing Director's Review

## Major Priorities We Followed In 2021:

- Ensuring genuine recovery from rescheduled and stay order loans and recovery of written off loans.
- Emphasize on regular monitoring of loan accounts to restrain deterioration to overdue and SMA.
- Emphasis was given to increase MSME (Micro, Small and Medium Enterprise), Agri and Retail loan portfolios to ensure efficient distribution of capital.
- Ensuring quick disposal of credit proposals at Corporate Office level and vigorous monitoring to ensure fastest disbursement from branch level complying with all logical sanction terms.
- Liquidity management was the most critical priorities for the year 2021 as in the backdrop of sluggish investment demand but liquid money market arbitrage earning was the main resort of profitability upkeep.
- Mobilizing low cost and no cost deposits throughout the years.
- Promoting financial inclusion for the unbanked people and remain pioneer in inclusion of grassroots level people through Agent Banking, Post Office Banking networks.
- Efficient Capital Planning under the preview of risk return trade-off for smooth expansion of business

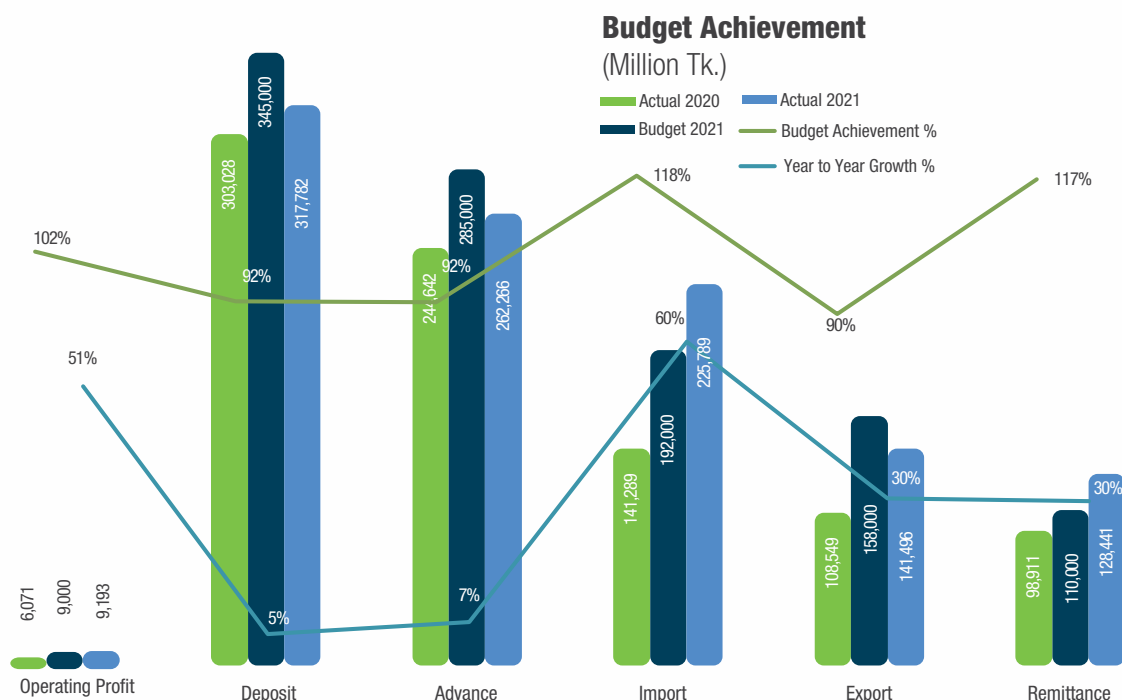
## Performance Highlights

2021 was the year of continued delivery for the Bank, with successful strategy execution, enabling the bank to achieve strategic objectives

set out in the year. This resulted in a solid financial performance, with continued business momentum and balance sheet growth.

During the year 2021, the bank generated operating profit of Tk. 9,192.53 million with a growth of 51.42% and the net profit stood at Tk. 2,706.74 million, registering 32.96% growth. This was mainly supported by net interest income with a growth of 77% to Tk. 5,639.88 million. This happened due to lower cost of customer deposits which reduced by 15% YoY. By improving bank's deposit mix, we offered loans at highly competitive rates without compromising profitability. The ratio of high cost, low cost and no cost deposit stood 43%:33%:24% which was 48%:29%:23% in the previous year. In addition, increase of Non-Interest income by 48.11%, better return from investment income of Tk. 6,848.33 million, remarkable recovery from written-off loans of Tk. 287.43 million and better tax management were the major contributing factors of strong profitability. The Bank could also improve its ROA to 0.64% and ROE to 9.89% which were 0.53% & 7.81% respectively in the previous year. The bank was also able to restrict loan classification to 5.14% in 2021.

1 new sub branch were added to the total network and 84 employees were added to human capital. These combined effects caused the operating expenditure to grow by 5.53% in 2021 over 2020. The salary expenditure increased by 9.43%, rent and tax by 9.14% and other expenditure by 1.87%. The major portion of other expenditure was donation, scholarship and other CSR program of Tk. 247.45 million.



# President and Managing Director's Review

## Business

The deposits of Bank Asia stood at Tk. 317,782 million registering a moderate growth of 5% and on the other hand, loans and advances stood at Tk. 262,267 million with a growth of 7.20%. The import business of the bank stood at Tk. 225,789 million, registering 59.81% growth, whereas export was Tk. 141,496 million with 30.35% growth. In the year 2021, the total inward remittance was Tk. 128,441 million, posting a positive growth of 29.86%. In terms of budgetary achievement, the Bank performed well in most areas; deposit by 92%, loans and advances by 92%, operating profit by 112%, import by 118%, export by 90% and inward remittance by 117%.

## Subsidiaries of Bank Asia Limited

The Capital Market witnessed some records in a row in 2021. The benchmark index- DSEX created new peak of 7,410 on October 10, 2021 since inauguration of the DSEX in 2013. This year, the market return was 25.08%. In accordance with this trends, Bank Asia Securities Limited (BASL), a majority owned subsidiary company of the Bank, made operating profit of Tk. 354 million in 2021, whereas, the amount was Tk. 52 million in 2020. In alignment with the bullish trend of the market, BASL advanced and maintained its position to the 10th of DSE's Top - 20 list in terms of daily turnover throughout the year. The number of total active clients reached to 11,626 in December 2021, which was 9,985 in December 2020.

One of the foreign subsidiary exchange house companies, namely, BA Exchange Company (UK) Limited, posted operating loss of GBP 25,390 in the year 2021. The UK was under mandatory national lockdown during half of 2021 which severely impacted economic activity of the country and affected the performance of the exchange house. BA EXPRESS USA Inc, another foreign subsidiary exchange house company, posted operating profit of USD 107,382 in 2021.

## Business Segment & Delivery Channel

Bank Asia's business book and operation is diversified in four major areas:

**Conventional:** Bank Asia delivers conventional banking services through 129 branches, 4 SME service centers and 7 number of sub branches across the country.

**Islamic:** The bank offers Islamic banking services through 5 Islamic windows. All conventional branches also provide Islamic Banking services through online SALAMAH desk.

**Off Shore:** The bank caters to foreign currency financing services through its off shore banking unit in Chittagong.

**Agent Banking:** The bank provides Agent Banking services through 4,898 agent outlets in 64 districts across the country.

## CSR

Bank Asia has always been aware of its Corporate Social Responsibility (CSR) and worked with an aim to act as a catalyst for change. We strive to become a socially responsible corporate entity contributing towards better quality of life of the society at large without compromising ecological conditions. During the year 2021, Bank Asia spent an amount of Tk. 247.45 million on CSR which covered a vast area of education, health and other under privileged sectors for the overall betterment of the nation.

## Strengthening Capital Base

For managing the overall risk exposure of the Bank, our primary focus has always been to strengthen our risk management policy with a strong internal control system. Bank Asia ended the year with a strong capital base maintaining Capital to Risk Weighted Ratio (CRAR) of 15.72% against the minimum BASEL III roadmap requirements of 12.50%. To support the business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank Roadmap, Bank Asia has also taken decision for issuance of bond for 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 received consent from both Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). This capital will be added to bank's Tier-1 capital.

## Non-Performing Loan (NPL) Management

One of the core business priorities of Bank Asia is to curb non-performing loans by maintaining quality assets. With our continued aim to ensure quality portfolio growth, we managed to contain Non-Performing Loans (NPL) to 5.14% in 2021. Bank Asia's credit approval process and policy has been framed to unveil and assess the unforeseen inherent risk so that assets quality does not deteriorate in the long run. Additionally, early warning system has been emphasized so that precautionary action can be taken against vulnerable assets. Above all, proper monitoring and strong recovery drive from branches and corporate office have been intensified to maintain the quality of the assets of Bank Asia.

## Credit Rating

The credit rating of the Bank in 2021 for long term was AA2 and for short term was ST-2. For the last four consecutive years, Bank Asia has been able to maintain this satisfactory and steady credit rating.

## Awards & Accolades

2021 was a successful year for us and we received numerous prestigious awards and recognition from both local and international bodies. Bank Asia always believes in abiding by strict and fair governance practice across the organization and maintaining a strong ethical discipline in banking operations which has been validated and applauded over the years.

Bank Asia has been awarded with the overall winner among the SAARC countries for Best Presented Annual Report by SAFA (South Asian Federation of Accountants), as well as awarded with the 1st prize (Winner) for private sector banking institutions category and also for Corporate Governance category.

Alongside these, ICAB (Institute of Chartered Accountants of Bangladesh) awarded Bank Asia 1st position under Corporate Governance Disclosures category, 2nd position under Private Sector Banks category and 3rd prize under Integrated Reporting Category.

NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia awarded Bank Asia with "Gold Rank" in Asia Sustainability Reporting Rating 2021 for our Sustainability Report 2020.

Bangladesh Bank, Central Bank of Bangladesh, ranked Bank Asia as one of the Top 10 Banks in Sustainability Rating 2020.

# President and Managing Director's Review

## Strategic Plans for 2022

We expect the Bangladesh economy to continue its post Covid -19 recovery in 2022. However, strong worldwide demand, coupled with rising energy prices (particularly natural gas), will cause inflation. The rising import cost and dwindling inflow of remittance causing depletion of the country's Forex reserve. The foreign exchange market is already unstable and the pressure on FC exchange rate may mount further. The geopolitical instability stemmed from the Russia-Ukraine war might have adverse impact on the country's export volume as well. With lifting of deferral on loan repayment by the Central Bank, the commercial banking sector may struggle to manage the health of loan portfolio. However, as the economic activities are picking up, we are expecting that the demand for credit will increase. Based on that backdrop, the bank will also pursue the following strategic priorities to achieve the goals:

- Loan recovery and regularization of classified and nonperforming loan (NPL) will remain our topmost priority. Strong supervision, follow-up and monitoring of classified and NPL accounts will be ensured for recovery of loans. We will give special emphasize on recovery of our written-off loans this year. Both legal and non-legal measures will be pursued to this endeavor.
- Fresh lending to the industrial and services sectors.
- Emphasize on increasing SME and Retail loan portfolio.
- Focus on mobilizing adequate deposit, especially no cost and low cost deposit.
- Bringing more remittance leveraging on our large distribution channel.
- Digitization of banking services to improve customer experience and reduce operating cost.
- Focus on increasing non-interest income along with focus on cost discipline.
- Investment for employee welfare, employee training, skill development.

By ensuring unrelenting focus on our valued clients, we enter 2022 with a new hope, with a sense of anticipation. Our commitment to build a "better tomorrow" is reflected in our financial results and underpins our investments for the future — in our bank's growth potential as well as in our communities as we strive to foster a more inclusive, sustainable economy.

At the end, I would like to express my sincere thanks to our customers who continue to put their trust in Bank Asia Limited. I also want to thank my colleagues for their commitment and relentless efforts. I also appreciate the guidance and strategic advices from our experienced and prudent Board of Directors. And, finally to our shareholders, I reiterate our commitment to implement our business strategy and ensure delivering sustainable earning growth in line with our noble vision of being a part to build poverty free Bangladesh.



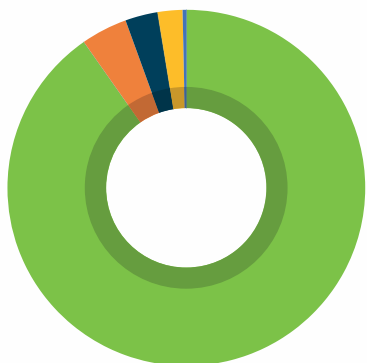
Md. Arfan Ali

President and Managing Director



# Segment Analysis

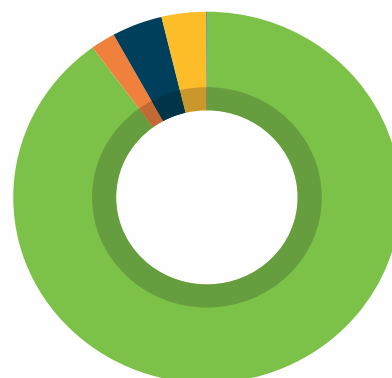
## Bank Asia Consolidated



### Operating Revenue

(MillionTaka)

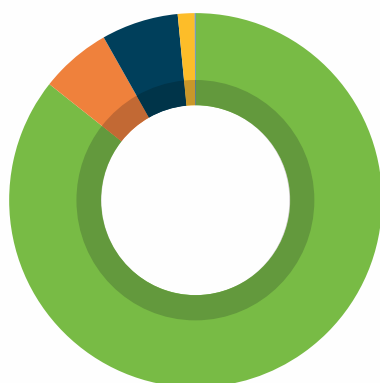
Conventional **27,238**  
 Islamic **1,266**  
 OBU **890**  
 Local Subsidiaries **674**  
 Foreign Subsidiaries **101**



### Profit before tax

(MillionTaka)

Conventional **8,592**  
 Islamic **197**  
 OBU **404**  
 Local Subsidiaries **354**  
 Foreign Subsidiaries **6**

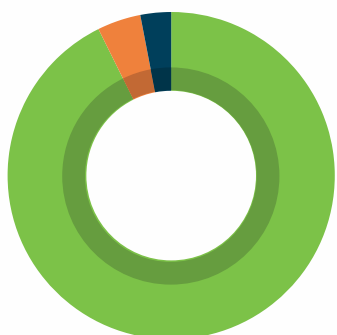


### Total Assets

(MillionTaka)

Conventional **381,244**  
 Islamic **27,382**  
 OBU **29,668**  
 Local Subsidiaries **6,506**  
 Foreign Subsidiaries **344**

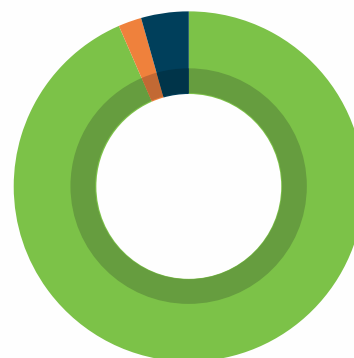
## Bank Asia Solo



### Operating Revenue

(MillionTaka)

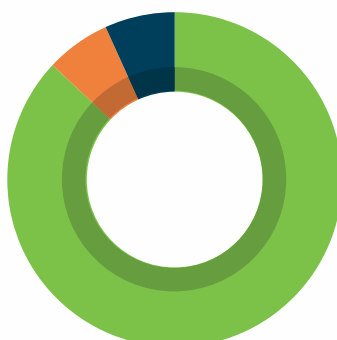
Conventional **27,238**  
 Islamic **1,266**  
 OBU **890**



### Profit before tax

(MillionTaka)

Conventional **8,592**  
 Islamic **197**  
 OBU **404**



### Total Assets

(MillionTaka)

Conventional **381,244**  
 Islamic **27,382**  
 OBU **29,668**





# **DIRECTORS'** **REPORT**



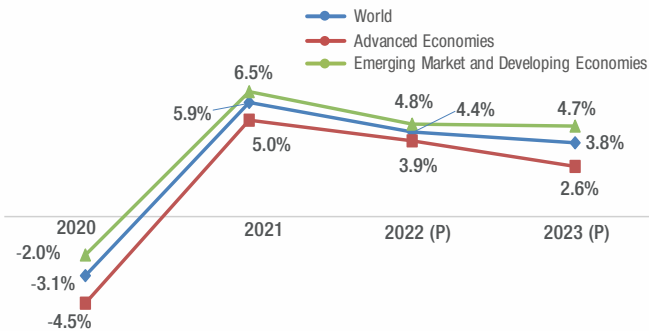
# World Economy

## Introduction

The global economic growth is estimated at 5.9% in 2021 from -3.10% in 2020 but now in 2022, it is expected to be 4.4% which is also expected to be slowed to 3.8% in 2023. A strong spring recovery in 2021 resulted in a rebound in GDP. Economists attribute the recent rise in consumer prices to a variety of factors, including supply chain breakdowns, labor shortages, and a sudden surge in spending following widespread lockdowns during the COVID-19 pandemic. As of December, 2021, the inflation rate has risen dramatically in advanced economies, emerging markets, and developing economies. According to the most recent Labor Department data, the CPI has climbed to 7% in 2021 which was the highest for the last 39 years in the history of U.S.A. But it has been comparatively steady in low-income countries. There had been a catastrophic hit in the labor market in 2020 which it has not recovered yet. Unemployment around the world still remains below the pre-pandemic era. Despite supply chain issues, global trade has been restored to pre-pandemic levels. Trade, capital flows, and global internet traffic have returned to, or even surpassed, pre-pandemic levels.

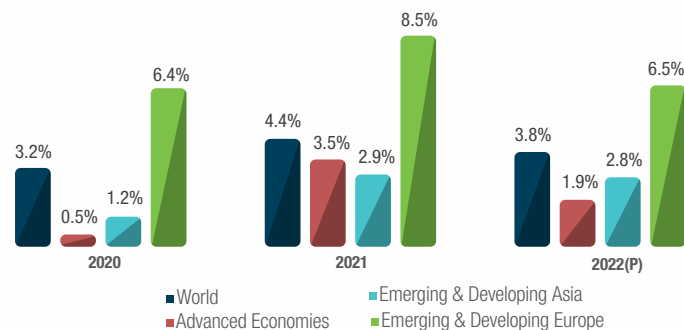
## Global GDP growth:

After the downfall of 2020, GDP growth rate globally bounced back in 2021 and is expected to remain moderate in the coming years. As the pandemic hit, the growth was negative for both advanced and developing economies. But then, the world started to adopt the new normal for which, at the third quarter of 2021, world trade increased which led to bounce back the GDP for almost all the industries.



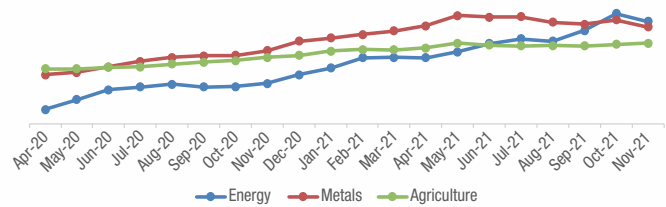
## Global Inflation:

Currently, inflation is a burning issue of the world as USA is at its all-time high. On the other hand, few countries like China has controlled their inflation rate. But the bigger picture calls for high inflation rate. For emerging economies in Asia, the inflation rate reached a massive height of 8.5% in 2021 and for advanced economies it was 4.4%. These numbers are expected to moderate in the future but for Asia, the rates will still be dramatically high.



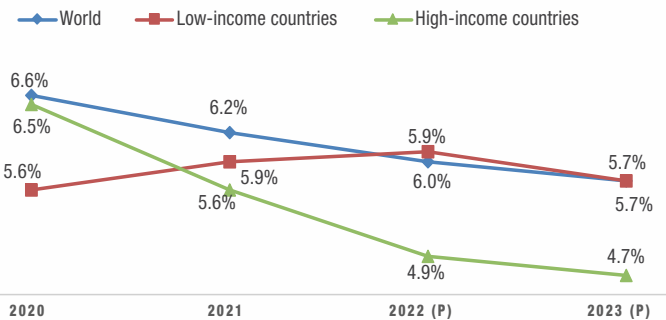
## Global Commodity Markets:

As the chart shows, the commodity prices of energy, agriculture, metals, and precious metals are rising at an exponential figure. After facing a heavy decline due to the covid19 pandemic, the crude oil prices have recovered their price and now traded above \$100 per barrel which is the highest over last 14 years. Metal prices suffered decline in the beginning but later on, it recovered rapidly due to China's revolutionary industrial activity which was at its all-time high on May 2021.



## Global Unemployment Rate:

The global unemployment rate in 2021 was 6.2% approximately 214 million unemployed workforces which is expected to decrease in the coming years. Although the unemployment rate is expected to increase for low-income countries in 2022 but then it will stabilize from 2023. For lower-middle-income, upper-middle income, and high-income countries, the unemployment rate is projected to be in a decreasing order in 2022 and 2023.

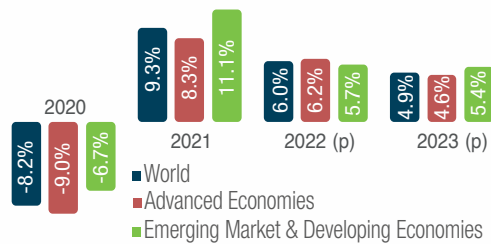


## Global FDI

According to UNCTAD's World Investment Report 2021, global FDI flows are expected to bottom out in 2021 and recover some lost ground with an increase of 10% to 15%. According to the report, global FDI flows fell by 35% in 2020 to \$1 trillion, down from \$1.5 trillion the previous year. Lockdowns caused by the COVID-19 pandemic slowed existing investment projects worldwide, and the prospect of a recession prompted multinational enterprises (MNEs) to reconsider new projects. The decline was heavily skewed towards developed economies, where FDI fell by 58 percent. FDI inflows into developing economies were relatively resilient, falling by 8%. Developing economies, particularly the least developed countries (LDCs), experienced more modest recovery growth. The rebound growth rate of FDI in 2021 is likely to repeat in 2022.

## Global Trade Volume:

World merchandise trade volume is estimated to grow 10.8% in 2021 before moderating in 2022 and 2023. Later on, this volume fell 0.8% in the third quarter of 2021, following four consecutive quarters of strong growth, as supply chain disruptions, shortages of production inputs, and



rising COVID-19 cases weighed on trade growth. The cross-border trade in services, particularly tourism, is expected to remain restrained.

**Global Economic Outlook:**

The covid-19 pandemic is not over but the world economy is now more robust. As the new omicron variant emerges, it has disrupted supply chains which interrupted the recovery of the pandemic with newer challenges. Moreover, Russia-Ukraine conflict has added new uncertainty and created pressure on supply chain which generates high inflation.

**Major Challenges for upcoming days:**

1. International travel is still operating below pre-pandemic levels and it is still expected to continue for a while.
2. Huge inflationary pressure across the world especially in Europe and USA due to Supply-demand mismatches. In USA Inflation rate exceeded 7% at January, 2022 which is the highest over last 39 years. Similarly, in UK Inflation rate reached to 5.4% in January, 2022 which is the highest over last 30 years.
3. Due to the Russia-Ukraine conflict there had been severe sanctions put on Russia to create a deep economic recession. But this economic fallout will be felt globally as the sharp price increase of oil and metal will increase the cost of everyday items from food to petrol.
4. Unequal access of Covid-19 vaccines is a major obstacle is reviving the global economy. Only slightly more than 7% of people in low-income countries received the vaccines,

compared to more than 75% in high-income countries.

5. At least for the next two years, employment levels are expected to stay significantly below pre-pandemic levels. Labor force at United States and Europe remains at historically low levels.

**Opportunities for upcoming days:**

1. Commodity prices climbed to a higher rate, with metals, coal, crude oil, and natural gas all seeing significant increases. Crude oil prices increased around 80% on average to \$80 per barrel. Food prices increased by 22% in 2021, reaching their highest level in a decade which indicates business activities are increased significantly.
2. The recent inflation rise has been due to the pandemic and global supply chain disruption. But it is expected to fall to 3.8% in 2022 and will stabilize further based on the forecasts made on the second half of 2021.
3. After the shrinkage of 2.7% in 2020, the global investment grew by 7.5% in 2021 which is expected to rise further. However as public investment grows, deficit will rise leading governments to phase-out the extraordinary assistance they have been giving throughout the pandemic.
4. According to the baseline scenario of World Economic Situation and Prospect 2022, global trade in goods and services will increase by 5.7% in 2022, following an 11% increase in 2021.

Source: World Economic Outlook October, 2021 & January 2022



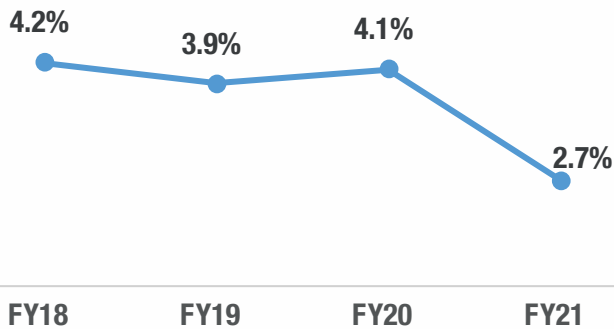
Board of Directors at 22<sup>nd</sup> AGM

# Bangladesh Economy

The year 2021 started with the challenges to spread-out the pandemic situation. However Gross Domestic Product (GDP) growth rate of FY 2021 is 5.47% from 3.51% in FY20 and the expected GDP growth for FY 2022 will be 6.6% which is in satisfactory position compared with other South Asian countries. This year country did not suffer much from any severe setback. The export stood at USD44,222 million from January to December in 2021 whereas in 2020 it was USD 33,647 million indicates exports growth reached at 31.43%. In the same way the import stood at USD 67,905 million from January to December in 2021 while in 2020 it was USD 46,237 million which shows import growth is 46.86%. Foreign Remittance stood at USD 22,070 million in the year 2021 which was USD 21,739 million in 2020 indicates 1.52% growth only. Similarly, banking sector saw 10.11% growth in private sector credit growth, which is the highest than previous years. Foreign exchange reserve is also increased to 46 billion in December 2021 and per capita income rose by USD 327 in fiscal year 2020-2021 to USD 2,554 from USD 2024 in FY 2019-2020. During 2021, Dhaka Stock Exchange (DSE) posted a decade high daily turnover stood at 14.71 billion on an average in 2021 up by 127% year on year. The economy was also facing some challenges such as: inflationary pressure, non-performing loans, widening current account deficit, and a distortion in the interest.

## Agriculture Sector:

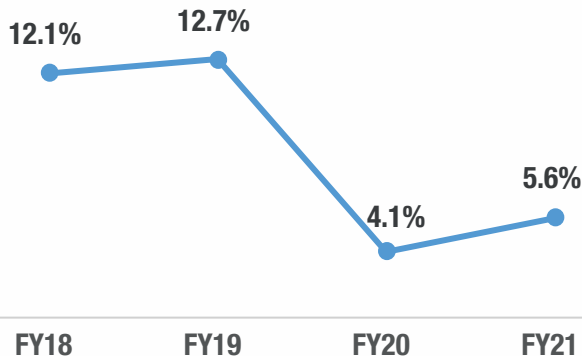
Agriculture sector contributed 9.90% of GDP and growth of this sector moderated from the base of 4.10% in FY20 to 2.65% in FY21. The growth was mainly supported by the growth of fishing, forest related



services and animal farming sub sector.

## Industry Sector:

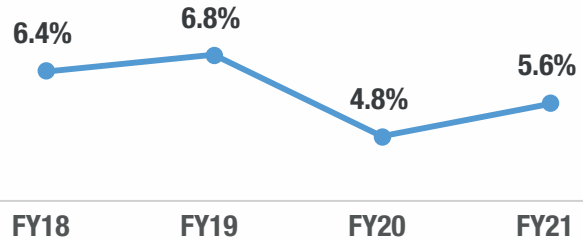
Industry sector contributed 35 percent of GDP and grew by 5.6 percent in FY21, higher from 4.10 percent in FY20. This growth was mainly supported by the growth of manufacturing and Electricity, Gas and water supply and construction sector has increased comparatively. As a result of post COVID-19 situation, both large and medium, and small scale industrial sub-sector increased by 5.17 percent from the previous fiscal



year to 6.56%.

## Service Sector

The service sector contributed 52 percent and it has the largest share of GDP. In FY 2020-21, the share of broad service sector in GDP stood at 51.53 percent. Service sector grew by 5.6 percent as compared to



4.8% in previous fiscal year.

## FISCAL OUTCOME

### Expenditure

The total expenditure in the revised budget for FY21 amounted to Tk. 5,389.83 billion, which is 17.46 percent of GDP. Operating

BDT Billion



expenditure in revised budget for FY21 targeted at Tk. 3,23,6.88 billion (10.48% of GDP).

### Revenue Collection

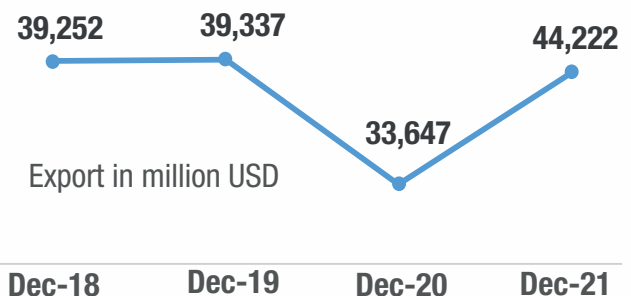
In the revised budget for FY 21, total revenue receipt targeted at BDT 3,515.32 billion, which was 11.39% of the estimated GDP. Tax revenue from non-NBR sources at 150 billion which was 0.49% of GDP and non-tax revenue at 355.32 billion which was 1.15% of GDP.

### External sector

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

#### Export

After the adverse effect of COVID-19 pandemic, foreign trade of Bangladesh has started to return to a positive trend. The export stood at USD 44,222 million from January to December in 2021 whereas in 2020 it was USD 33,647 million indicates exports growth reached at 31.43%. During this period, commodity-wise growth of export earning shows that, export earnings from almost all the products have increased

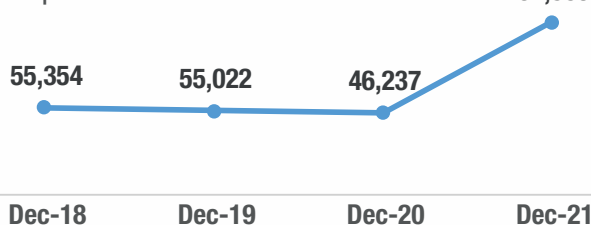


compare to the last year. The government has taken several steps as an incentive in the export sector. In order to encourage exports and export of commodities cash incentive is being provided to the exporters.

### Import

Import demand kept surging in the year 2021 underpinned by the reopening and revitalization of economic activities as vaccination continued. Country's total import payment stood at USD 67,905 million from January to December in 2021 while in 2020 it was USD 46,237 million which shows import growth is 46.86%. Among the intermediate items, import of RMG related intermediate goods witnessed 68.4

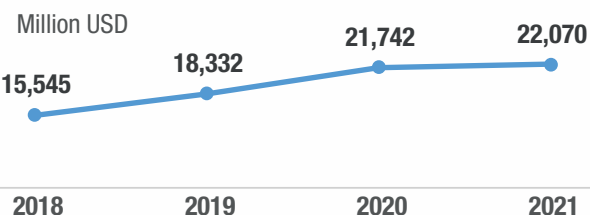
Import in Million USD



percent growth and iron, steel & other base metals grew by 74.5 percent, plastics and rubber articles thereof by 52.8 percent, chemicals by 17.2 percent, and crude petroleum by 105.6 percent in FY22.

### Remittance

Foreign Remittance stood at USD 22,070 million in the year 2021 which



was USD 21,739 million in 2020 indicates 1.52% growth only. Due to COVID-19 pandemic the global labor market has harshly affected because of low skilled workers. In FY 2020-21 is the highest share of remittance remitted from KSA which was 23.56%.

### Foreign Direct Investment (FDI)

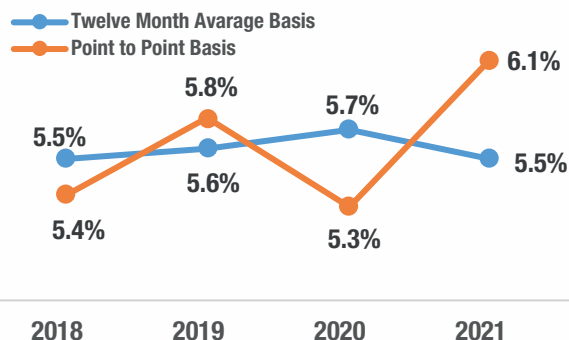
The rate of FDI inflow in Bangladesh is only around 1 percent of GDP, one of the lowest in Asia. Foreign Direct Investment in Bangladesh is expected to reach 1,550.00 USD Million by the end of 2021, according to Trading Economics global macro models and analysts' expectations.



### Balance of Payment

Trade deficit widened at USUSD 12,530 million at the end of 2021 compared to USUSD 5,046 million in 2020. Trade deficit rose by 148

percent in 2021, due to the higher import payment growth than export earnings and remittance receipt. However, current account balance deficit stood at USUSD 6,186 million compared to a USUSD 3,555 million surplus in the previous year. Overall balance recorded a deficit of USUSD 2,023 million compared to USUSD 5,067 million surplus in previous year.



### CPI Inflation

The twelve month average general CPI inflation was recorded 5.69 percent in December 2020 with gradually increasing by point to point basis during 2021. The CPI based average inflation declined to 5.54 percent (against the target of 5.4%) in December 2021 due to demand side pressure, policy drive.

### Exchange Rate

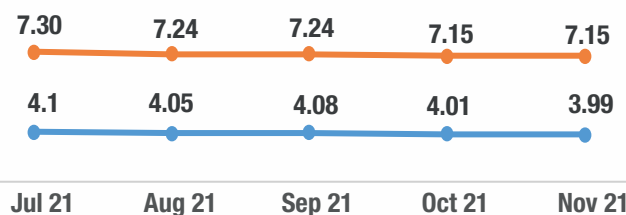
The annual average exchange rate stood at BDT 85.8 per USD at the end of 2021 against BDT 84.8 per USD at same previous year. Bangladesh observe overall 0.05% depreciation of taka against US dollar in July-April FY 2020-21 compare to that of the FY 2019-20. The weighted average inter-bank rate stood at Tk 86.20 per USD on March 27, 2022 which was Tk 84.80 per USD during same time of previous year.

### Monetary Policy

Broad money (M2) increased by 10.18 percent at the end of November 2021 as compared with 13.99 percent growth of the same month of the previous year. Growth of broad money (M2) was lower while credit to the private sector was higher in November 2021 than that of the same month of the preceding year. Reserve money increased by 11.91 percent at the end of November 2021 which was 20.68 percent at the end of November 2020.

### Interest rate movement:

The gap between lending and deposit interest rates (interest rate spread) viewed as measure of intermediation efficiency of banks has also been markedly narrowed. Monthly trends of weighted average lending and



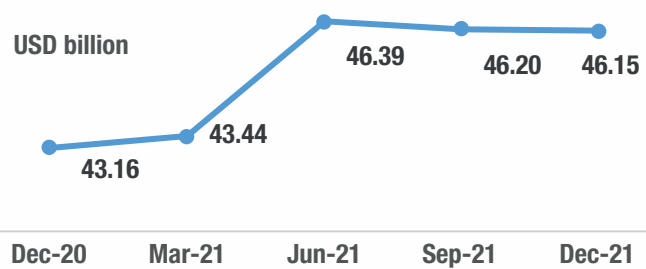
● Weighted Average Interest Rate on Deposit  
● Weighted Average Interest Rate on Advances



deposit interest rates of all banks suggesting that the reduction of lending rate was much sharper than the deposit rate. Available data indicate that the weighted average lending rate remain same from December 2020 to December 2021 while the weighted average deposit has come down 3.99 percent in December 2021 from 4.01 percent in December 2020.

**Foreign Exchange reserve:**

Foreign Exchange Reserves is another significant part for stabilizing foreign exchange market. Foreign exchange reserves are the foreign assets held or controlled by the central banks. It is an important indicator for gauging an economies' ability to absorb external shock. Foreign exchange reserve stood at USD 46.15 billion at the end of 2021 whereas USD 46.20 billion was in 2020. The current Foreign Exchange Reserve is sufficient to pay import liability of 8.45 months.



**BANGLADESH ECONOMY**

**Opportunities**

Economic opportunities of Bangladesh's Economy are -

1. Strengthening competitive business environment.
2. The banking system was more liquated, resulting in low interest rates.
3. Sufficient foreign exchange reserve tends to create opportunity of more investment/expenditure.

**Major Challenges**

Bangladesh economy now facing following major economic challenges. They are -

1. A continuation of higher rate of inflation,
2. The upward trend of foreign exchange rate and
3. High non-performing loans (NPL) in banking industry.



Business Meet 2021

# Banking Industry

## Exploring 2021

The year 2021 also witnessed the severity of the pandemic, particularly during the first half of the year. However, like the rest of the world Bangladesh also had to adapt to the “new normal”. Bangladesh Bank provided various supportive policies such as stimulus packages, reduction of CRR to keep the market liquid as well as supportive policies on restraining classified loans. All of these initiatives made the banking industry vibrant for significant non-funded business, inward remittance, and market liquidity. The CRR levels were maintained at 4% on a bi-weekly average basis with a minimum provision of 3.5% on a daily basis, continuing from the previous year. Bangladesh Bank has continued to maintain an expansionary and accommodative policy for the fiscal 2021-2022 period, with a view to supporting economic recovery process while maintaining appropriate caution for overall price and financial stability. The trade balance on the other hand decreased by about \$5 billion to (\$23.8 billion) in 2021 vs (\$18.6 billion) in 2020, caused primarily by a large rise in import payments.

### 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 2020-21 were the key steps of central bank to strengthen sustainable development of the banking industry.

### Monetary Aggregates

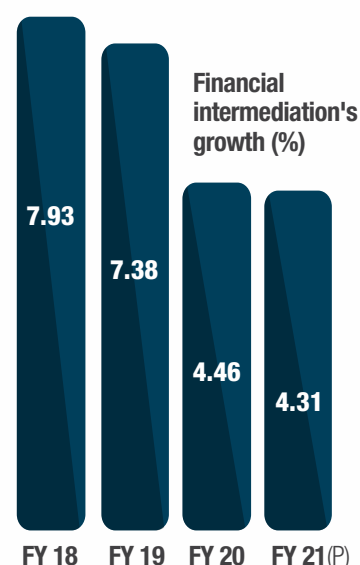
(y-o-y growth %)

Item	Actual			Program	
	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22
Net Foreign Assets	10.2	30.4	27.1	13.0	10.4
Net Domestic Assets	13.4	9.9	9.8	14.1	16.5
a) Domestic Credit	13.7	9.7	10.3	14.1	17.8
b) Credit to the Public Sector	53.4	17.2	21.2	30.6	32.6
c) Credit to the Private Sector	8.6	8.4	8.4	11.0	14.8
Broad money	12.7	14.3	14.3	13.8	15.0
Reserve money	15.7	21.3	21.3	14.0	10.0
Money multiplier	4.8	4.9	4.9	4.9	4.7

### Banking Sector of Bangladesh

In December 2021, the total deposit stood at Tk. 14,093,426 million 2021, an increase of 9.21% compared to the previous year. On the other hand, the total advances stood at Tk. 12,675,607 million which is a growth of 10.71% over the last year, creating a likelihood for asset liability mismatch. Reserve money stood at USD 46,154 million at the end of December 2021 against previous year's value of USD 46,391 million at the end of December 2020. The overnight call money rate stood at an average of 2.69% in December, 2021 which was 1.80% in December, 2020. The AD Ratio is again lowest for Foreign Commercial Banks (FCBs) which was 54.0% in September 2021.

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 0.48% and 7.21% respectively in 2021 as compared to 0.57% and 5.32% respectively as recorded in 2020. The banking industry has maintained a provision of Tk. 661.4 billion against required provision of Tk. 723.5 billion, marking a shortfall provision of Tk. (62) billion as of September 2021. At the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for banking industry was 11.22%, the CRAR for the private commercial banks, state banks and foreign banks was 13.09%, 6.25% and 27.1%, respectively.



(In Billion)

Types of Bank	No. of Banks	CRAR% (Sep'21)	Deposit Growth % (Sep'21)	Advance Growth % (Sep'21)	AD Ratio (Sep'21)	NPL Ratio (Sep'21)	CL In Billion (Sep'21)
State owned bank (SCB)	6	6.25	21.6	14.7	54.8	20.07%	440.2
Specialized banks (DFI)	3	-34.31	22.0	10.2	70.5	11.44%	37.0
Private banks (PCB)	43	13.09	9.1	9.9	80.2	5.47%	507.4
Foreign Banks(FCB)	9	27.1	4.3	7.4	54.0	4.12%	26.9
<b>Total</b>	<b>61</b>	<b>11.22</b>	<b>12.3</b>	<b>10.7</b>	<b>72.1</b>	<b>8.12%</b>	<b>1,011.50</b>

\* Bangladesh Bank Quarterly. (July-September 2021), Monetary Policy Statement(Fiscal Year 2021 -2022) P= Provisional

# Review of operations of Bank Asia in 2021

The world as a whole had to suffer a lot due to the Covid-19 pandemic but the situation started to overcome from 2021 resulted from vaccination across the world. Like world economy, Bangladesh economy also witnessed rebound of economic activities. Import, export and investment gained momentum. Government has continued various supportive policies to make the economy vibrant. In 2021, Bank Asia shown remarkable performance in business parameters as well as in profitability. Operating profit of the bank increased to Tk. 9,193 million having growth of 51% over previous year. This remarkable growth is mainly attributed to reduction of cost of deposit from 4.95% to 3.94%, i.e. reduced by 101 basis points. Yield on advance of the bank decreased by 0.07% in 2021 and reached at 7.61% from 7.68% that resulted in increase of spread by 0.94% from 2.73% to 3.67%. Bank's total assets reached Tk. 438,293 million in 2021 compared to Tk. 408,961 million in 2020 with a growth of 7.17%. Deposit reached Tk. 317,782 million compared to Tk. 303,028 million with a growth of 4.87% and Loans and advances was 7.20% higher than the preceding year and stood at Tk. 262,267 million. Bank's import increased remarkably by 60% and stood at USD 2,620 million in 2021 against USD 1,632 million in 2020. Export increased by 30% and reached USD 1,642 million which was USD 1,261 million in the previous year. Inward remittance in 2021 showed

a remarkable growth of 29% and reached USD 1,509 million compared to USD 1,167 million in 2020. Net profit after tax of the bank stood at Tk. 2,707 million having growth of 33% over previous year. Policy support by Bangladesh bank for deferral payment of Covid affected clients and Bank's initiatives on loan recovery helped the Bank to restrain CL ratio to 5.14% in 2021. The Bank is standing on sound footing where strong capital base is playing a key role for smooth business growth. This strong capital base of Tk. 41,370 million helped the Bank to maintain a very satisfactory Capital to Risk Weighted Assets Ratio (CRAR) of 15.72%.

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 129 branches, 7 sub-branches, 4,898 Agent outlets, 4 SME service centers, 5 Islamic windows, 198 own ATMs with more than 12,000+ 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 (shortly as C&LL), the major strategic business division of Bank Asia Limited, has long been serving industry leading corporates of Bangladesh through satisfying their varying financing needs with versatile products/services, thus contributing towards the inclusive economic growth of the country. C&LL finances businesses/industries in the likes of power, construction/infrastructure, steel, cement, ceramics, food and beverage, pharmaceuticals, paper and packaging, trades, services etc. In principle, C&LL originates clients with fund based exposure above Tk.200 million and/or total exposure above Tk.300 million.

For functional efficiency, Corporate & Large Loan is segmented into General Corporate Finance Wing 1 and Wing 2, Syndication & Structured Finance Unit, Islamic Finance Unit and Monitoring Unit. C&LL also arranges need based supply chain finance and FCY facility (through the Bank's OBU and in collaboration with foreign partner Banks) for its corporate clients.

As of end of 2021, loans and advances of Corporate & Large Loan stood at Tk.126,603 million (around 48% of total loans and advances of the Bank). C&LL also managed to handle import business of Tk.101,070 million in 2021 registering a hefty growth of around 54% when businesses suffered due to the successive waves of COVID-19 pandemic.



Bank Asia financed pharmaceutical production facility of Opsonin Pharma Limited

### Major Achievements for C&LL in 2021

- Originated 34 new customers including some industry leaders and arranged approval for aggregate fresh facility of Tk.26,180 million.
- Arranged approval for fresh/enhanced facility of Tk.38,640 million in favor of existing customers.
- Regularized classified and stressed loans amounting Tk.5,750 million.
- Strengthened customer relationship management from Corporate Office in support of the Branches.

### Notable New Customers Originated by C&LL in 2021

During 2021, Corporate & Large Loan extended, among new others, working capital support of Tk.1,100 million to Opsonin Pharma Limited. and allied concerns, project loan of Tk.2,600 million to Spectra Solar Park Limited, project loan of Tk.3,550 million to Manikganj Power Generations Limited and project loan along with working capital support of Tk.1,550 million to Runner Automobiles Limited.



## EXPORT FINANCE



**Green Transformation Fund**  
Euro **4.60** Million in 2021

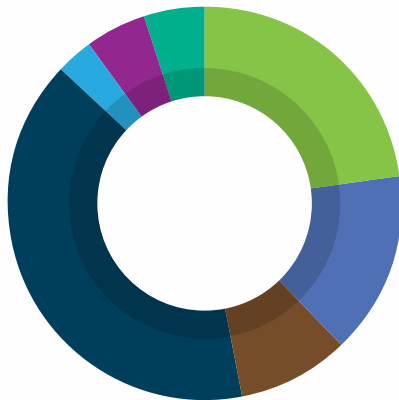
Export Finance Department of Bank Asia Limited is always playing an active role in promoting the foreign currency earners of the country and the asset growth of the Bank. Besides assisting the branches to book and nurture its business, the team also maintains centralized relationship with the customers. Experiencing a lot of uncertainties amid the ongoing Covid-19 pandemic, export sector of the country specially its RMG Wing came back well in 2021, taking the financial and policy supports of the banks and government. Bank Asia's active participation in all the financial stimulus package of the government to fight the impact of Covid-19 pandemic continued last year. Timely adjustment of extended loan and commitment was ensured to avoid creation of any distress situation.



**Export Finance**  
BDT In Million **51,556**  
Growth **13%**



*Textile project under Green Transformation Fund of Bangladesh Bank.*



### Nature wise Export Finance

as on 31.12.2021  
in million

- Knit **23%**
- Woven **15%**
- Sweater **9%**
- Textile/Spinning **40%**
- Dyeing **3%**
- Jute/Leather **5%**
- Accessories **5%**

We secured approval for refinancing of Euro 4.60 million in 2021 under Green Transformation Fund of Bangladesh Bank in favor of 02 customers in recognition of sustainable financing initiatives of Bank Asia Limited for the export oriented industries.

Total outstanding Funded Loan portfolio of Export Finance Department (including Islamic exposure) at the close of business as on 31.12.2021 was about 20% of total Loan portfolio of Bank achieving 100% of its Loan target. Total export volume of the Bank in 2021 showed 30% growth over last year in line with 32% growth of country export in 2021. With the concerted efforts, our exporters are doing better and they have already reached to the pre-pandemic level of export.

## SYNDICATION & STRUCTURED FINANCE



**Investment in Power sector**  
Tk. **4,238** million

Bank Asia's Syndication & Structured Finance Unit [SSFU] provides unique and innovative financial solutions to the clients in Power, manufacturing, RMG & Textiles, Cement, Refinery, Ceramics, Pulp & Paper, Telecom, Steel, Construction, and Financing in Economic Zone, Offshore Financing, Bridge Financing, ECA covered Financing and Investment in Alternative Products etc. The Unit also provides working capital financing for sector of business and industries based on their nature of operation.

SSFU acted as the lead arranger & agent raised 23 different Syndicated deals since year 2000. The Unit is also supporting Bank's corporate customers in the form of Project Term Loan, Short Term Loan & other

facilities in establishing new projects or in BMRE Projects. SSFU also provides agency and other ancillary services to the customers in a structured way. As of December, 2021; Syndication funded exposure was of Tk. 14,242 million.

Bank in the meantime has created its brand image in the market through financing almost all the big corporate houses of the country. In the year 2021, Bank Asia Ltd. as a Lead Arranger and Agent arranged Syndicated Term Loan of Tk. 2,898.00 million for Bhairab Power Ltd. for setting up a 54.50 MW HFO based Power Plant at Bhairab, Kishorgonj having total Project Cost of Tk. 4,498 million. And, SSFU also extended project loan of Tk. 3,550.00 million under syndication for Manikganj Power Generations Ltd. for establishment of 162 MW Power Plant at Singair, Manikganj.



*54.50 MW power generation facility of Bhairab Power Limited*



## CMSME BANKING & AGRI/RURAL CREDIT

**Bank Asia achieved honorary certificate from Bangladesh Bank in recognition of outstanding performance under CMSME stimulus loan disbursement.**



CMSMEs are playing a vital role for the country's accelerated industrialization and economic development, employment generation and reducing poverty. Bank Asia is serving CMSME clients through Branches, SME/Agriculture Service Centers along with Agent outlets around the country.

### Cottage, Micro, Small & Medium Segment Enterprise Financing

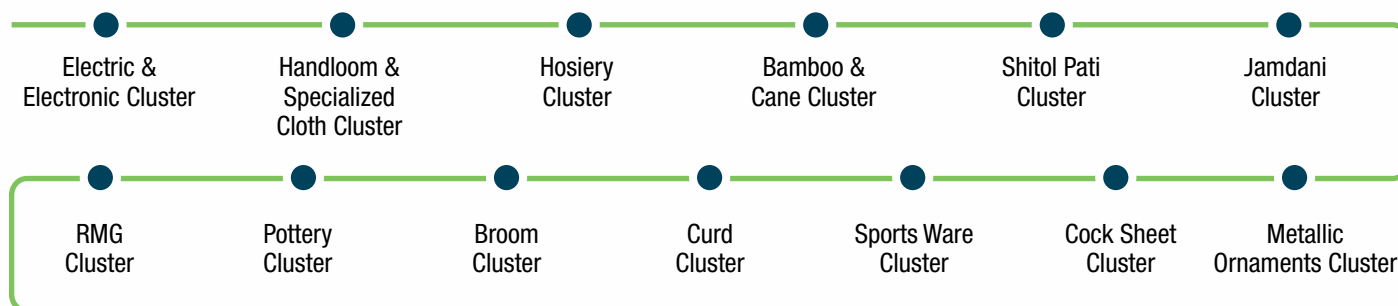
Bank Asia successfully achieved CMSMEs stimulus disbursement target, including sector wise disbursement criteria set by Bangladesh Bank in FY 2020-2021. Ensuring inclusive & sustainable economic growth through CMSE development with special focus on women entrepreneurship development we introduced cluster based financing which has been playing as a role of catalyst in the growth of cottage and micro segment in the country. Besides, we have been organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts.

### Initiatives in the year of 2021

- Launched 2 new products titled "Goti" - revolving demand loan to meet working capital requirement and "Nirontor" - Secured Overdraft facility against cash collateral to meet short term cash flow requirement for entrepreneurs under CMSE segment.
- Introduced Agent Centric Business Model for smooth CMSE loan disbursement through Channel Banking.
- Signed Agreement with SME Foundation regarding government's New Stimulus Package aiming to ensure credit facilities at low interest rate to the eligible and potential SME entrepreneurs affected due to COVID-19 around the country.
- Participated in Cheque distribution program among entrepreneurs of CMSMEs under New Stimulus Package of SME Foundation at Ministry of Industry.
- Organized 19 trainings for officials and entrepreneurs in 2021.

### 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.



- Participated in "9th National SME Product Fair-2021" organized by SME Foundation.

### Loan Disbursement under CMSME Stimulus Package:

Bank Asia has disbursed BDT 373.14 Crore to the CMSMEs under the Stimulus Package implemented by Bangladesh Bank against target of BDT 300.00 Crore in FY 2020-2021. In this connection, Bangladesh Bank has handed over an honorary certificate to the managing director of the bank in recognition our efforts.

However, in 2021, there was another fund under Stimulus Package implemented by SME Foundation under which BDT 27 Crore was allocated for Bank Asia Limited in order to disburse among the COVID-19 affected CMSMEs i.e. SME sub sectors, clusters, groups, areas including women entrepreneurs who could not avail any credit facilities under previous stimulus package. Ensuring prompt services we have successfully disbursed the entire amount duly to the rural and marginal CMSMEs around the country.



*Cheque distribution Program under Stimulus Package of SME Foundation*

### CMSE Loans through Online:

As first financial institution in the country, Bank Asia introduced TAB/PC based digital CMSE & Agri proposal processing. From the very beginning, we have approved 23,500 credit proposals amount to BDT 14,450 million through Diganta (OCAS, CMSE), an online credit approval system up to 31st December 2021. Moreover, several training sessions were arranged for the officers and agents of the bank on Online Credit Approval System (OCAS) in order to facilitate credit approval system smoothly throughout the year.

### Financial Highlights of 2021

- The Cottage, Micro and Small Enterprise portfolio stood at Tk. 13,090 million compared to previous year's Tk. 10,533 million with a growth of 24.29%
- 5,171 new CMSE borrowers were added to the CMSE portfolio in 2021 with a volume of Tk. 3,792.78 million

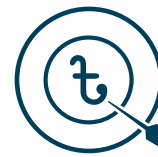
## AGRICULTURAL/RURAL CREDIT



**Total Disbursed Amount**  
Tk. **3,869** Million



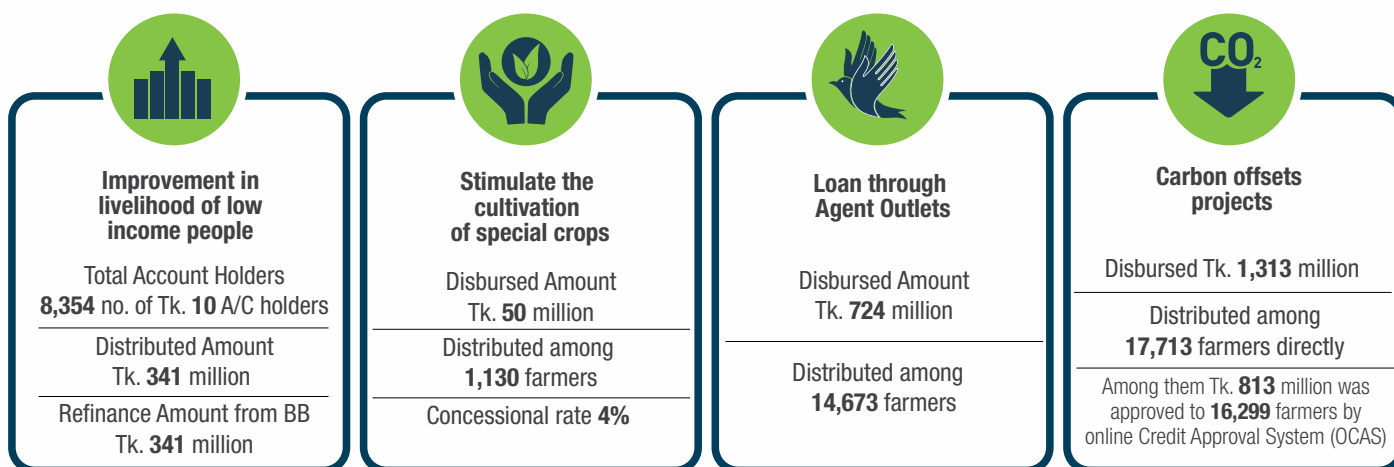
**Beneficiaries**  
**72,519** farmers



**Bangladesh Bank Target Achievement**  
**102%** against total target of Tk. **3,790** Million

Bank Asia Ltd. is trying to bring the low income groups in financial inclusion by providing adequate Agricultural/ Rural credit since long and successfully contributing in this most driving sector of Bangladesh every year. In the FY 2020-2021, Bank Asia also has a good continuation in target achievement of Agri/rural credit disbursement.

Besides target achievement in Agricultural/Rural credit, Bank Asia emphasis to extend credit facilities with the following contemporary thoughts in 2021:



### Status of Agricultural/rural Credit

Million Taka

Particulars	Direct Network	Indirect Network	Total
Disbursement (01.01.2021-31.12.2021)	1,313	4,740	6,053
Outstanding (As on 31.12.2021)	3,951	874	4,824
Number of Beneficiary	17,713	78,618	96,331

### Create Awareness & skill development:

We have arranged total 25 no. of training program whole the year 2021 among the 500 no. of executives, Officers, AROs, Agents and CSOs to create awareness and development of their skills.

### 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 through Syngenta, Heifer & World Fish.



Loan disbursement program at special rate of 4%



Crop field financed by Bank Asia Limited

### MID-SEGMENT ENTERPRISE FINANCING



**Loan Outstanding**  
Tk. **27,773** Million  
Growth **12%**



**New Client Origination**  
Tk. **4,646** Million  
to **110** Clients

Mid-segment Enterprise focus mainly the medium-size corporate clients who plays vital role in our economy. This segment also includes medium size business of SME as defined by the Bangladesh Bank. This is a priority segment of Bank Asia Limited. Our bank has set its first step into centralization of relationship function through Mid-segment Enterprise. Presently a cluster in Sylhet comprising 07 nos. branches and a zone in Chittagong Zone comprising 20 nos. branches are working for strengthening the relationship functions centrally. Formation of more clusters is in the process to ensure maximum geographical coverage.

From the beginning of pandemic, Bank Asia was very much vigilant on the adverse impact of Covid on the business. Mid-segment Enterprise is showing a sustainable growth every year. The ME portfolio holds almost 11% of our bank's portfolio. We have on boarded 110 nos. of new clients comprising Tk.4, 647 million in the year 2021 in the ME portfolio. Our plan is to grow the portfolio through different distribution channel like Branches, Zones/Clusters, and Agent Points etc. throughout the country and gradually shifting concentration from large corporate business to mid-segment business in days to come.

### CREDIT ADMINISTRATION

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

#### Departmental Activities in 2021:

- Systemized 426,950 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 377,745 nos. of documents against 32,719 nos. borrowers.
- Visited 45 branches on Saturday for minimization documentation lapses
- Reviewed 169,521 nos. of Past due, SMA & Expired loan accounts for regularization.
- Regularized 435 nos. of deferral documents through monitoring of all branches.
- Downloaded 109,491 nos. of CIB reports against 55,172 nos. of borrower.
- Uploaded 199,148 nos. of accounts through online system for CIB reporting purpose to Bangladesh Bank.

- Correction of CIB database of 3,817 nos. borrowers from Bangladesh Bank:
- Submitted 336 nos. of statements to Bangladesh Bank and other bodies (monthly/quarterly /half yearly/yearly through conventional and RIT after checking.

#### Development & Automation in 2021:

- Piloting e-DMS- Document Management System project.
- Developed separate module for implementation of Collateral/Security Information database against loans and advances as required by Bangladesh Bank.
- Piloting CIB report generation automation process.
- Conducted 10 nos. of Training (Virtual) with 500+ participants and 02 nos. of workshop

#### Automation Planning for 2022:

- Implementation e-DMS- Document Management System
- Automation in limit setting in Core Banking System (CBS).
- Automation in CIB report generation.
- Implementation of digitalization of SOD loan management process under branch delegation.
- Develop system to input phase by phase loan disbursement to avoid full disbursement at a time.
- Digitalization of regulatory statement
- Visited 50 branches for reducing documentation lapses as well as to minimize credit related operational lapses.
- Online / offline training & workshop.

## SECTORAL DISTRIBUTION OF CREDIT

The Bank's loans and advances to Tk. 262,266.31 million achieving a growth of 7.20%.  
Sectorwise distribution of loans and advances is as follows :

Million Taka

SL. No	Sectors/Sub-Sectors	2021		2020	
		Million Taka	% of Loan	Million Taka	% of Loan
1	Agriculture	5,936.20	2.26%	9,523.20	3.63%
2	<b>Industries</b>				
	Food Manufacturing	12,275.80	4.68%	11,149.60	4.25%
	Beverage industry	227.10	0.09%	467.40	0.18%
	RMG industry	38,369.20	14.63%	27,559.50	10.51%
	Textile industry	29,541.50	11.26%	21,329.80	8.13%
	Wood cork and allied products	49.60	0.02%	40.20	0.02%
	Furniture and Fixture	383.40	0.15%	199.80	0.08%
	Paper and paper products	4,939.50	1.88%	6,734.30	2.57%
	Leather and leather products	2,036.10	0.78%	2,195.00	0.84%
	Rubber products	2,409.60	0.92%	2,206.50	0.84%
	Chemical and chemical products	1,122.40	0.43%	585.30	0.22%
	Basic metal products	8,583.40	3.27%	8,353.30	3.19%
	Electrical machinery and apparatus	3,519.80	1.34%	6,269.90	2.39%
	Other manufacturing industries	23,190.51	8.84%	21,787.10	8.31%
	Ship building	4,730.40	1.80%	4,614.90	1.76%
	Ship breaking	1,749.20	0.67%	1,386.60	0.53%
	Pharmaceutical	3,611.00	1.38%	2,290.20	0.87%
	<b>Subtotal Industries</b>	<b>136,738.51</b>	<b>52.14%</b>	<b>117,169.40</b>	<b>48.14%</b>
3	Constructions	9,489.20	3.62%	5,359.20	2.04%
4	Power, Gas, Water and Sanitary Services	9,459.50	3.61%	6,558.80	2.50%
5	Transport, Storage and Communication	1,964.10	0.75%	1,423.90	0.54%
6	Trade Services	46,140.10	17.59%	48,065.20	18.33%
7	Housing Services	19,312.40	7.36%	16,076.00	6.13%
8	Banking and Insurance	3,128.80	1.19%	4,427.40	1.69%
9	Professional and Misc. services	30,097.50	11.48%	34,609.40	13.20%
	<b>Total</b>	<b>262,266.31</b>	<b>100.00%</b>	<b>244,642.00</b>	<b>100.00%</b>



## CREDIT RISK MANAGEMENT DIVISION

Understanding its pivotal role for mitigating potential credit losses, Credit Risk Management (CRM) Division always strives for excellence in its underwriting standard. With the unfolding of different business challenges such as COVID-19 pandemic, price fluctuation, widening trade deficit, pressure on currency, geo-political issues, and rising inflation etc., effective management of credit risk while securing additional business is very essential. CRM Division would focus to mitigate credit risks of the businesses which have been badly hit by pandemic. One of the top priorities would be introducing recovery plan from the borrowers whose payment has been deferred by regulatory forbearances. In 2022, CRM shall be focusing on faster disposal of credit proposals, expanding digital platforms, loan to CMSME & Agri Sector, combating money laundering, Green Financing etc. On top of that, exercise will remain continue to become one of the compliant banks in the industry.

### MAJOR ACHIEVEMENTS IN 2021:

#### Loan disbursement through Agent Banking:

Loan disbursement through agent banking has gained momentum. As of Dec 2021, loan disbursed Tk.7,886 million thorough agent outlets and loan outstanding stood at Tk. 1,643 million. There are around five million customers receiving different services under agent outlet now

#### Continue disbursement of stimulus packages for various sectors:

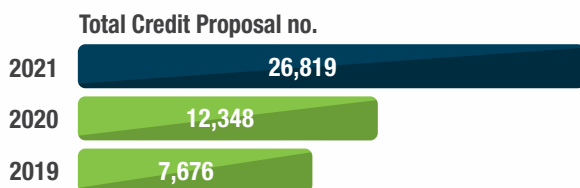
To cater government generous policy for salvaging battered businesses and employment, credit facility under stimulus packages has been rolled out for customers of different portfolio and the division helped to expedite disposal of proposals to meet customer's urgent fund requirement. Achievement against target of Stimulus Packages is below:

Million Taka	Agri	C&LL/EFD	MSME
Target set by Bangladesh Bank	2,710	9,850	4,750
Loan Disbursed	2,770	9,770	5,838

\* Excess disbursed amount was approved by Bangladesh Bank subsequently

#### Technology driven platform for quick disposal of credit proposals:

The division adopted technology driven loan processing platform and utilizes the platform to reach highest scale every day.



#### Management of Environment and Social Risk

Bank Asia has been rated as one of top 10 banks as per Sustainability Rating declared by Bangladesh Bank for the first time in 2021. Understanding responsibility of the bank in societal development and sustainability of business ecosystem, green and sustainable finance is monitored from the division. In this regard, minimum financing target is set each year by following Bangladesh Bank's policy and effort is being made to achieve the budget target within stipulated time.



### MAJOR CHALLENGES FOR 2022:

#### Stressed Asset Management:

Bank's stressed assets is hovering around 4.96% and restrain the non-performing assets down remains one of the top priorities. Efforts will continue to formulate strategies for identification of credit risks and mitigation strategies.

#### Price movement:

Fluctuating price of commodities and raw materials has become very common phenomenon after the pandemic and recent geo-political issues. As a largely import based economy of industrial and public goods, cautionary approach would be taken in financing relevant business.

#### Focus to combat Trade Based & Credit Backed Money laundering:

With the widespread use of technology and changing nature of business, money laundering has become very prevalent. To prevent illegal money flow while helping authentic business to grow, different techniques have been adopted and responsibilities have been divided according to delegation.

### ACTION PLAN FOR 2022

#### Revision of business delegation authority:

CRM officials working in six regions have been provided with business delegation for accelerating credit disposal and for better credit risk management. Delegation of approval authority shall be further reviewed time to time.

#### Full-fledged operation of Agent Centric Asset Business:

Though agent centric asset business is in operation for last couple of years, full dividend from Agent Centric loan disbursement has not been obtained yet. Therefore, asset booking through using Bank Asia's robust Agent Center's would be given priority. In addition, implementation of already developed score based loan approval for CMSE loan and automated sanction advice issuance would be ensured.

#### Strengthening monitoring mechanism of loan portfolio:

Regular and systematic monitoring would be strengthened for financing work order, export, projects/real estate, importers, CMSE and businesses of different commodities.

#### Focus on skilled manpower:

Prudent and expert employees are the core of any underwriting practice. Hiring of expert and experienced manpower is a top priority to bring desired outcome in reducing potential loan loss. Professional development of employees through training is always given additional emphasis towards excellent in underwriting practice.

#### Updating CRM policy guidelines:

Credit policies such as proprietorship financing eligibility criteria, credit commitment for contractor, post import financing policy, agent centric asset business, agent centric CRM policy has been developed and revision of existing policies is underway.

#### Regulatory compliance:

Sincere effort to comply with latest guidelines of the government such as AML & CFT issues, DVS verification for audited financials, compliance with single borrower exposure policy would be extended.

#### Diversification to avert concentration risk:

Averting credit concentration risk will be ensured through diversification of credit portfolio according to region, cluster, and business industry. In addition, Agent Centric Asset Booking would also help reducing credit concentration risk.

#### Extension of green and sustainable finance:

Target for Green and Sustainable Finance for 2022 is Tk.4,887.80 million and Tk.36,658.20 million respectively. Therefore, special focus would be provided to achieve the target.

# 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 2021 are delineated below.

## VAT

Effective management of VAT Audit

## Employee Fund Management

Total fund Tk. 4,565 mln

## Tax

- 1 year return submitted
- 1 year assessment finalized

## Bank Budget

**165**

Branches and Departments

- **3 National Awards**  
Annual Integrated Report 2020
- **4 International Awards**  
Sustainability Report 2020  
Annual Integrated Report 2020

## Business Conferences

- Performance analysis in comparison with the respective budget & growth of the branches, divisions, departments & units

## Financial Statement Regulatory Reports

**62**

## Tk. 5,000 million

Bank Asia 1<sup>st</sup> Perpetual Bond (Bank received approval from Bangladesh Bank & BSEC)

## Rating

- CAMELS Rating-half yearly
- Entity Rating-Yearly
- 3 Bonds Rating- Yearly

## CL Monitoring

- Tracking of CL movement
- Letters distribution to respective branch for necessary action

## Payment Processed

**17,506** bills

## MIS

- Monthly business unit wise performance tracking 1000+
- Monthly profitability analysis- 12
- Daily position -260
- Daily co-ordinator wise report -260

## Regulatory Reporting-ISM, FPM, & CDLC Reporting

- **40** reports to Bangladesh Bank
- Provided daily support to branches under ISM reporting
- Conducted 2 trainings regarding ISM

## Investment

- Fresh Investment Tk. **1,662.66** mln
- Total Income Tk. **490.11** mln

## Interest Rate Monitoring 40 peer banks

- Market Deposit and advance rate analysis
- T-bill , T-bond rate analysis
- Monitoring of Product wise deposit inclusion –exclusion

## 10 Publications

(annually-semiannually-quarterly)

### Finance

- Budget Preparation based on commanding areas potentiality and Variance calculation
- Monitoring & Control
- Financial Forecast
- Financial Analysis
- Individual Employee Deposit Budget

#### Financial and Strategic Planning

- Supervision of integrated information
- Individual field wise and branch wise monitoring of performance parameters
- Supervision of Central Database for Large Credit

#### ISM, FPM & CDLC Reporting

#### Financial Reporting

- Quarterly, semi-annual and annual Financial statements (solo & consolidated)
- Regulatory reporting to Bangladesh Bank, DSE, SEC, CDBL & others

#### Capital Planning & Management

- Implementation of Basel-III capital accord and reporting to Bangladesh Bank and management
- Capital planning and capital raising
- Successfully raised Tk. 5,000 million as Bank Asia subordinated Bond

- AIR 2020
- Sustainability Report 2020
- Corporate Outlook 2020-21
- Business Review 2021
- Half Yearly business review 2021
- Quarterly Financial Statement

### MIS

#### MIS-Database Management

- MIS database management, system development and maintenance
- Providing data for preparation of Financial Statements, major regulatory reporting, management reporting, budgeting and other divisional reporting
- Sensitivity, movement and potential analysis on major business parameters along with industry growth for decision-making and strategy setting
- Branch wise performance tracking with budget
- Monthly performance review of bank's different business units

#### Publications

#### Awards

### Financial Control

- Yearly Tax planning, return submission, and provision
- Attend hearing with tax officials and face Tax/VAT audit
- Monthly VAT/Quarterly Tax Return Submission
- Tax and VAT Deposit to Govt. ex-chequer

#### Tax & VAT Planning and Management

- Payment scrutinizing
- Monthly operating expenses analysis and monitoring
- Cost optimization mechanism development

#### Financial Control Process

#### Employee Fund Management

- Investment and fund management
- Facilitate final settlement
- Financial statement preparation

#### Investment & Capital Issue

**ICAB National Award:**  
2<sup>nd</sup> position - Best Presented Annual Report  
2<sup>nd</sup> position - Corporate Governance category  
3<sup>rd</sup> position - Integrated Report category

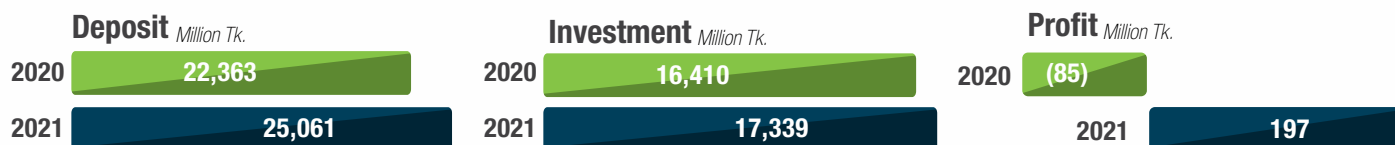
**ICSB National Award:**  
Bronze award for Corporate Governance Excellence

**SAFA International Award:**  
Winner - Private Sector Banks  
2<sup>nd</sup> Runner Up - SAARC Anniversary Award for Corporate Governance Disclosures

**Sustainability Award:**  
Gold Rank award by NCSR & ICSP

- New capital issue (Bond) & Management of operation
- Facilitate final settlement
- Formation of Investment Committee
- Feasibility analysis of all investment offers of Bonds, Preference Shares, Mutual Fund and Pre-IPO private placement
- Own portfolio management/activities
- Regular supervision of functions of Bank Asia Securities Ltd., BA Exchange UK and BA Express USA

## ISLAMIC BANKING



Bank Asia launched Islamic banking operations in 2008 with the slogan “Purity is your dividend”. This year Islamic Banking has celebrated the 13th anniversary of its services.

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.

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. All modern services like Visa Debit Card, SMS Alert, Internet Banking and Mobile App usage are also available for Islamic customers.

Furthermore, since 2017, Islamic agent banking services have been extended to all districts across the country under the agent banking framework. All of these Islamic services and businesses are managed using completely different software and accounting, investment and fund management systems.

### KEY ACTIVITIES IN 2021

#### Introduction of new products

- Approved new products for Export Finance Business
- Adopted new financing products for Agri and Poultry Sector

#### Training & others

- 27 training programs for officials and Agent owners (Physical & Online)
- Hajj Pre-registration operations continued

#### Online Islamic Banking

- Investment : BDT 2,664 million apart from Islamic windows
- Deposit : BDT 12,403 million with 28,490 accounts through branches excluding Islamic windows

#### Islamic Agent Banking

- 2886 outlets covered for Islamic Agent banking
- Agent Banking Deposit : BDT 3,720 million with 173,141 customers
- Financing through Islamic Agent Banking: BDT 26.19 Million

## BRANCH OPERATIONS DIVISION

Branch Operations Division (BOD) played pivotal role during Covid-19 period by providing prompt decision on Branch Opening, implementing operational policies of Bangladesh Bank, recommending health and prudential measures to keep safe and regular Banking services.

### New initiatives in 2021:

#### e-KYC

BOD with the help of ICT, has launched e-KYC platform in 2020 and formally inaugurated in 2021. This is a secured platform through which any Bangladeshi having NID can open his/her Account alone without physical visit at Branch.

#### School banking product

Launched school banking product namely ‘DURONTO’ under conventional banking platform.

#### System Modification

Processed 2,340 no. of different A/C information related modifications in I-STELER following Banking regulation.

#### Feedback queries on Social Media

Provide feedback on customer queries related to General Banking operation in social media.

#### Account opening Form

BOD finalized and sent categorized 4 types of 2 pages account opening form to all Branches as per instructions of Bangladesh Bank.

#### Artificially Intelligent Workforce

A robotic process, to verify NID of customers from EC server and till date verified over 50,000 customer.

#### Regularization of Dormant Account

Regularized more than 4,400 dormant account in 2021 under BOD’s supervision

### Upcoming projects

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

- Account Opening Approval without NID
- Sanchaypatra operation
- Account Opening Form archive

Central Account Opening Unit	No of Account
Central Account	5,679
e-KYC	1,867
Omni channel	9,877
Bulk Account	15,411

*Million Tk.*

Sanchaypatra	Volume
Sanchaypatra Issue	6,270
commission earned	51
claim payment	2,786

Customers complaint handling	94
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# GROUP TREASURY OPERATION

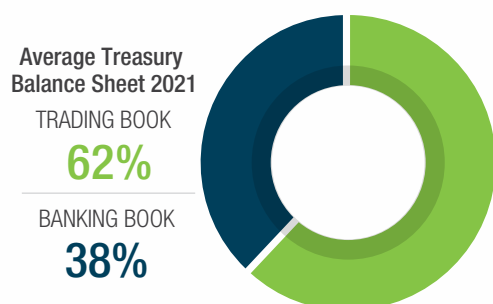
Group Treasury in 2021 contributed significantly in earning as well as risk management capacity which ultimately paved the way for a strong capital base and solid footing for further growth of the bank. Year 2021 was an exceptional year marked with recovery drive and fight back initiative by both the economic stakeholders and policy makers. Nevertheless, the fresh wave of pandemic hit again the country like previous year which ultimately obstructed various economic overhauling measures in private and public sectors. Like previous year, the central bank made a wide range of policy interventions. During the period, surplus money supply position influenced the term structure of interest rate Treasury played an important role by identifying and measuring risks and hedging balance sheet risks using various financial tools for maximizing profit for bank and at the same time upholding the strong CAMELS rating. During 2021, surplus money supply position influenced the term structure of interest rate. Ample amount of local currency fund, deferral of accepted liabilities created unprecedented challenge for Bank to manage its balance sheet risks and earn throughout the year.

## 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.	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.

## TREASURY BUSINESS & BALANCE SHEET SIZE IN 2021

Due to high surplus loanable fund and liquid interbank market, Treasury expanded its trading book almost double of its minimum requirement. Previous year, Treasury handled balance sheet on an average size for amount BDT 107,500 mln, however, in 2021, the average size of balance sheet is BDT 129,300 mln. At year end, Treasury Balance sheet size is BDT 148,666 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 very active throughout

the year and invested fund in primary & secondary market. Investment in treasury securities was based on duration gap, according to earning potential of interest income and capital gain opportunity. Treasury's focus was to utilize the loanable surplus fund and taking exposure in trading portfolio. In year 2021, 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

High volume of liquidity and lower expansion of business made our position liquid. This was the year of Balance sheet management rather than expansion. Deposit mix is now at solid position with majority of fund is low and no cost and also stable and sticky in nature. 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 now well compliant in all important ALM indicators such as ADR, LCR, NSFR, Commitment, WBG, MCO etc.

## FOREIGN EXCHANGE

Over the first three quarters of the year 2021 when the market was steady and liquid, Treasury was able to maintain a steady increase in exchange gain by taking advantage of the business growth of the Bank and the overall economy. At time of volatility which we experienced from the last quarter of 2021, treasury sensibly provided liquidity support to meet up Bank's LC/Non-Funded commitment and also earned substantial exchange gain by selling to the inter-bank market. As country was getting back to normalcy, volume of foreign trade, service and remittance increased rapidly. In the context of such prompt changes, treasury adopted critical strategy and 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 2022

- Managing FX position with optimal profitability
- Retaining High CAMELS Rating
- Enhanced bonding of Business & ALM
- Supporting Non-funded Business Growth
- Increasing Corporate Client Base
- Extending G-SEC investment window

## ACHIEVEMENT IN YEAR 2021

- DEEP AND VIBRANT PRESENCE IN FX-MM MARKET
- DIRECT DEALING WITH CORPORATE CLIENTS
- DEVELOPMENT OF ISLAMIC TREASURY PORTFOLIO
- INCREASED CORPORATE & HIGH NET-WORTH CUSTOMER BASE IN G-SEC WINDOW



## INTERNATIONAL DIVISION



**Import**  
USD **2,614** million

**Export**  
USD **1,575** million



**Remittance**  
USD **183** million  
(Through Payoneer)



**Foreign Correspondents**  
**670** in **87** Countries

**Foreign Guarantee**  
USD **188** million

**Nostro accounts 30**

### International Trade

International Trade is one of the challenging areas of banking operations yielding higher income for a bank. Globalization has made it very dynamic and risky to operate. With the growing number of customers and changes in the pattern of International Trade, the Bank provides one of the best quality services among the private commercial banks. Bank has a stretched and expanded global network reaching every corner of the world for extending every kind of foreign exchange services to the customers.

### Foreign Trade

In 2021, Import business of the Bank was USD 2,620 million (equivalent to Tk. 225,789 million) having remarkable growth of 61%. Total export business of the Bank in 2021 was USD 1,642 million (equivalent to Tk. 141,496 million) with significant growth of 30%.

### Online Payment Gateway Services Provider (OPGSP)

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 2021, we have earned remittance of US \$ 182.70 million (BDT 15,700 million) through 'Payoneer' which is about 30 % higher than that of 2020

#### Remittance through Payoneer *Million USD*



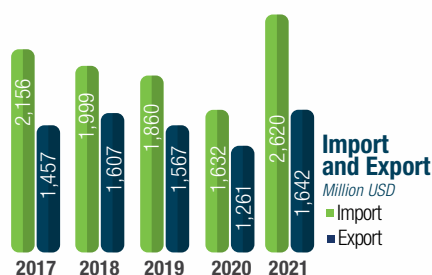
### Guarantees

In 2021, Bank Asia has capitalized a large amount of counter-guarantee which is about US\$ 188.00 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 2021, Bank Asia's correspondent relationship (RMA) stood at 670 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 2021, we have obtained funded line of US\$ 7.50 million, from Asian Development Bank (ADB) and total limit with IFC (Funded & Non-funded) is US\$ 105.00 million and ADB (Funded & Non-funded) is US\$ 30.00 million.

In 2021, Bank Asia has launched a special products on Factoring to finance export under Open Account Transactions. Accordingly, the bank



has signed the world renowned banks and financial institutions namely Deutsche Factoring Bank of Europe and Wells Fargo Bank, USA to act as import factor.

### Nostro Accounts

The Bank currently maintains 30 nostro accounts in major international currencies: US Dollar, Pound Sterling, Swiss Franc, Australian Dollar, Japanese Yen and Euro & Dollar accounts under Asian Clearing

### SWIFT Operations

Bank Asia has become 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 Up-gradation, GPI and PCS, SWIFT Sanction Screening etc.

### Some major Automation Works done by International Division

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

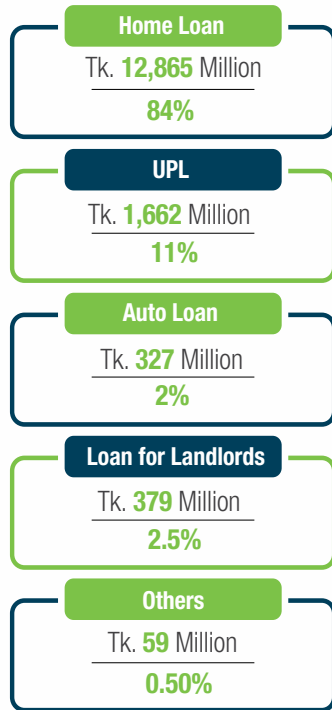
- Bulk Data Process for Bangladesh Bank Online and regulatory monthly reporting.
- Automation of Nostro A/c Reconciliation
- Automation of FEX Business Monitoring
- PRC Automation
- EDF Module up gradation
- Automation of Export Bill Discounting of OBU operations
- Implementation of New Bangladesh Customs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

### Offshore Banking Unit (OBU)

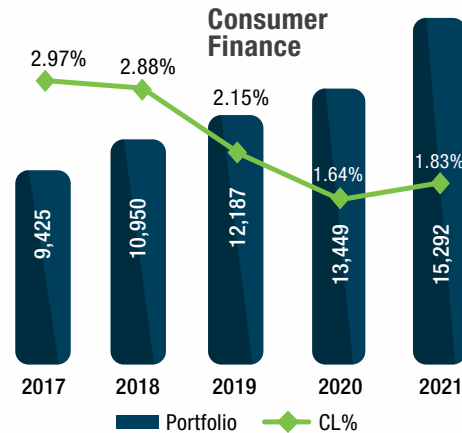
Bank Asia has a large offshore banking business with a portfolio of over USD 348 million to meet clients' financing requirements in FCY (Foreign Currency) satisfactorily. The Offshore Banking Unit (OBU) is a separate business unit of the Bank. It provides financing facilities (on and off-balance sheet 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 4.71 million in 2021.



## CONSUMER FINANCE



Consumer Finance deals with retail customers and offers Home Loan, Auto Loan, Personal Loan etc. Consumer Finance plays a vital role in overall portfolio of the Bank. Despite pandemic and stiff competition in the market, Consumer Finance has achieved a notable progress in 2021. Portfolio of retail loan is Tk. 15,292 million with classification of 1.83%. Consumer Finance strives to serve the nation through financial inclusion and to achieve sustainable growth with a vision to become one of the market leader in near future.



### Achievements in 2021

- Loan portfolio reached Tk. 15,292 million in 2021.
- Classification rate remains at 1.83%
- One of the leading position regarding Home Loan portfolio among Private Commercial Banks.
- Launching of new Product: Student Support Loan.
- 3,915 number of new clients originated in 2021.

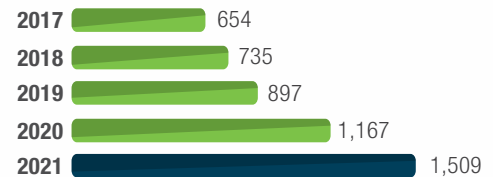
## FOREIGN REMITTANCE

In 2021, we have disbursed 2,337,340 no (approx.) of remittance for USD 1.51 million out of which 928,993 no of transactions done by freelancer for USD 166.89 million. Bank Asia specially focused on digital payment system. Low-income households, individual & corporate freelancers across urban and rural area of the country are benefited greatly from digital payment solution such as API and mobile apps based real time payment solution, mobile money, fintech services, and online banking.

Despite the COVID-19 pandemic, the progress of bank's cross-border remittance business has been boosted manifold and register 29% growth over the last year and ranked 5th position among the banks of the country and contribute 7% of the country wage remittance inflow. The economy of Bangladesh has been achieving more than 6% real GDP growth on average for more than a decade. Access to finance for the poor and rural people is the secret to promote inclusive economic growth and to eradicate poverty in the country. Bank Asia is the pioneer and prominent in financial inclusion through introducing Agent Banking model that help us to grow in cross-border remittance business.

### Inward Remittance

Million USD



**52**

Exchange  
House

**1,509**

Million USD

Remittance  
29% Growth



### KEY ACCOMPLISHMENTS IN 2021

**Onboarding Inpay A/S (Eurogiro):** By using latest API technology we have connected with Inpay A/S (Eurogiro), world number one postal payment network incorporated in Denmark, for collecting cross-border remittances from worldwide. "Inpay A/S (Eurogiro)" will connect us with postal organizations, Global Banks, Financial Services providers & Payment ecosystems over 70 plus countries. The product is worldwide commonly known as "PostalPay".

**API Integration with IMTOs' for real time payment:** Digitization of remittances payment system helps consumers to send and receive money without physically visiting money transfer location or bank, helping to mitigate the risk of catching COVID. We have integrated with some major existing partners, like Prabhu Money Transfer, MoneyGram International, Continental Exchange Solution DBA RIA Financial Services, Instant Cash FZE, National Bank of Ras Al-Khaimah (RAK bank), GCC Exchange UAE etc. through API that enable bank Asia customers to receive their remittance directly to their bank account in real time, 24/7.

## CARDS

Bank Asia Credit Card Department launched its commercial journey in the year 2006. Since then the department has passed couple of years with success and created a strong position in the competitive market of the country. Bank Asia Credit Card is offering various attractive value added services and diversified products for all range of customers. In recent years, Bank Asia Credit Card Department has become a major revenue generating hub.



### Credit Cards Performance

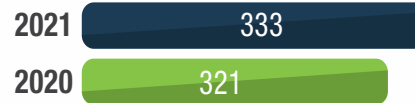
#### No. of Credit Cards



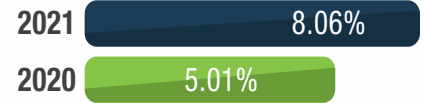
#### Loan & Advance Million Taka



#### Profit Million Taka



#### Classified Loan



### ACTIVITIES DURING 2021

#### 'Be My Guest' Campaign "Jungle Safari Return "

The most successful campaign of this year is "Be My Guest" sales campaign for all branches of Bank Asia where the remarkable number of 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

#### Inauguration of Visa/ Bangla QR Payment

Cards Department has introduced the latest technology of payment system "QR" based payment both for Visa Debit & Credit card. Quick Response (QR) payment will ensure convenient and secure payment by using your Visa/ Bangla Bank Asia QR through your phone. You can do any transaction scanning by Bank Asia Smart App instead of swapping your card in the POS. As it is a push transaction it will reduce the dispute and fraudulent risk of cardholder.

#### 0% Interest Easy Buy Partners

To facilitate the customers for purchasing product and payment through installment 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. This 2021, tie up brands with Bank Asia for Easy Buy offer is more than 26 merchant brands.

#### Buy One Get One Free (BOGO) Offer

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. 04 new merchants added in this year 2021.

**ভাষা দিয়ে  
বাংলা কিউআর  
নিয়ে এলো  
ব্যাংক এশিয়া**

এখন যাবতীয় কেনাকাটার পেমেট হবে সহজ ও নিরাপদে  
আপনার ব্যাংক এশিয়া ভিসা কার্ডে বাংলা কিউআর এর মাধ্যমে

বিস্তারিত জানতে কল করুনঃ ১৬২০৬ (২৪/৭)

**VISA** | **Bank Asia**



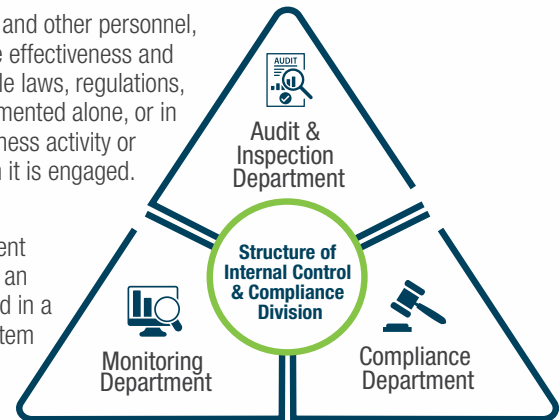
# INTERNAL CONTROL & COMPLIANCE

## 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 procedures, 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

Bank Asia Limited has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent audit mechanism in order to ensure that the Bank is managed and controlled in a sound and prudent manner. The bank identifies its weakness through internal control system and takes appropriate measures to overcome the weaknesses. 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).



## Audit & Inspection Department

Audit & Inspection Department performs its audit functions using risk-based internal audit methodology. The audit focus of the bank shifted from the full-scale transaction testing to risk identification, prioritization of audit areas and allocation of audit resources in accordance with the risk assessment. While focusing on effective risk management and controls, risk-based internal audit of Bank Asia Limited is not only offering suggestion for mitigating current risks but also anticipating areas of potential risk and playing an important role in protecting the bank from various risks.

As per approved Risk-based Audit Plan, the Audit & Inspection Department completed the audit and inspection tasks of 129 Branches, 05 Islamic Banking Windows, and 23 Corporate Office Divisions/Departments including subsidiaries and 70 Agent Point Outlets in 2021. Besides, ICT/IS Audits on 24 Branches & Corporate Office Divisions/Departments, Shariah Audit on 22 Branches and special Audit/Inspection on Anti-money Laundering issues of 16 Branches were also conducted.

## Compliance Department


The Compliance Department of the ICCD ensures timely and proper compliance (both internal and regulatory) with the relevant laws, regulatory instructions/circulars/guidelines and internal policies and procedures in banking operations. Actually, the 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 increased requirement of regulators. In the year 2021, the Compliance Department ensured compliance of 129 branches, 05 Islamic Banking Windows, and 23 Corporate Office Divisions/Departments. On the other hand this department submitted 121 compliance reports to the Bangladesh Bank against their 28 inspection reports. Furthermore, compliance tests were conducted on all 129 branches and 05 Islamic Banking Windows.

## Monitoring Department

The Monitoring Department of this division 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. In 2021, the Monitoring Department monitored 129 branches and 05 Islamic Banking Windows through 319 off-site reports. Besides, on-site monitoring was conducted on 16 Branches and a total of 412 exception reports on Control Tools were communicated with the Branches for compliance. This department also prepared the Bank's Annual Integrated Health Report. All monitoring functions are 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 internal audit of the internal control system of the bank. The significant deficiencies identified by the internal audit team are reported to the Audit Committee of the Board.



**Audit and inspection covers**

**129** Branches,  
**05** Islamic Banking Windows,

---

**23** Corporate Office Departments,  
**70** agent outlets



**Shariah Audit**  
**22** Branches



**ICT/IS Audits**  
**24** Branches and  
corporate office  
division/departments



**Monitoring**  
**319** offsite reports  
**412** exception reports

**Compliance Test**  
**129** branches  
**05** IBWs





## INFORMATION AND COMMUNICATION TECHNOLOGY

Bank Asia is always striving to deploy best technologies towards customer satisfaction and at present positioned as one of the leading tech savvy banks in the industry. Bank Asia aims to be a fully customer focused bank by rendering technology driven innovative products and services. The bank has taken various techno- initiatives in order to achieve the envisaged growth.

### Full Functional Active DR Site

Bank has established a Tier-3 standard Disaster Recovery (DR) site which is fully functional since August, 2021. We have successfully completed drill test on November 27, 2021 for network, Storage, Database and Application connectivity in different combinations to ensure Business continuity for branch banking operation (CBS only) through Disaster Recovery Site.

### Hyper Convergence Infrastructure (HCI):

ICT Division has successfully Implement HCI (Hyper Convergence Infrastructure) solutions on November, 2021 for Visualization Application Platform to implement different Application and API to ensure Business continuity for branch banking operation at DC (Data Center) and DR(Disaster Recovery) Site.

### Network Infrastructure development:

Bank Asia has deployed configured Routers, Firewalls, WAF, and Switches etc. to make DDR-Distance Disaster Recovery site operational and established VPN connectivity with all branches, booths, and departments. As a result, branches, booths and departments now connected with DDR and during any disaster at DC site, bank can run operation from DDR site using this network like DC. We have tested DDR

network drill test by running all branches operations using DDR network on November 28 to November 29, 2021.

**Next Generation Firewalls (NGFW)** deployed at DC site that increased the capacity by 50%.

**Deployed Web Application Firewall (WAF)** deployed that protects web related applications by filtering, monitoring and blocking any malicious HTTP(S) traffic traveling to the web application, and prevents any unauthorized data from leaving the app.

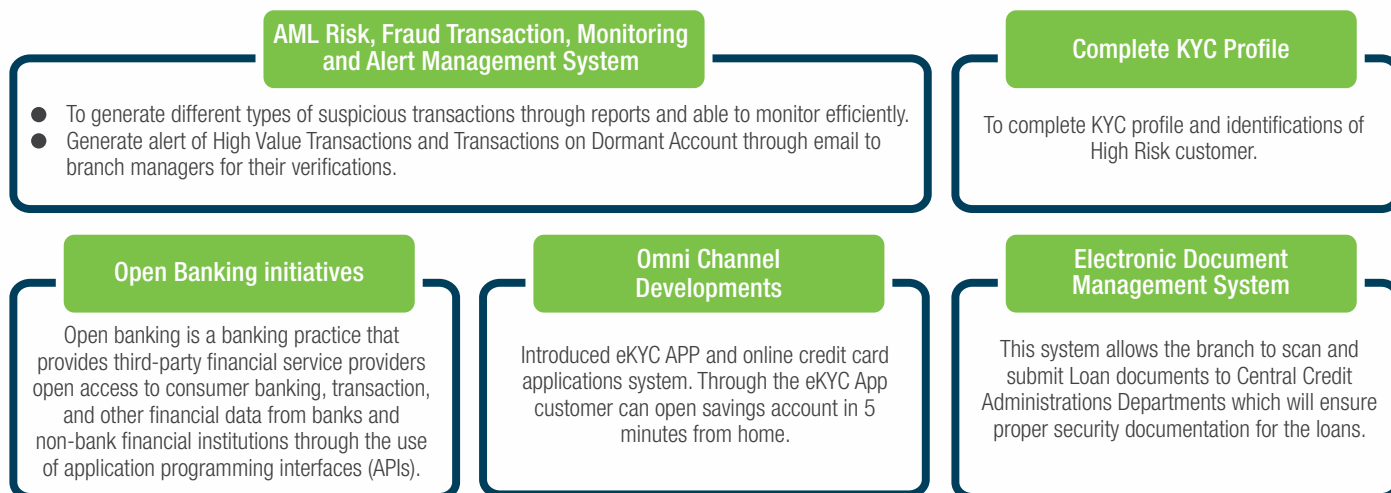
### Cyber Security Management

Bank Asia ICT Security team conducted training on the ISO27001:2013 Lead Auditor program, and 22 personnel achieved certification, which is one of the highest in the banking arena and also ISO 27001:2013 surveillance audit has been accomplished. This year we achieved 12th position on Cyber Drill 2021 for financial institutions conducted by BGD e-Gov CIRT. The Cyber Security Management team conducted an ICT Security Awareness program for the entire employee and visited 26 branches to review the in-place practices.

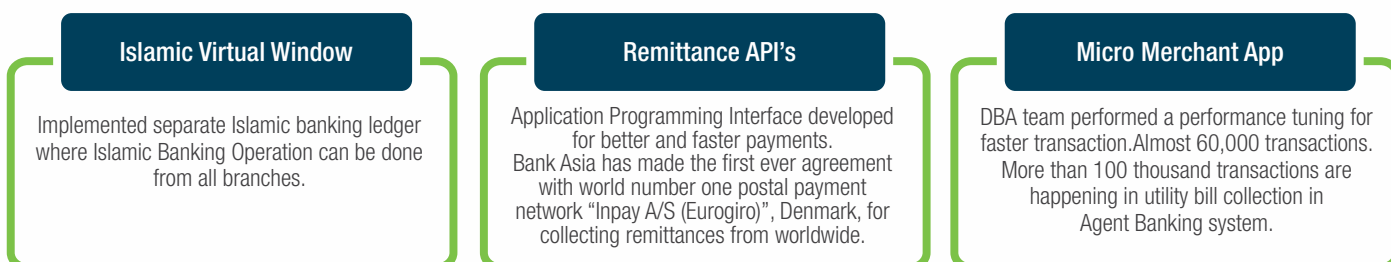
### Database Management System

DBA Team have installed and configured high availability Oracle Data Guard for Non CBS and Utility Database. DBA Team has configured Agent Banking report server in DC with T-1 data which was so much appreciated by Channel Banking business as it has reduced load of production system as well as and transactions are occurring smoothly. Performance tuning in MICR/BEFTN/RTGS Database helped to execute 700k Social Safety Net transactions and 20k remittance disbursement in a single day trough Agent Banking channel.

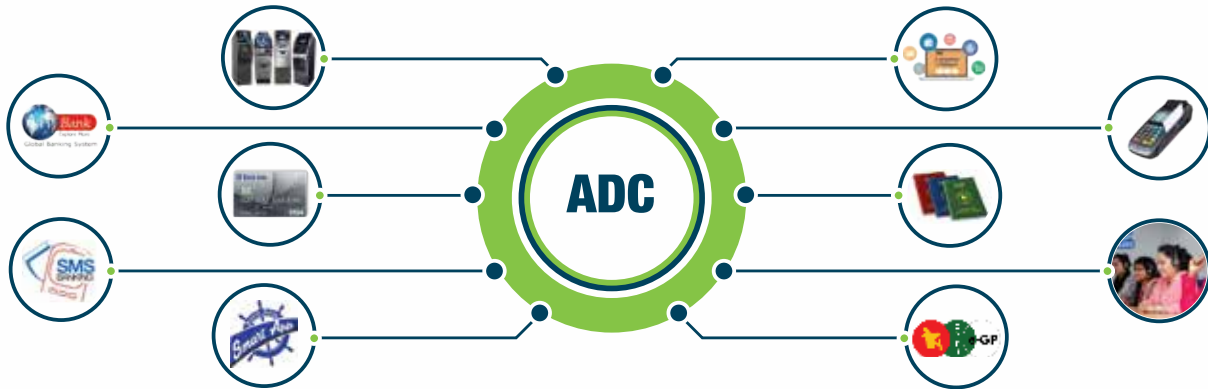
## Digitalization & Digital Transformations



## Process Re-engineering



## ALTERNATIVE DELIVERY CHANNEL (ADC)



This channel allows the customers to get all their banking services without relying on bank branches. In this regard, Bank Asia has implemented some 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-payment solution and Contact Center Service. ADCs ensure the smooth flow of regular transactions and provide banks with higher profits with lower operational expenses and transaction costs. Through ADC channels, 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  
**1,536,564**

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BDT Amount  
**10,042** Million (approx.)

Bank Asia has developed the solution which verifies and processes with a verity of secured transaction instruments for Payment of Member/ Student fees of different institutions, Residential & Industrial Gas Bill & different 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.

### E-Commerce & Utility Bill Payment



Total Number of Transaction  
**834,030**

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BDT Amount  
**11,736** Million (approx.)

Bank Asia has taken more initiative to expedite 'e-Commerce' facility for its valued customer where Bank plays as payment partner and Bank account holder can shop/purchase online through internet banking, Debit Card or Credit Card with low cost anytime from anywhere.

### ATM, CDM & CRM Service



Total ATMs  
**198**

---

Shared ATMs  
**12000+**

To have access banking services round the clock, ATM, CDM & CRM are excellent channel. Automated Teller Machine (ATM) & CRM provides banking services to its customers 24X7 in 365 days a year. Through our ATM (Automated Teller Machine) customer can access withdrawal, Balance inquiry and mini statement facility. In our total 68% cash transactions of Bank Asia are done through its 198 own ATMs, 25 CDMs & 2 CRM's and more than 12,000+ shared ATMs all over the country.

### Debit Card

Bank Asia have introduced EMV chip card as a replacement of magnetic stripe (Magstripe) payment cards to minimize payment card-related fraud and to secure customer financial sensitive data. We have introduced MasterCard Platinum Duel Currency Debit Card which is a personal card provided to the customers by the Bank.

### 828,000+ VISA debit cards –

- Issued against Savings and Current account to facilitate ATM, POS transactions at all ATMs in Bangladesh to access their account 24/7 in 365 days.
- Card holders are able to purchase in 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 500,000 pages and 90,000 courier service delivery charge.



### Cash Transactions

ATM Transactions **68%**  
Branch Transactions **32%**

### Debit Card

2019	556,171
2020	652,728
2021	828,445

## Directors' Report

### Passport Fee Collection



Total Number of Passport Payment

**340,178**

BDT Amount  
**1,709** Million (approx.)

Bank Asia has opened some exclusive passport fees collection booths as per Department of Immigration & Passport (DIP) office instruction under the Ministry of Home Affairs.

### Bank Asia SMART APP



Total Mobile App User (Bank Asia)

**282,593**

Total Transaction  
**1,333,826**

BDT Amount  
**10,543** Million (approx.)

“Bank Asia SMART APP” is an integrated internet and mobile banking solution designed to enable to offer customers the widest capabilities across the internet and mobile channels. Smart Banking offers vast banking services such as fund transfer, EFTN, NPSB, utility bills payment, standing instruction, stop & view cheque status mobile talk-time recharge and many more.

### National Payment Switch Bangladesh (NPSB)



Total Number of Transaction

**332,215**

BDT Amount  
**9,700** 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, The main objective of IBFT service is to create a common electronic fund transfer platform for different types of payments for our valued retail and corporate customers to facilitate the expansion of real time fund transfer/payment from one bank to another bank. The daily transaction for a customer will be five times and a total of Tk 5,00,000 (five lac) each transaction will be maximum limit for Tk. 100,000 (one lac). Banks will ensure two factor authentications for internet banking to maintain security as appropriate.

### Internet Banking



Total Number of Internet Banking User

**229,526**

Bank Asia's internet banking module allow 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. To make more secure, we already introduced dual factor authentication (2FA) through OTP for all internet based transactions.

### E-Procurement System



Total Number of Customer

**33,623**

Total Registered Branch  
**129**

Bank Asia has been providing banking services for e-Government Procurement (e-GP) through our Branches.

### 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**

Customer can get our banking service queries (24/7) through these numbers it is also available from abroad and overseas customer. Contact Center systems enable to manage our resources in better way and serve clients with greater efficiency which is also helping us to reduce the cost as well as improve the service quality of bank.

# FINANCIAL INCLUSION & FINANCIAL LITERACY DEPARTMENT



## Services Reached

**31** district

**222** Upazillas



## Beneficiaries

**2,612,392** people

As of December'2021

Amar Bari Amar Khamar (ABAK) previously EBK is the largest government project to eradicate poverty by 2025. By operating ABAK project Bank Asia opened new avenue to intensively work for the under privileged and unbanked rural people. It is mentionable that Bank Asia model of financial inclusion, management, financial transitions for EBK obtained 1st Prize (E-Business and Financial Inclusion category) of Manthan Award in partnership with World Summit Award. The implementation of EBK project gave Bank Asia an on-hand experience and learning which staged us with the development of Agent Banking, marking as the pioneer in Bangladesh.

### Digital Center Agent Banking

Digital Center (UDC/PDC/CDC/ ZDC/Upazila DC) based Agent Banking is powerful and wide-ranged initiative in the journey of Financial Inclusion in Bangladesh. In this span of a few years, this service spreads in multi-dimensional ways, reduces gap of time and space and becomes attractive to rural mass people. Now marginal farmers, small entrepreneurs and general people enjoy loan facilities in easier and faster manner through this platform. Performance of digital center is mentioned below:

Indicator	2021	2020
No. Of Digital center	3,224	3,189
No. of Account	3,554,892	2,582,834
Deposit in Mln BDT	12,355	10,092
Remittance in Mln BDT	9,019	734

### Social Safety Net (SSN)

Bangladesh Government has been undertaken Social Safety Net (SSN) programs for the poor, disadvantaged, and marginal people of Bangladesh. the lack of govt. financial organizations, SSN beneficiaries were not getting the funds properly/smoothly. For getting the SSN funds, the beneficiary had to come to the Upazila level or in some cases, they had to come Zila level govt office. So that they had to travel more than 20-50 km for receive the SSN funds. To reduce the sufferings of SSN beneficiaries, Bangladesh Government planned to disburse the funds through digital platform like banks. In the year 2015, Bank Asia Limited shake hand with the Bangladesh government to disburse the SSN funds through the Bank Asia channel. In the year 2016, Bank Asia Limited has disbursed the first SSN funds through Bank Asia Agent outlet.

Indicator	VGD	SWAPNO, LGDW, UNDP, EGPP Rohingya, Maternity & Lactating, DORP, Others Payment	Social Safety Net
No. of UDC	2,264	3,095	653
No. of Account	765,224	444,096	1,403,072
Deposit Received/ payment in M BDT	281.5	974.52	1,929

### Services covered under this program

- Senior citizen allowances.
- Disable allowances
- Widow allowance
- Maternity & Lactating mother allowance
- Wages of road maintenance workers
- VGD allowances
- Food security allowances (cash payments)
- UNDP safety net Payment
- Rohingya caregiver payment
- National payment service with Ministry of Youth
- Disable Education stipend allowance

### Micro Merchant App



On-boarding  
**51,000+** Micro Merchant  
Total Transaction **323** Million  
BDT **5,006** Million

Financial inclusion can be done in two ways, the opening of bank branches/agent outlets through using of financial technologies. Opening bank branches/agent outlets can be very expensive and it is a very time-consuming process. Using financial technology is the right solution for bring unbanked population into the banking services. So to reach the marginal unbanked people of Bangladesh through a sustainable financial channel, 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.

Micro merchant can provide the following banking services:

- Balance inquiry
- Cash withdrawal
- Social Safety Net Payments (SSNP)
- Purchase payment
- Utility bill collection service
- Foreign remittance payment
- Fund transfer
- Account opening
- QR Code Payment



# AGENT BANKING



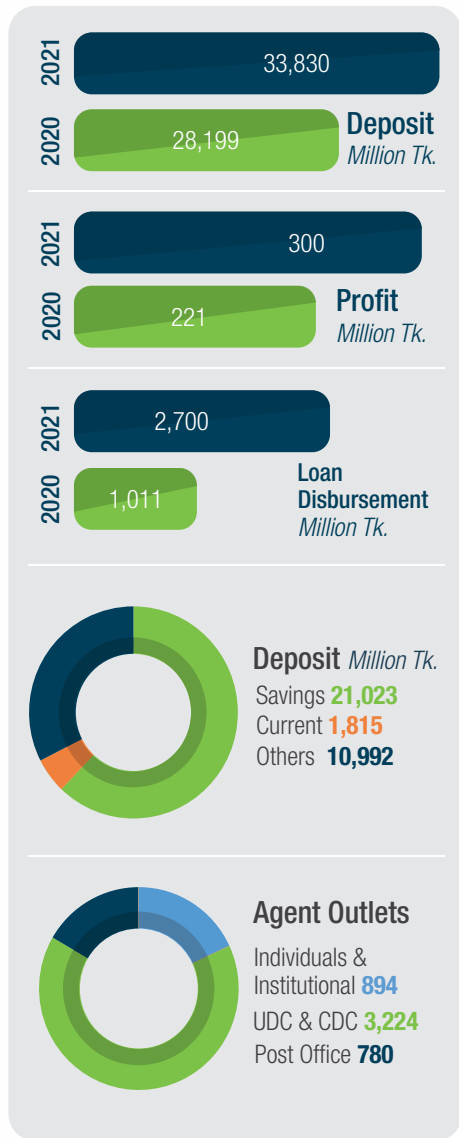
District **64**  
Upazila/ Thana **530**



Number of outlets  
**4,898**  
Growth **6%**



**4.92 Million**  
Growth **36%**



Agent Banking is now a name of pride for financial inclusion in Bangladesh under the directives and support from Bangladesh Bank. Bank Asia is the pioneer in introducing Agent Banking service in Bangladesh. Bank Asia made a unique tech-based Agent Banking model ensuring appropriate security with real-time banking for its customers. Within a span of only eight years of inception, we noticed a substantial headway in this specialized banking service in terms of the number of agents, accounts and deposits. Around 5 million unbanked people have already been included in Agent Banking network of 4,898 agent outlets in 64 districts. The bank already disbursed total loan of more than BDT 789 crore (USD 92 million) to rural customers through Agent Banking. Bank Asia, alone represents more than 47% of total female customers in Agent Banking. It serves more than 2.6 million social safety net (SSN) beneficiaries through its Agent Banking. 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.



On-Boarding till Dec. 2021  
**51,000+**

It is providing customers with full-fledged banking services to their doorstep, and making convenient channeling of remittance, depositing and withdrawing of cash and supporting small loans for cottage, micro and small enterprises and also for agricultural farmers at an affordable cost. Receiving of social safety net payments is no longer the troublesome experience for the beneficiaries and turning it into a convenient experience through maximum availability of transaction points as more than 51,000 micro-merchants, even 167,000+ school students are availing financial services. We facilitated financial literacy for smallholder farmers, school children, social safety net beneficiaries and the RMG workers which is the way to make them financially literate aimed at enabling them to manage their finance adeptly and making their decisions judiciously.

### Bank Asia's competitive edge and key determinants of success



### Bank Asia's performance in the industry

- Represents 27% of total agent banking outlets across the country
- Disbursed more than 18% of total lending in Agent Banking.
- Owns more than 47% of total industry female customers in Agent Banking.

### Agent Banking Achievement in 2021:

Bank Asia has been crowned as Honorable Mention in Bangladesh Innovation Award 2021:

Bank Asia had been crowned the Honorable Mention in the competition of 'Bangladesh Innovation Award 2021' organized by Bangladesh Brand Forum, recognizing the bank's outstanding contribution for business model innovation to accelerate financial inclusion in Bangladesh. Bank Asia Participated in the competition with its new innovation Bank Asia Digital Payment Channel (Micro Merchant).





Tk. **33,830** Million

Growth **20%**



Tk. **300** Million

Growth **36%**



Tk. **30,975** Million

Growth **66%**

### Agent Banking Empowering Women

For women living in rural areas, a number of barriers may hinder them from accessing services at financial institutions: the distance from the bank, having insufficient documents to open a bank account, family or work responsibilities, or the mindset and certain attitudes towards financial institutions. As such Agent Banking of Bank Asia brought more than 5 million people across the country under its banking network where 63% of the customer is women. Around 32% female has contributed into the entire deposit of Bank Asia Agent Banking and 9.65% of the lending volume has been provided to female customers under agent banking platform. By developing a network of women agents, Bank Asia hopes to grow Agent Banking reach to the female segment where they feel comfortable to avail the financial service. Around 10.5% of the total agents are female who have been performing well nationally. This specialized banking platform has facilitated opportunity for rural women to motivate women entrepreneurship by



offering loan facilities which can help grow their respective business in agriculture or SME sector. Cluster based financing for women entrepreneurs have also been catered through this banking channels. Bill & Melinda Gates Foundation selects Bank Asia to strengthen women empowerment through a 2-year digital financial inclusion project.

The key aspect of this project is to reduce the gender gap within Financial Inclusion space by onboarding female agents and female clients in agent banking and build a comprehensive digital banking ecosystem for women. Also we partnered with Swisscontact, WorldFish, Metlife Foundation, Microsave, i-social, BIID in different scale to strengthen women empowerment in Bangladesh through ensuring financial services. Thus Agent Banking is playing a significant role in empowering women by unveiling untapped potentials of this apparently excluded segment and thus ensure their economic emancipation.

### Disbursed 500 Agri loan in a day

Bank Asia Agent Banking set an example by disbursing more than 500 Agriculture loan from an Agent Outlet in a day. The loan amounting BDT 2.57 crore was disbursed among smallholder maize cultivators of Hatibandha Upazila in Lalmonirhat district amid organizing a program at the premise of Ranigonj Model High School by Bank Asia Barakhata Agent Outlet on 17 December, 2021.

It is mentionable that the cultivators received the loan in only 4% annual interest under the stimulus loan program of Bangladesh Bank for cultivation of crops like dal, oil, spice and maize.



### Financial Inclusion of Aquaculture farmer in collaboration with WorldFish Bangladesh

Bank Asia has been providing inclusive digital finance to smallholder fish farmers towards their development and working on building market eco-system to help farmer increasing fish production and maximizing income from farming.

Disbursed amount  
**49.31** Million (approx)

**6,963**  
Aquaculture farmer onboarded

Number of  
Micro Merchant **145**

Financial Literacy Event  
**341**

### Agent Banking Wanes the suffering of availing loan

The initiative will clearly benefit the rural mass over the high interest rate as offered by informal lending channel while Bank Asia has formed a structured channel for direct financing to end mile customers. In parallel, Bank Asia has also been facilitating financial literacy to aware target group about the lending documentation and awareness to ensure the success of this model.

Leveraging used cases, a separate credit team has been dedicated for asset business decisions apart from 'brick and mortar ideas' to minimize the TAT (turn around time) for operation. Unlike existing asset operation, the model would have no dependencies on branch resources which would ultimately result in better accountability and transparency. Till the end of 2021, Bank Asia Agent Banking disbursed BDT 136 crore Agri loan to 26,000+ farmers and BDT 386 crore MSME loan to 10,000 entrepreneurs.

### Micro loan to farmers

Bank Asia has created value chain and promoted microloan to smallholder farmers and SME loan to retailers across the country to bring them under digital financial network in partnership with Syngenta Bangladesh.

## PAYMENT SERVICE DEPARTMENT (PSD)



### Daily Average Transactions

No. **49,371**, BDT **7.37** Billion  
Growth **52%**

Bank Asia takes pride being one of the few banks in Bangladesh that can offer all Digital Payment Services: BACPS, BEFTN and RTGS, from any of its branches, or even Agent Locations, from the day of inauguration. This is result of our relentless efforts towards further automation in execution of all inter-bank payments smooth and fast, yet secured and compliant.

Decentralized Outward and Centralized Inward model in all units is a key-feature of PSD operation. PSD extends services to all customers of Bank Asia including Branches, Sub-branches, Islamic Windows, Agent Banking and Credit Card Department.

### KEY ACHIEVEMENTS IN 2021



#### Custom Payment

Custom payment report added in RTGS module for better monitoring.



#### Safety Net

Successfully processed more than half million Inward EFT transactions in a single day.



#### TP report

RTGS inward TP report introduced.



#### TRAINING & DEVELOPMENT

- Conducted 9 Training sessions for 177 employees.
- All Bangladesh Bank & Internal Circulars made available for employees through online archive.

### STRATEGIC PLANNING FOR 2022

- 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.

### PSD unit Transactions

#### BACH

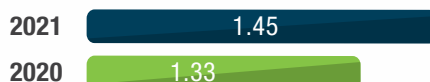
#### Daily Average Transactions

No. **6,026**, BDT **450** Crore

Majority workforce of PSD is involved in BACPS operation. Accuracy of departmental work is reflected in PSD issued settlement claims being less than 25% against received claims from other banks. Several updates introduced to enhance compliance through Inward TP report, operating branch wise Islamic report, compliance monitoring tool for both outward and inward report based on frequency of transaction etc.

#### BACH

Transaction *in million*



Value *in billion*



#### BEFTN

#### Daily Average Transactions

No. **42,158**, BDT **104** Crore

EFT transactions can be credited within same working day. Individuals are enjoying BEFTN facility through branches, Agent banking, Net-banking and Smart App. PSD handled 21 thousand Foreign Remittance, 13 thousand Dividends & warrants, 6.88 lac+ Safety net payments on a single day.

Transaction *in million*



Value *in billion*



#### RTGS

#### Daily Average Transactions

No. **1,186**, BDT **182** Crore

All branches, Islamic wings and Agent Banking can receive and originate RTGS. Despite ensuring security through dual authentication, PSD executes Inward RTGS payments in matter of minutes only. RTGS is a very rapidly growing payment mode, supporting Govt. to collect VAT, Tax, and Customs Payment etc. on same day.

Transaction *in million*



Value *in billion*



#### MICR

Over **38,590** leaves delivered Daily

An array of diversified MICR instruments Introduced. 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 is being delivered by PSD.

Revenue Contribution *in million*





# PEOPLE MANAGEMENT DIVISION (PMD)

People Management Division (PMD) plays the role of nucleus of Bank Asia Limited. Being the strategic partner of the Bank the scope of work of PMD 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. PMD 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.

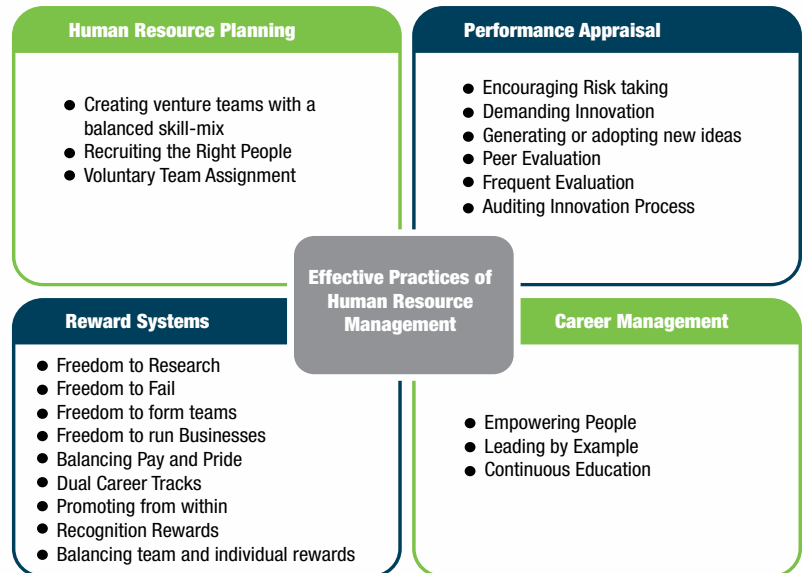
PMD of Bank Asia is working relentlessly to promote innovation, cultural diversity and a congenial working environment to stimulate organizational sustainability. PMD is committed to ensure corporate values such as togetherness, mutual respect, integrity etc. in order to ensure the best possible environment for all of its employees for their career growth and organizational development. PMD 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, PMD provides Bank Asia Limited with complementary, diverse and innovative competencies which will be developed by stimulating sustainable individual behavior. PMD persuades employees to move forward to establish corporate values in terms of Customer Centricity, Quality, Responsible Citizenship, Building the Leadership. PMD 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, PMD 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.

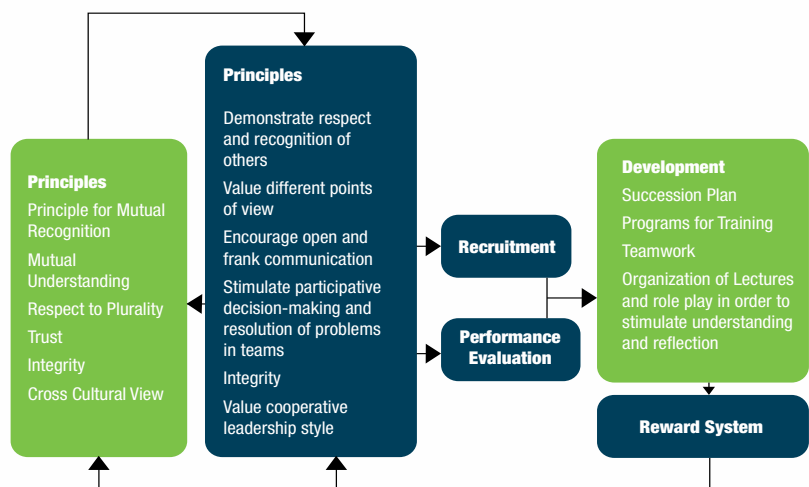
## Functions:

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



## Strategic Focus:

PMD goes further and pursues a strategic and coherent approach in managing human resources. In particular, PMD 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:





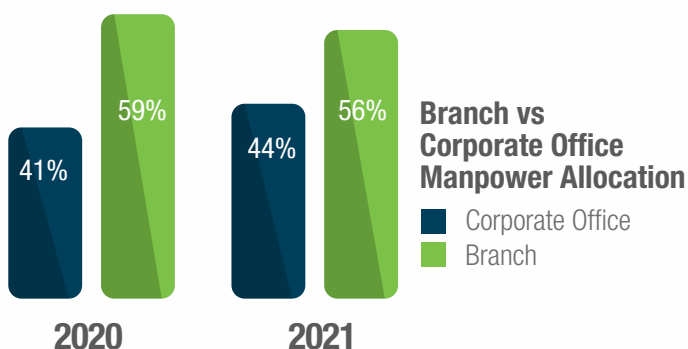
## Directors' Report

### Employment:

PMD 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 on 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 sets customized committee to identify the potential candidate for the Bank.

### Employee distribution in Branch & Corporate Office

We have about 3.4% growth in number of employees from 2,463 in 2020 to 2,547 in 2021.

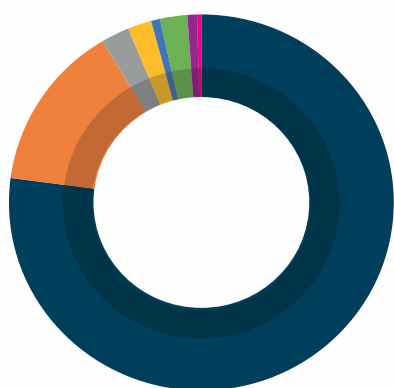


### Recruitment

In the year 2021, a total of 155 employees were recruited to strengthen the human capital of Bank Asia. New workforce supported the continuous expansion of the Bank's activities creating continuous competitive working strength.

### Regional distribution of Employees

Employees of Bank Asia Limited is deployed all over the country depending on the business potentiality as well as banking service scarcity. High concentration has been given to Dhaka and Chattogram 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

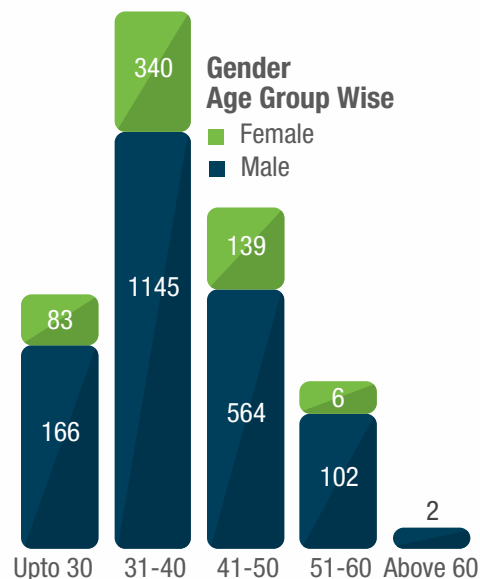
Dhaka **77.07%**  
 Chattogram **14.33%**  
 Sylhet **2.39%**  
 Rajshahi **2%**  
 Barishal **0.75%**  
 Khulna **2.28%**  
 Rangpur **0.82%**  
 Mymensigh **0.35%**

### Gender Distribution by position

In a total of 2,547 employees, overall male female ratio stands at 78:22 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 60% of the employees fall in 30-40 years age bracket.



### Performance Management

To facilitate the career growth of its employees, Bank Asia emphasizes on 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 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

The global COVID-19 pandemic has been an unprecedented crisis for all of humanity. It has been as much a test of our healthcare systems, as it has been of our economic systems. The existential threat to people and communities, especially exacerbated by the second wave of the pandemic, and the disruptions in supply chain, trade and commerce have exposed the vulnerabilities of modern times. The pandemic has thus heralded the critical need for businesses and governments, in particular, to design and implement strategies that will future proof our ecosystems and communities against various environmental, ecological, economic and social risks.

People Management Division is always very keen to ensure employee welfare. During the year, our priority was to safeguard the employees of the Bank. As such, an Isolation Center was established to provide dedicated services to the COVID effected employees. The emergency support team of the Bank took care of the infected employees by providing proper doctor's advice, foods, emergency medicine, oxygen and ambulance facilities. Moreover, counselling sessions were given to the employees for boosting their moral and confidence.

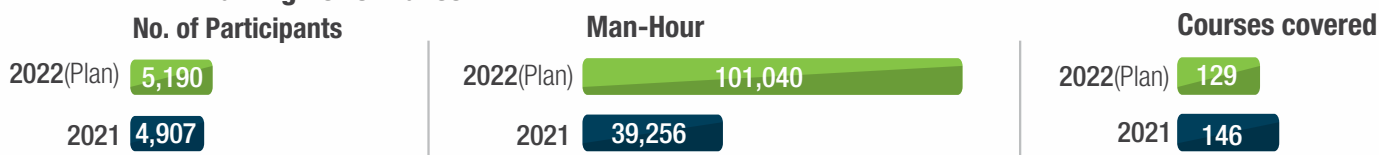
## Bank Asia Institute for Training & Development

BITD has been contributing to the bank by developing a skilled, devoted, ethical and motivated human resource through training. Apart that, BAITD is committed to facilitate all the employee's learning job related competencies. In 2021, BAITD has conducted 4,907 training (physical & virtual). For the

year 2022, BITD is planning to conduct almost 129 physical training program where 60% employees of Bank Asia will be facilitated throughout these courses. BAITD also diversified the courses of Post Office Banking and Agent Banking and gave due weightage on the courses of Risk Management.

In 2022, BAITD will enhance training program in both quantitative & qualitative ways. BAITD will conduct 129 physical training programs which will assist the employees to function more effectively in their present position by exposing them to the latest concept, information, techniques & imparting in the skills in their required field.

### BAITD Training Performance



## ACCOUNTS

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

- Payment Disbursement and Book-keeping
- No of Bills/Vouchers Payment: 17,506 (Nos)
- No of Transactions: 61,151
- Voucher Maintenance

### Payment Processing

- Reconciliation Statements Prepared: 12 (BB LCY Accounts and 41 Accounts with other Banks)
- Letters issued to Branches/Divisions regarding different issues: 491 (Nos)
- GL Monitoring Through Email to Branches/Divisions: 1,300 (Nos)

### Reconciliation and Suspense Control

- ID Approved: 480 Users
- Rights Modified: 8,840 Times
- Rights Deputized: 1,548 Users
- Limit Enhanced: 1,720 IDs
- Account Title Modified: 2,080
- Branch Rectification: 14,680

### User Access Control

### 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

### Month Closing Activity

- Pre-Audit:**
- Bills Processed: 17,506 (Nos)
  - Cost Savings: BDT 10.65 mln
  - Imprest Fund Management
  - Branch Grading for setting Financial Delegation
  - Issued VAT/Tax Deduction Certificate: 408 (Nos)

### Financial Control

- Quarterly/Half Yearly/ Yearly Fixed Asset Schedule Management
- Update Fixed Assets Module for Corporate Office
- Review and Reconciliation of Fixed Assets Module
- Monitoring Branch wise Physical Verification of FA & Tagging

### Fixed Asset Management

- Weekly Reports: 54 (Nos)
  - Monthly Reports: 104 (Nos)
  - Quarterly/Yearly Reports: 28 (Nos)
- Internal Report:**
- Department wise OPEX
  - Monthly OPEX Report
  - Month and Annual Profit Forecast
  - Monthly Profit Movement Reconciliation

### Regulatory Reporting & MIS

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

### Automation & Digitization

- Guiding Proper Accounting Entry to the Branches/Ws/SME Centers
- Accounting Procedure for:**
- Capitalization of ATMs acquired under lease agreement in line with IFRS-16
  - FC Term Loan and BB refinance under Green Transformation Fund (GTF)
  - API based Merchant bill payment system through internet banking
  - Bangla QR Payment through MM & Cash Deposit Machine (CRM)
  - IBFT transactions through NPSB Channel & Western Union Outbound services

### Accounting Process Development

- New GL Created: 227 (Nos)
  - GL Lock/Unlock: 1,560 (Nos)
- OPEX monitoring:**
- Yearly and Half Yearly Balance Confirmation
  - Books of Accounts Closing Certificate

### GL Monitoring and Controlling Chart of Accounts

### RESEARCH & STRATEGY

Research and Strategy Division (R&SD) was formed in October 2015, to aid management in informed decision making and strategy formulation through analyzing business environment, industry's dynamics and market forecast. Through scientific methods, R&SD provided reliable, accurate and valid information on business, economy, financial market, service quality and other contemporary issues. R&SD not only acquired business insights but also converted those insights to actionable strategies. Besides, R&SD manages the knowledge hub of Bank Asia (<http://etraining.bankasia-bd.com/web>) through content development and edit, technical up-gradation to make it user friendly, resolving registration related issues and ensuring learning through arranging exams.

#### Branch/IBW Wise Potentiality

In order to facilitate Group finance to prepare market oriented and outlet wise budget, R&SD has conducted potentiality study using market and secondary data.

#### Branch Experience Survey

To identify current service quality scenarios and areas of improvement, R&SD has conducted the aforementioned research using branch interception methods. The study was done on 13 branches of the Central Region and from each branch total 100 samples were interviewed.

#### Agent Centric Asset Business Model Evaluation Study

Bank Asia piloted the Agent Centric business model in six districts. To measure its effectiveness and to identify further room for improvement, R&SD has conducted a qualitative study where all related stakeholders were interviewed.

#### Business News Flash

'Business News Flash' – a compilation of important news and insights from different secondary sources to support bank's strategy formulation process. At the same time, it will act as an endeavor to create knowledge based organization.

#### Regional Office Framework

Bank Asia's distribution channel is growing faster. Besides branch, sub-branch, agent outlet, digital post office, micro merchant has helped Bank Asia to reach at union level. In order to ensure better risk management and communication & business efficacy, R&SD has prepared regional framework considering the best market practices.

#### Digital Banking: Need Gap Analysis of Generation Z

To understand young generations' banking behavior, their expectation and bottleneck, R&SD has carried out a digital qualitative survey using one to one and paired interview method on public and private university students.

#### Bank Asia E-learning

Bank Asia Limited, with a vision to become a knowledge organization, has developed an online based eLearning platform that allows all the staff (Permanent + Contractual) to study and participate in exams 24x7 from anywhere and on any device. The system is currently enriched with more than 162 topics, 203 lectures, 3,000+ registered employees.



#### PLANNING FOR 2022

In the year 2022, R&SD is planning to continue its regular activities including corporate organogram, district office framework and manpower allocation based on business/outlet, industry/sector analysis report, branch/sub-branch feasibility study, service quality assessment surveys, banking industry analysis and other ad-hoc research works.

### 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 2021, the LSSD team successfully accomplished few big challenges of which important ones are highlighted below:

- Bank Asia opened 01 (one) new Sub-branch and 07 (seven) new ATM booths at different places of the country.
- Implementation of Automation software for "Procurement, Supply Chain and Fixed Assets Management System".
- Remodeling of Corporate Branch (extension, renovation and interior decoration).
- Successfully completed interior decoration and fit-out work of Agent Banking operation Hub at Jashore.
- Successfully completed interior decoration and fit-out work of Cluster Hub of East Region Branches and Agent Outlets at 2nd Floor, Chowdhury Plaza-2, Jhawtala, Cumilla.
- Establishment of "20 beds Isolation Center" for COVID-19 patients of Bank Asia family at 2nd floor of 64 Elephant Road, Dhaka.

# AML & CFT



## Training Program

**3,000** Participants



## E-learning Module

Participated **2,688** officials

The COVID-19 pandemic has reshaped the world nearly every aspect of modern society. In this situation, the financial world moved largely online as well. 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 financial market's rapidly changing nature means that what works today may not work tomorrow. The pandemic augmented fraudsters' abilities to stage money laundering schemes and subsequently banks are devoting immense resources to meet pandemic-induced AML/KYC challenges.

In order to refrain and getting the highest level of regulatory compliance within the Banking Industry in Bangladesh on AML & CFT issues, the Board of Directors and Senior Management set the tone from the top regarding the AML & CFT program in this new normal situation.

Bank Asia Limited is extending their off-site supervision on AML & CFT issues. The goal of this activities is that our bank can be rated at 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:



Lead Bank Training with BFIU & 60 Banks at Dinajpur District on AML & CFT issues

### Centralized Transaction Profile (TP) approval

AML & CFT Division are supporting the branches for approval of TP with proper justification of source of fund of the customer.

### Implementation of adverse media report services

Adverse media service implemented in Bank Asia to monitor the activities of the customers for identifying the suspicious activities/transactions.

### Alert Management of High value & Dormant Account transaction

High value and Dormant Account transaction alert implemented in the core banking system for monitoring the suspicious transactions of the customers.

### Training & Development

AML & CFT Division arranged vigorous & intensive training program on AML & CFT issues physically/digitally throughout the year.

### Knowledge framework

AML & CFT Division welcomed the discussion of the new Strategic Framework for Knowledge, which strives to better integrate knowledge into solutions for all the employees and also the customers.

### 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 improvement of AML rating in the year of 2021 in compare to the year of 2020.

### Improvement of Transaction Monitoring

AML & CFT Division enhances their transaction monitoring system through introduction of RM based model. Enhancement of STR/SAR submission is one of the reflection of transaction monitoring.

### Regulatory Requirement

Bank Asia Limited maintains utmost efforts while meet up & submission of the requirement of BFIU and other regulatory bodies like as CIC, ACC, NBR, and Customs Bond Commissionerate Office and so on.



### CAPITAL STRENGTHENING

Bank Asia is always keen to maintain sufficient capital base against doing 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 15.72% as on December 31, 2021 against required 12.50% (including buffer@2.50%). Furthermore, to keep the adequate capital base in last 5 years bank has issued two 7 year floating rate non-convertible subordinated bond of Tk.5,000 million.

#### 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 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 received consent from both Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC). This capital will be added to bank's Tier-1 capital.

### RECOVERY

Special Asset Management Division (SAMD) has been entrusted with the effective and efficient management of Non-Performing Loans (NPLs) of the bank. SAMD is also tasked with recovering money from written-off portfolio of the bank. Bank's profitability is positively correlated with the success of these two components of SAMD's responsibilities. Due to the pandemic scenario in 2021, it was a tremendous challenge for SAMD to keep the NPL at a manageable level while also achieving the cash recovery target for the year. Despite all the obstacles, SAMD has performed remarkably well with total cash recovery of Tk.1,871.77 million in 2021. Out of which recovery of Tk. 1,073.94 million from CL, Tk. 328.86 million from write-off and Tk. 468.97 million from stressed portfolio. Among the above, recovery of Tk. 328.86 million from write-off loans is 22 years' record for the bank. This recovery has contributed positively to the bank's profitability.



#### Major activities in 2021

- Physical visits covering 90 branches and 425 accounts.
- Dividing 90 Branches in Eight Zones and creating monitoring teams for effective recovery.
- SAMD has published month-wise newsletters focusing on current hurdles, strategies and achievements of the division.
- Effective time and people management through conducting 2,340 virtual meetings with 90 branches.
- Prompt and prudent decision by the SAMD Division during customer meetings/negotiations.
- Re-established correspondence with defaulters & their guarantors resulting in successful settlement.
- "Out of Court" auction (80% auction of 2021) during pendency of suits.
- Filed NI Act cases in different districts to create extra pressure on defaulters.
- Placed foreign trip embargo for defaulters.
- Cross training development & empowerment of Branch and SAMD team members.
- Accountability of SAMD staff performance (KPI).



#### Cash Recovery against

Classified Loans Tk. **1,074** Million

Written off Loan Tk. **329** Million

Stressed Loan Tk. **469** Million

Million Tk.

Performance of Legal Unit in 2021	No	Value
<b>Total Artha Rin Suit as on 31.12.2020</b>	<b>465</b>	<b>27,695.82</b>
Artha Rin Suit filed in 2021	25	1,397.83
Artha Rin Suit finally disposed of in 2021	05	89.95
<b>Total Artha Rin Suit as on 31.12.2021</b>	<b>485</b>	<b>29,003.70</b>
Decree Obtained in 2021	19	2,666.39
Sale of mortgaged Properties in 2021	22	367.43
Solenama submitted before the Court in 2021	06	504.80
Execution of Warrant of Arrest in 2021	09	972.14
<b>Total N.I. Act Case as on 31.12.2020</b>	<b>411</b>	<b>10,725.00</b>
N.I. Act Case filed in 2021	61	843.73
N.I. Act Case disposed of in 2021	47	796.35
<b>Total N.I. Act Case as on 31.12.2021</b>	<b>425</b>	<b>10,772.38</b>
<b>Cash Recovery through Legal Process in 2021</b>	<b>168</b>	<b>804.21</b>

#### CL Position

##### Sub-Standard



##### Doubtful



##### Bad & loss



## 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 170-189](#)

## CORPORATE GOVERNANCE

Corporate governance is a concept referring to the ideal mode of ensuring firm's accountability to its various stakeholders through a strict system of internal controls and procedures, guided by the hon'ble Board of Directors and aligned to related rules and regulations of various regulatory bodies. The corporate governance of Bank Asia sets top priorities in the fairness, transparency, accountability and responsibility on its top most priority. Our disclosures on status of compliance on BSEC and Bangladesh Bank guidelines demonstrate strong compliance culture of the Bank. In recognition of that Bank Asia has been awarded 1st prize under Corporate Governance Disclosures 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 237-291](#)

## 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. 247.45 million for several CSR activities this year as well. A significant amount was given to three regular programs – Health, Higher Study Scholarship, infrastructural development of different institutes, and support to covid inflicted and cold affected people. Other CSR programs include sports, art & culture, and disaster management.

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. 225-228](#).

## 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. As step of utilization of solar energy we have already installed solar panels in our 11 branches. We managed to secure Net profit from environmental savings worth Tk. 9.95 million in 2021. Bank Asia has disbursed Tk. 278.37 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 2021, Tk.1,505.42 million was disbursed to financing Green Building project, which has helped sequestration of carbon and reduce adverse environmental effect.

## BANK ASIA SECURITIES LIMITED (BASL)

### Stock Market Review and BASL Performance

Bangladesh capital market reached to new height in one half years with the leadership of a new commission which was formed in 2020. The participation of buoyant investors was on rise day by day considering favorable market environment. Despite the deterioration of the pandemic, institutional investors' funds have continued to flow to the stock market. People has become now optimistic about the stock market because of some prudent measures initiated by BSEC. Besides, the low interest rate in the banking sector, additional liquidity injection by the central bank, and the government's proactive role, favorable economic condition drew extra mileage.

The Market in 2021 witnessed some records in a row. The benchmark index- DSEX created new peak to 7,410 on October 10, 2021 since its inauguration of this DSEX in 2013. This year market return was 25.08%. Considering the bottom in the last year, DSEX was at 3,603 on March 18, 2020, the market index surged by 88% to 6,757. The turnover in current year the daily turnover reached to new records to about Tk. 30,000 million after 2010. The daily avg. turnover in 2021 was Tk. 14,749 million, it is 162% higher than 2020. The market cap reached the highest mark to Tk. 5,863,190 million. The market cap increased by 31% to Tk. 5,421,964 million from Tk. 4,482,301 million. The turnover of the stock market has increased

consistently along with the market capitalization. Market P/E was 16.29 compared to 16.53 last year.

Along with the bull 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 353.78 million, grew by 648%, in 2021 against BDT 47.59 million in 2020.

Number of total active clients reached at 11,626 in the end of 2021, which was 9,985 in December 2020. Margin loan outstanding stood at Tk. 4,244.36 million in December 2021, which was Tk. 4,810.79 million in December 2020.

### Operating Profit

Million Tk.



### Total Active Clients



## BA EXCHANGE COMPANY (UK) LIMITED

We have marched through another year of severe adversity due to Covid-19 and UK has been one of the worst affected countries in the world. The half of 2021 was under mandatory national lockdown as a measure of protection which severely impacted economic activity.

When many of the Bangladeshi-Bank owned companies were shut during the lockdown period, we have been able to serve customers through our Online Remittance Module (ORM) and we have experienced a significant increase of online usage among our customers and not only that many new customers joined in to use our services conveniently without the need to visit our office physically.

At the same time, we have seen the emergence of many more online remittance companies that made the already competitive sector even more fierce.

Despite the turmoil situation, we have almost managed to maintain the growth from the previous year. The value was affected more due to our remitters pockets being more constrained. Despite this, they sent money and we managed to provide the service to the office and country being in lockdown.

The significant event for BA Exchange this year is to launch the new payment method through offering open banking platform. We are the first among the competitors to offer cardless payment option for our customers which is faster, more convenient and safer. It will help us to receive funds from customers instantly and the cost is also lower than card payments through merchant acquirer.

Currently almost 100% of our transactions are taking place online and we will continue exploring innovations in online remittance space.



## BA EXPRESS USA INC.

This year, BA Express USA Inc. earned profit for the first time since its inception. Last year, BA Express USA INC. had expanded one location in Jackson Heights, the heart of Bengali community in New York City, enabled to have three branches (Jamaica, Brooklyn, and Jackson Heights). Now it's planning to expand two more branches in Ozone Park and Bronx, other two hubs of Bangladeshi concentrated area. Also working through Agent-based module, BA Express serves its customers using numerous numbers of agent locations across New York. The motto is to serve the NRBs residing in New York City by providing easy, low cost and convenient remittance opportunity to its customers. The volume of remittance stood at \$89.45 million and operating profit stood at \$107,382 as of December 31, 2021.



### FUTURE PLANS

- Increase volume of remittance
- Work towards reaching ultimately making profit
- Expansion of collection and distribution channels



### BA Express USA (Remittance)

USD **89** million

Growth **234%**

### 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. 279-280) 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

**Dilwar H Choudhury**  
Independent Director and  
Chairman of the Audit Committee

**Enam Chowdhury**  
Director

**Tania Nusrat Zaman**  
Director





# Our Approach to INTEGRATED REPORT

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# Our Approach to INTEGRATED REPORT

Welcome to Bank Asia’s annual integrated report 2021. We are pleased to present our ninth Integrated Report in accordance with the International Framework of the International Integrated Reporting Council (IIRC).

The aim of our Integrated Report is to cover a vast area of the business activities within the sustainability framework in a balanced and relevant manner. These enable our stakeholders & investors more informed & transparent assessment of the Bank.

We have tried to keep this report brief, consistent and complete, including all material matters, both positive and negative in a fair way. This report ensures accurate data of the bank’s operation, both financial and nonfinancial performance according to our strategic planning & way to establishing our vision to have poverty free Bangladesh.

## Scope, Boundaries & Comparability of this Report

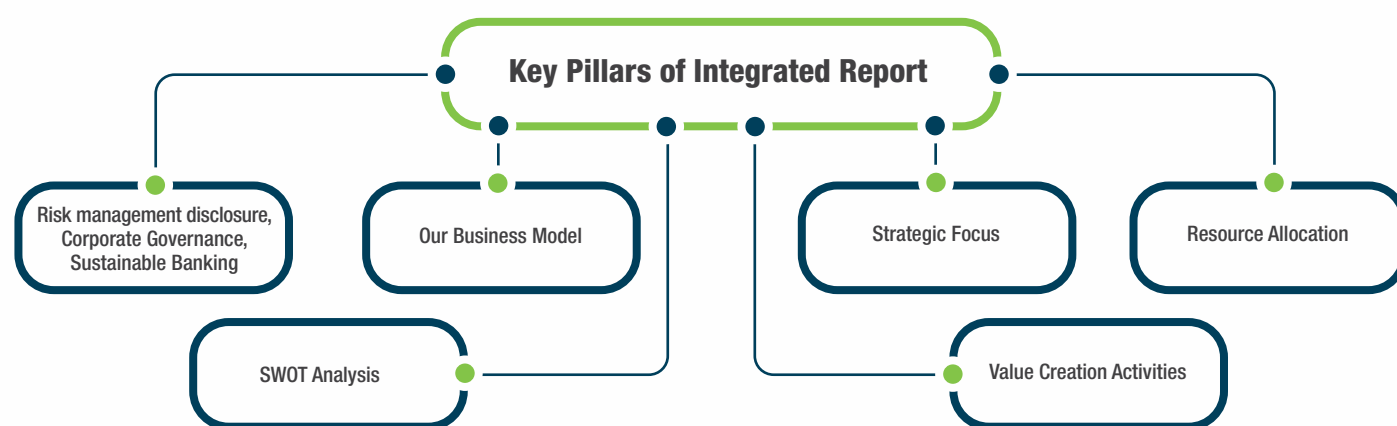
Our IR covers the period from January 01, 2021 to December 31, 2021 by following the guidelines of Integrated Report issued by ICAB referred as the Integrated Reporting Checklist which is in congruence with the Integrated Reporting Framework prototype issued by the IIRC and concerns the operations of Bank Asia Limited and its subsidiaries. There is no significant change regarding scope, boundary and reporting basis. The data & information presented in this report is on the same basis as the 2020 in terms of measurement methods, explanation of any restatement of information, time frames and entities.

## Forward Looking Statements

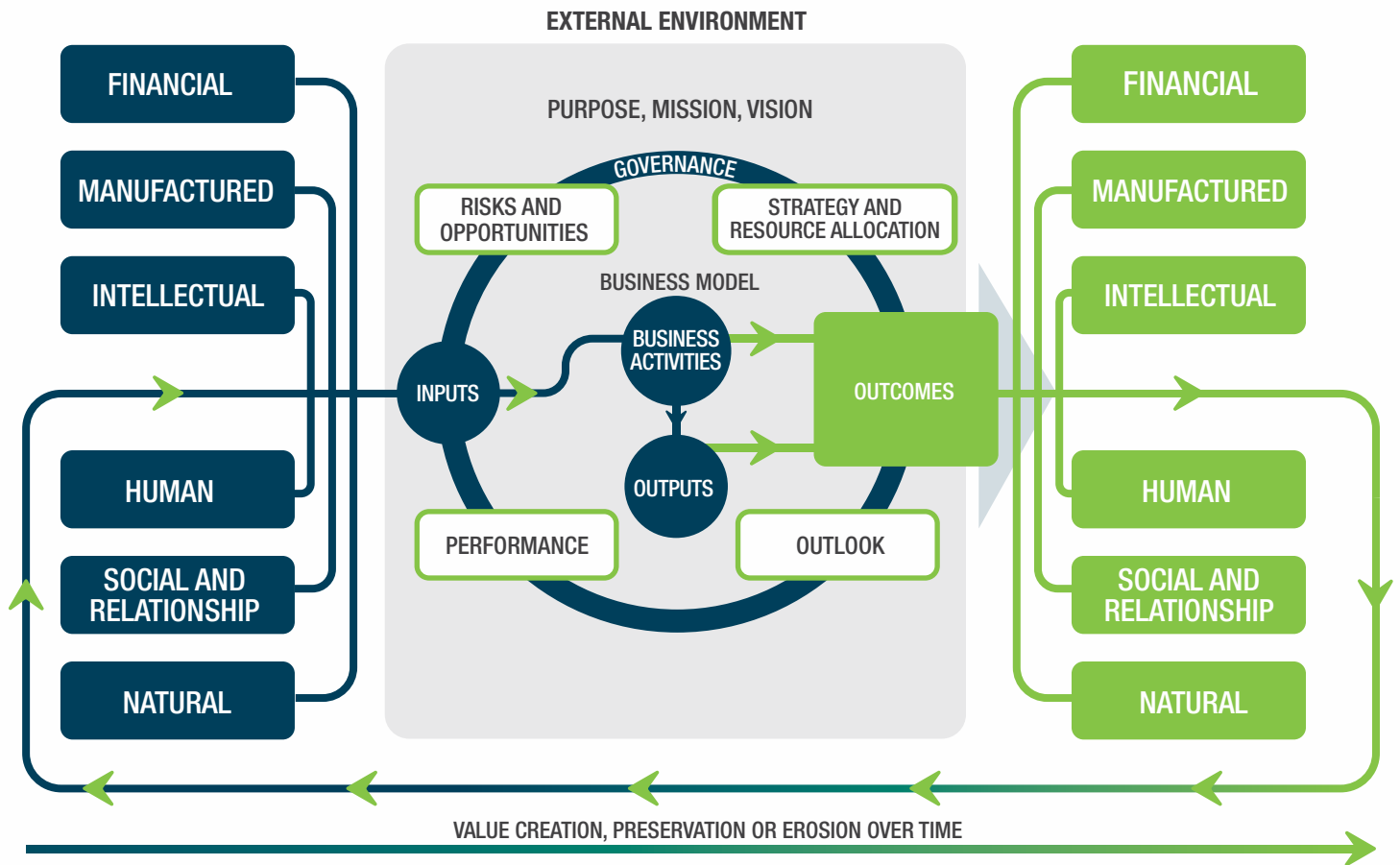
This report contains some forward looking statements which are based on external factors, future events and outcomes. These assumptions are constructed based on the expectation, judgment, aspects, and opportunities. As there are uncertainties about the occurrence of the future outcomes, these statements are valid only for the date of publication

## Assurance

For maintaining proper transparency Bank Asia Ltd. has always obtained Combined Assurance from both internal & external perspective.



**Process through which value is created, preserved or eroded**



**Materiality of the Report**

Through materiality analysis Bank Asia can identify what should be the vital priorities of the company so that it can delineate its key triple bottom line keeping the short, medium and long term goals in mind. Bank Asia has an edge by developing strategies focusing on our fundamental priorities to facilitate our operational activities, embolden our goal-oriented performance, vitalize our sustainability framework and institutionalize our corporate governance philosophy for both internal and external stakeholders.

**Responsibility over the Integrity of the Integrated Report**

The Board and the management ensures that the Integrated Annual Report has been prepared pursuant to the checklist in accordance with the International Framework of the International Integrated Reporting Council (IIRC). The Board and the management also ensures that reasonable care has been taken in preparation and presentation of this Annual Integrated Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact.

**Board of Directors Commitment towards Integrated Reporting**

I, on behalf of the Board, ensure that, all material aspects of Integrated Reporting has been presented truly and fairly, so that our stakeholders can take prudent decision on integrated performance of the Bank.

On behalf of the Board of Directors,

**A Rouf Chowdhury**  
Chairman  
Bank Asia Limited

[www.bankasia-bd.com](http://www.bankasia-bd.com)





# Integrated Report

## 1. ELEMENTS OF AN INTEGRATED REPORT

### 1.1 Organizational overview and external environment

Bank Asia Limited started its journey on November 27, 1999 as a private commercial bank with the aim of contributing for the development of the economy by bringing superior quality, technology driven banking products and services. In 2001, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, Agent Banking, ABAK (Renamed EBEK), Post Office Banking, Social Safety Net Program, Rural Finance, Digital banking program and many more specialized services with its core banking activities.

The details is available in **page no. 198** of AIR-21 under Corporate Profile. .

#### Mission & Vision of Bank Asia Limited:

As a corporate legal entity we always try to uphold and embrace our specific mission and vision in every possible context of our business. Details in **page: 12** of AIR-21.

#### 1.1.a.i) Bank Asia's Culture, Ethics and Values

We have maintained a strong corporate culture that abides by strict ethical policies and values. The details of which could be found in **Page 12 & 15** of AIR-21.

#### 1.1.a.ii) Bank Asia's Ownership and operating structure

Bank Asia Limited was formed as a public limited company under the Companies Act 1994, and governed by the Banking Companies Act 1991. The Bank obtained Certificate of Incorporation on September 28, 1999 and banking license on October 06, 1999. It went for public offering on September 23, 2003. Bank Asia runs its operation only in Bangladesh, however, we have three subsidiary companies, one in Bangladesh and two others in UK and USA.

Sl No.	Name of Subsidiary	Country of operation
1	Bank Asia Securities Limited (BASL)	Bangladesh
2	BA Exchange Company (UK) Limited	United Kingdom
3	BA Express USA Inc.	United States of America

Further details can be found in **page no. 196** of AIR-21 under Report Parameter.

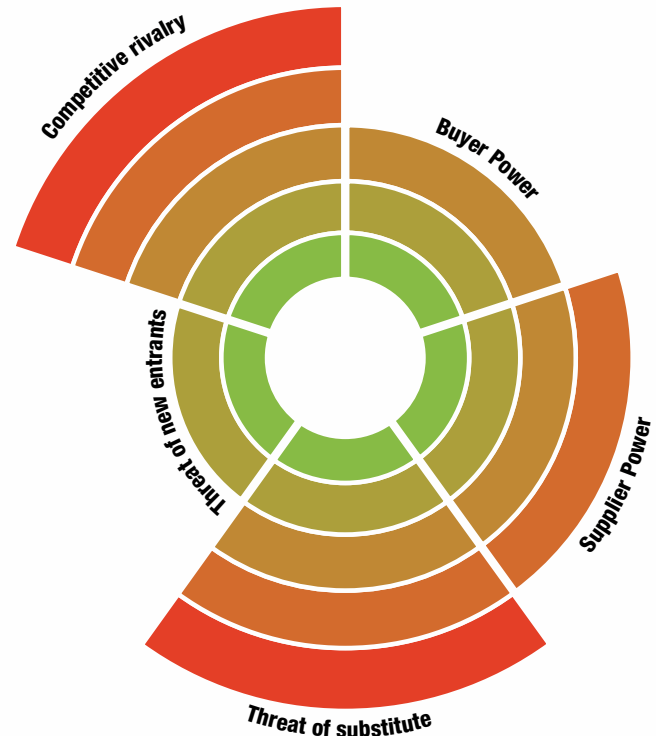
#### 1.1.a.iii) Bank Asia's Key activities and markets

The activities of the bank is permitted by the Bank Company Act 1991 (amended up to 2018), Companies Act 1994 (amended up to 2020), Memorandum of Association (MoA) and Articles of Association (AoA).

The key operational activities of the bank include: Acceptance of Deposits, Lending of Funds, Clearing of Cheques, Remittance of Funds, Bill Payment Services, Online Banking, Credit & Debit Cards, Treasury activities, Overseas Banking Services, Wealth Management, Investment Banking, Social activities, etc. Further details can be found in **Pg: 202** of AIR-21 under products and services.

#### 1.1.a.iv) Bank Asia's Competitive landscape and market positioning:

We have analyse the industry considering the threat of new competition & substitute products or, services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry.



#### Factors

- Corporate clients exhibit greater interest rate sensitivity compared to retail & SME clients
- Large number of financial institutions in the country increases buyer power as they can switch to one that offers them better
- Single digit interest rate somewhat decreases the bargaining power of buyers by leveling out the competitive landscape

#### Our response

- Explore fee-based and non-funded income alternatives
- Enhance relationship with existing customers
- Expand our retail and SME customer base further
- Focus on decreasing high cost and increasing no-cost, low-cost accounts



**Supplier Power**  **Moderate to High**

**Factors**

- i. Primary sources: depositors, employees, Corporations, other financial institutions
- ii. Interest rate somewhat dictated by market demand, however, central bank has fixed interest rate between 6-9%
- iii. Individual depositors and employees have minimal bargaining power
- iv. Corporations, high net worth individuals (HNWIs), high ranking management officials can exert significant influence on the bank

**Our response**

- i. Diversify depositor basket from corporate to retail & SME clients
- ii. Retaining valuable depositors through providing unique products and high quality service
- iii. Offering training to employees to improve their productivity and quality of service
- iv. Boosting employee morale through providing attractive remuneration and benefit packages in recognition of their efforts
- v. Explore the large unbanked population of the country

**Threat of substitute**  **High**

**Factors**

- i. Low cost of switching due large number of banks operating currently
- ii. Competition from NBFIs for providing attractive offerings
- iii. Modern Fin-Tech services (like BKash, Nagad, etc.) providing quick and easy to access financial solutions
- iv. Threat from non-financial institutions that provide EMI services on products such as cars, home appliance manufacturers, furniture manufacturers, etc. without the involvement of any financial intermediaries

**Our response**

- i. Offering unique customer service to stand out from the competition
- ii. Adopt digitisation to stay up to date with rapidly changing modern financial sector

**Threat of new entrants**  **Low to Moderate**

**Factors**

- i. High barrier to entry due to large initial capital requirements and meeting necessary regulatory requirements
- ii. More Banks and FIs are increasingly shifting their focus to the retail and SME segment
- iii. New Banks have been added to the Banking Industry

**Our response**

- i. Being the pioneer, Bank Asia has an edge in the agent banking segment and we can utilize our expertise to tap into the grassroots level segment
- ii. Being one of the largest and well reputed private commercial banks in the country, Bank Asia has already built a sufficiently diverse and loyal customer base which only continues to grow every year.

**Competitive rivalry**  **High**

**Factors**

- i. Competition from large number of different banks and NBFIs
- ii. Low cost of switching for depositor
- iii. FIs competing for same customer segment
- iv. FIs are increasingly shifting their focus from corporate to the retail and SME segment

**Our response**

- i. Retain existing and attracting newer customers
- ii. Adoption of digital technology and expanding online banking services
- iii. Extend our countrywide banking network further to bring in more unbanked population of the country under Bank Asia's umbrella.

Bank Asia is set to build the largest banking network both locally and globally through the introduction of post office banking by engaging postal outlets across the country in providing financial services.

**1.1.i.e) Bank Asia's position within the value chain**

As a 3rd Generation bank, Bank Asia is fundamentally strong and has one of the highest capital bases in the Banking Industry. Our position in terms major financial indicators is highlighted below:

Bank Asia's Market Position in %		
	2021	2020
Deposit	2.25 %	2.35 %
Loans & Advance	2.12 %	2.18 %
Export	3.71 %	4.16 %
Import	3.86 %	3.97 %
Remittance	6.84 %	5.37 %

Details on [page no. 128-129](#) of AIR-21.

**1.1.b) Key quantitative information of Bank Asia**

Bank Asia's number of employees, branches, operating income for the year, debt and equity position and our banking channel details have been given on page no. 198 of AIR-21 under Corporate Profile.

**1.1.c) We have analysed the significant external factors through PESTEL Analysis which includes political, environmental, social, technological, economic, and legal & regulatory that impact our business and our response against those risks**

# Integrated Report

1.1.iii) We have analysing the significant external factors through PESTEL which includes political, environmental, social, technological, economic, and legal & regulatory that impact our business and our response against those risks

## PESTEL Analysis

The world is ever changing and with change comes new, more complex challenges. For a business to succeed, overcoming these challenges and creating proper mitigation strategies is vital. To develop proper countermeasures against these risks, analysis of the business environment is required.

In this section, we outline the external environmental factors that impact our business operations, what actions we are taking in tackling against these factors and what we intend to do in the future.

DIMENSION	POLITICAL
Impact: High	Risks ● Credit ● Capital Market ● Strategic
<p><b>Situational Highlight</b>            Bangladesh has been performing well and oftentimes on par with some of its more influential South Asian neighbors in several social and economic dimensions due to its political stability under the visionary leadership of the current regime. The present political climate of Bangladesh has been remain stable in last past few years as there is no major political strikes and blockades taking place. However, the biggest political threat comes from the international scene. The recent Russia-Ukraine conflict has sent shocks through the entire global economic scene, causing disruption to supply chains, causing the price of commodities such as grains and oil to rise drastically and ultimately it may increase the level of inflation. In addition, global financial market faced massive disruptions and Bangladesh's capital market was no exception.</p> <p><b>BA Initiatives</b>            No major disruption to our business directly and we have continued to provide uninterrupted banking service to our valuable customers.</p> <p><b>BA Outlook</b>            Being an essential service institution, Bank Asia continues to provide banking service to its customers and did so even during the pandemic. Unless faced with a major unprecedented event, we will continue to do so in the future.</p> <p><b>Further Detail:</b> Chairman's Statement, MD's Review, World Economy, Bangladesh Economy</p>	

DIMENSION	ECONOMIC
Impact: High	Risks ● Credit ● Capital Market ● Strategic ● Liquidity
<p><b>Situational Highlight</b>            The global economic growth is estimated to be 5.9% in 2021, which was -3.10% in 2020 caused primarily due to the pandemic. The strong rebound in 2021 can be attributed to a strong recovery during the spring period as businesses started to open up. The forecasted GDP growth going into 2022 has been revised downward to 4.4% which is expected to decrease even further going into 2023 at 3.8%. Economists attribute the recent rise in consumer prices to a variety of factors, including supply chain breakdowns, labor shortages, and a sudden surge in spending following widespread lockdowns during the COVID-19 pandemic. As of December, 2021, the inflation rate has risen dramatically in advanced economies, emerging markets, and developing economies.</p> <p>Macroeconomic stability has been a strength of Bangladesh economy. Despite several shortcomings, the economy exhibited many promising aspects. The country managed to increase its GDP growth continuously over years in last decade. Strong performance in agriculture, industry and the services sector have contributed to the acceleration of growth in recent years. Growth has also been less volatile and shown resilience during periods of political volatility, natural disasters and global financial crises. In FY 2020-21 the real GDP of Bangladesh rebounded with 5.47% from 3.45% in FY2019-20 and the expected GDP growth for FY 2022 will be 6.8% which is in satisfactory position compared with other South Asian countries.</p> <p><b>BA initiatives</b>            One of the biggest challenges in our country's banking industry in the single digit interest rate regime set up by the central bank. This was primarily done to boost the economic performance of the country's SME segment. Bank Asia has been focusing more on fee-based and non-interest earning businesses as well investing in T-bills and bonds. Another major challenge persisting in our banking industry is the issue of non-performing loans which leads to subsequent deterioration of asset quality. Bank Asia has taken several measures to curb non-performing loans and regularly monitors and updates its policies to develop the best possible solution in battling against this inherent risk.</p> <p><b>BA Outlook</b>            Bank Asia has been shifting its focus from corporate client segment to include more SME and retail clients. As corporate clients represent the biggest portion of classified loan portfolio as well as exhibiting the most price sensitive behaviour, this move will also help in improving the quality of our assets.</p> <p><b>Further Detail:</b> Chairman's Statement, MD's Review, World Economy, Bangladesh Economy</p>	

DIMENSION	SOCIAL
Impact: High	Risks ● Market Reputation ● Strategic
<p><b>Situational Highlight</b>            Bangladesh has been the poster child for many a publication for its continuous and commendable effort towards reducing poverty and ensuring gender equality in its workplace. Starting from being the 10th smallest economy right after its independence to breaking into the top 50 position of countries with the biggest GDP in 2021, our country's story is nothing short of mesmerising. Not only has per capita income increased, but impressive achievements have been made on the social front as well. Progress in poverty reduction, lower maternal and child mortality, increased life expectancy and higher enrolment are some examples of such achievements. Participation of women in economic activities have been the game changer for our country. The RMG sector which is the biggest export earner for our nation, is comprised of 85% women in its workforce. Poverty reduced from 43.5% in 1991 to 14.3% in 2016. We successfully managed to graduate from LDC status in 2015 to reach lower middle income status in 2015. The next goal is to reach upper middle income status by 2031.</p> <p>However, the advent of the coronavirus pandemic placed a massive barrier in our economic development. However, the government was extremely vigilant and quick in its response to tackle the virus. Enforcing lockdowns to curb the spread of the virus, ensuring people maintained proper safety protocols when leaving their homes and rolling out a massive free vaccination campaign across the nation. A lot of people are already in the process of receiving their 3rd booster dose.</p> <p><b>BA initiatives</b>            Bank Asia has always invested heavily in CSR activities for the betterment of society, such as the health sector, education sector, disaster management, etc.. This year our investment behind CSR activities stood at Tk. 247.45 million. We have a strict no discrimination policy in our recruitment process and do not judge people based on their age, race, gender, ethnicity, etc. Everyone is given equal opportunity to express themselves and carry out their duties fairly.</p> <p><b>BA Outlook</b>            Bank Asia plans to be the pillar of fairness and equity and the number one employer of choice. Our investment in CSR activities will continue into the future and we will look for more avenues to expand into the future.</p> <p><b>Further Detail:</b> Summary Sustainability Report</p>	

DIMENSION	TECHNOLOGICAL
Impact: High	Risks ● Credit ● Operational ● Market Reputation ● Strategic
<p><b>Situational Highlight</b>            Technological adoption has seen a rapid growth in Bangladesh over the last few years, with the government determined to see its dream of "Digital Bangladesh" becoming a reality. The annual broadband requirement in Bangladesh has reached 1 TB/s, and the introduction of 4G in 2018 definitely assisted greatly in that regard. This technological adoption is also palpable in the country's financial sector where online banking rose by 154% y-o-y. As per BB data, there were 4.4 million internet banking customers at the end of December 2021 with online banking transaction reaching Tk. 205.6 billion.</p> <p><b>BA initiatives</b>            Bank Asia has always been proactive in keeping up to date with new technological innovations by ensuring proper compliance. Bank Asia was certified with ISO/IEC 27001:2013 for ensuring proper IT management. We Successfully implemented world's best scalable technology Oracle Real Application Cluster and migrate Oracle Database 120.1.0.1 to Oracle Database 12.1.0.2 for the Bank. Some major technological initiatives adopted by us include Micro Merchant and Agent Banking App for ensuring proper financial inclusion, implementing Diganta OCAS (Online Credit Approval System) for digital SME &amp; Shadhin Card for Agri proposal processing, introduced A-Card (Agriculture card) for the first time in Bangladesh, implemented a robotic automation process for real-time processing of remittance payments, as well as introducing Artificial Intelligence Workforce (AIW)</p> <p><b>BA Outlook</b>            Our aim is to stay up to date with the times and be a benchmark in technological adoption for others to follow. Our goal is to become the no. 1 most tech savvy bank in the country within the next 5 years and we are always working earnestly towards reaching that goal.</p> <p><b>Further Detail:</b> Director's Report</p>	

DIMENSION	ENVIRONMENTAL			
Impact: Moderate	Risks	● Reputation	● Social	● Strategic
<p><b>Situational Highlight</b> The current environmental situation of the world might seem like an insurmountable hill to climb with no way around, however, the situation did not become so overnight. The issue has been a culmination of over 200 years of human greed for wealth, power and explosive population growth without any regard to the impact that we leaving on the planet.</p> <p>Since 1880, the average temperature rose by 0.08 Celsius every decade. However, in the last 40 years or so, the rise doubled to about 0.18 Celsius per decade. This trend can primarily be attributed to the rise in CO2 levels caused by fossil fuel emissions. In 1880 the annual CO2 emission was below 5 billion tons, whereas in 2020 it peaked at 40 billion tons. Governments and regulatory bodies across the globe are actively trying to come up with mitigation strategies. One such initiative is the “Net Zero” goal, where the aim is to neutralise the CO2 output and sequestration by 2050 so the overall levels of CO2 in the atmosphere doesn’t rise any further. The Government of Bangladesh is also no exception and is in the process of rolling out several environment friendly projects. Some of these include utilising solar power plants to generate 30% of the country energy needs by 2030 as well as slowly phasing out combustion engine vehicles in favour of electric/hybrid engine vehicles. Bangladesh Bank also released a ERM (Environment Risk Management) Guideline for banks to follow in their business operations.</p> <p><b>BA Initiative</b> Bank Asia conducts several green banking training program to create awareness regarding environmental concerns and business practices for its employees. We were the pioneer in Bangladesh for publishing sustainability report in line with GRI standards. Bangladesh bank has recognised us as one of the top 10 most sustainable banks in the country. As a responsible business entity, Bank Asia aims to build a better future by growing responsibly and sustainably followed by through adoption of eco-friendly measures across the organisation. To raise awareness with regards to Green Banking Policy guidelines, a circular was issued. Bank Asia always puts the utmost priority whenever a green financing opportunity presents itself. Some of the green projects include renewable energy generation, low carbon emission projects, solar home systems, CNG conversion projects, biogas, managing different wastes, treatment of liquid waste, urban building safety projects, effluent treatment plant in brickfields, etc.</p> <p><b>BA Outlook</b> Bank Asia plans to adopt the “Net Zero” policy in our business activities and values and our aim is to be completely carbon neutral within 2050. We have launched several green banking products such as Green Energy Loan and Water Supply and Sanitary Loan (WSS) and prioritising green financing will be one of our topmost concerns going forward.</p> <p><b>Further Detail:</b> Summary Sustainability Report</p>				

DIMENSION	REGULATORY & LEGAL			
Impact: High	Risks	● Reputation	● Capital Market	● Strategic
<p><b>Situational Highlight</b> Legal risk continues to be impacted by the evolving Government’s legal and regulatory landscape due to Covid-19 situation and other changes in regulatory standards.</p> <p><b>BA initiative</b> BA has always been one of the most compliant financial institutions since its inception. BA always has and will continue to take an active stance in being the best at complying properly with the legal and regulatory requirements through proper policy discussion. Maintaining proper ethical standards has been an integral part of our organisation’s culture since inception and our employees always work with integrity and proper diligence</p> <p><b>BA Outlook</b> The country’s legal and regulatory authority have been proactive in taking various regulatory actions complying with international standards. Bank Asia has always been honest and sincere with honouring and abiding by those standards and played a vigilant role to ensure they are properly maintained.</p> <p><b>Further Detail:</b> Risk Management Report, Corporate Governance Report</p>				



## 1.2 GOVERNANCE

Corporate Governance refers to the relations between the management of a company and its Board of Directors, shareholders and other stakeholders. Corporate Governance also provides a framework for setting out a company's objectives and the means for achieving these and for tracking its performance.

Organization's governance structure support its ability to create value in the short, medium and long term

As a legal corporate entity, we are committed to maintain high levels of Corporate Governance by engaging the stakeholders for maximize our short, medium & long term values. Details on [page no. 245](#) of AIR-21 under Corporate Governance Framework in Bank Asia.

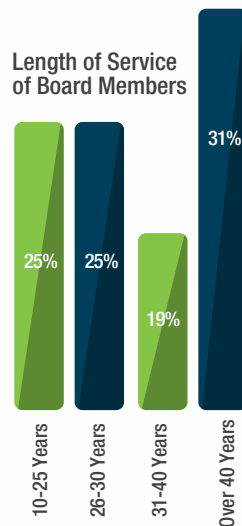
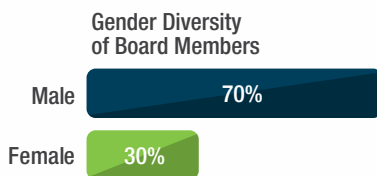


**Corporate Governance Framework**

**1.2.a) Bank Asia's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure**

Regulatory requirements influence the design of the governance structure

The present size and composition remains well-balanced and it's made up with professionals with a wide range of knowledge and experience in business, operations and finance to set direction of a large and expanding bank. Bank Asia complied with pertinent guidelines of Bangladesh Bank circulars, rules and regulations of the Companies Act 1994



(amended up to 2020), Bank Companies Act 1991 (amended up to 2018), Bangladesh Securities and Exchange Commission (BSEC) Notifications, Guidelines of Bangladesh Bank and Memorandum & Articles of Association of the Bank. New Directors are appointed by Bank Asia with the emphasis on the mix of knowledge, skills, experience and perception. The Directors are elected by the shareholders in AGM and all appointment of the Board is subjected to the approval of Bangladesh Bank. The profiles of all Board members, comprising of their qualification and experience are disclosed in [page no. 24-33](#) of AIR-21.



Details regarding the Knowledge & expertise in Finance & Accounting of Board of Directors can be found in [page no. 249](#) of AIR-21 under sub-heading 1.10.

The primary responsibility of the board and its composition details can be found in [page no. 246](#) of AIR-21 under sub-headings 1 and 1.1.

**1.2.b) Mandatory and voluntary code of corporate governance adopted by the Company**

Bank Asia has strongly maintained mandatory and voluntary code to ensuring that its systems, procedures and practices reflect a high standard of Corporate Governance. It has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long-term and sustainable value, as well as fostering a culture that values ethical behavior, integrity and respect to protect shareholders' and other stakeholders' interests at all times. Bank Asia always gives its utmost efforts to comply corporate governance practices with all the aspects of the revised Corporate Governance Code (CGC) BSEC/ CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), listing regulations and directives of DSE and CSE and all aspects of Bangladesh Banks directives.

**1.2.c) Code of ethical conduct adopted by the Company in relation to ethical business.**

Corporate integrity, ethical conduct and accountability are fundamental to building trust between Bank Asia and different stakeholders. Bank Asia is always committed to maintain and uphold the highest standard of Corporate Governance integrity and ethics, which is embedded in the corporate culture of the Bank. The Board of Directors follows a code of conduct which was adopted to provide guidance to directors to perform their duty in an honest, responsible and business-like manner and within the scope of their authority, permitted by the Bank Company Act 1991 (amended up to 2018), Companies Act 1994 (amended up to 2020), as well as Memorandum of Association (MoA) and Articles of Association (AoA) of the Bank. Details on [page no. 15](#) of AIR-21 under Business Ethics.

The code of conduct followed by the Board of Directors is detailed on [page no. 246](#) of AIR-21 under sub-heading 1.1.2.

Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation in [page no. 269](#) of AIR-21 under Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation.

Compliance Checklist In Line With the Companies Act, 1994 (amended upto 2020) has been detailed in [page no. 279](#) under Compliance Checklist In Line With the Companies Act, 1994.

**1.2.d) Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues**

Bank's overall financial soundness can be measured only by adopting

# Integrated Report

a strong risk management process to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.

Effective risk management is beyond the regulatory requirement. In a broad sight, risk can be divided into 02 (two) major parts: Systematic Risk and Non-systematic/Diversifiable Risk.



The Bank's risk management framework is applied on an enterprise wide basis and consists of three key elements:

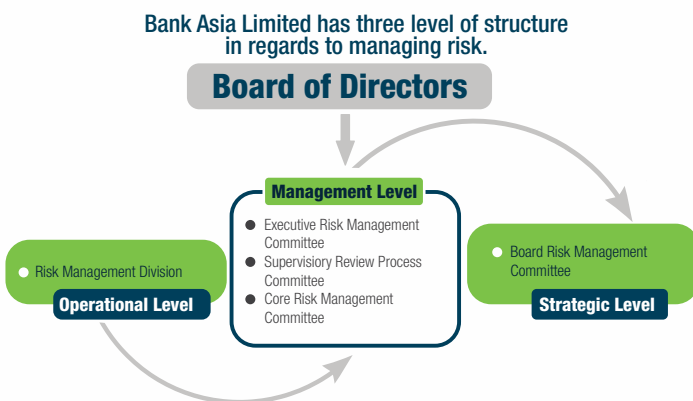
- Risk Governance,
- Risk Appetite, and
- Risk Management Procedure

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

Details given in [page no. 234-235](#) of AIR-21 under Stakeholders Relationship/Grievance Redressal.

### 1.2.e) Actions of those tasked with overlooking governance and their actions to monitor organisation's strategic direction and approach to risk management

Effective risk management is beyond the regulatory requirement. Bank Asia Ltd. has its own Risk management framework for overall risk management of the Bank. This framework is combination of Board level oversight, Management oversight and Operational level risk management structure. The Bank's Risk Inventory sets out the Bank's



major risk categories and related subcategories to which the Bank's businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification and is the starting point in developing risk management strategies and processes. The Bank's major risk categories are: Strategic Risk; Credit Risk; Market Risk; Operational Risk; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Legal, Regulatory Compliance and Conduct Risk; and Reputational Risk.

Details of particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management is given [page no. 155](#) of AIR-21 under sub-heading 2.1.

### Disclosure of Risk Reporting:

Risk management report addresses the disclosure requirements of Basel III pillar 3, and materials risk that effect bank's earning, capital and shareholders' value and management action plan against that risks set out by Bangladesh Bank. Details on [page no. 162](#) of AIR-21 under sub-heading 3.

### 1.2.f) The organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders

Bank Asia always acknowledges the importance of an effective, transparent and regular communication with its stakeholders to provide a clear picture of the Bank's performance and position. Bank Asia is always committed in maintaining high standards in the dissemination of relevant and material information to all of its stakeholders. Detailed explanation have been provided in [page no. 116](#) of AIR-21 under sub-heading 1.3.1 and details regarding individual capitals have been described in [page no. 136-147](#).

### 1.2.g) Bank Asia's governance practices

Details on Bank Asia's governance practices that have been implemented within legal boundaries and key policies is given in [page no. 162](#) under sub-heading 1. :

### 1.2.h) The responsibility those charged with governance take for promoting and enabling innovation

Bank Asia has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long-term and sustainable value. To maintain a leading governance practices in the highly regulated industry in which the Bank operates, the Board Committees assist the Board to fulfil its governance role effectively for promoting and enabling innovation for the long-term sustainability of the Bank businesses. The detailed explanations are given in the following segments:

- Statements of Directors' responsibility to establish appropriate System of Internal Control [Pg: 242](#)
- Statement of Directors' on Adequacy of the System of Internal Control [Pg: 242](#)
- Responsibility Statement of MD and CFO [Pg: 243](#)

**1.2.i) Remuneration and incentives linked to short, medium and long term value creation as well as organization's use of and effects on the capitals**

Bank Asia set remuneration policy and always update it accordingly. Remuneration for senior executives is market-based and competitive in order to attract, motivate and retain skilled and competent employees. Details on [page no. 258](#) under sub-heading 6.

**1.3 STAKEHOLDER IDENTIFICATION/RELATIONSHIPS**

*Bank Asia's Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value.*

We identify our stakeholders through conducting impact analyses in respect of

**Responsibility:** Bank Asia has direct legal responsibility to regulators, tax authority etc.

**Influence:** Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.

**Proximity:** The local community that influence heavily our daily operation. Dependency: Those who are dependent on their operational performance, e.g. business partners, and those whom we are dependent, e.g. customers.

**Representation:** Those who represent Bank Asia to the outside world, e.g. employees, board and those whom we face for various decision making purposes, e.g. business association leaders, local community leaders .

As a value driven financial brand Bank Asia try to maintain transparency in providing both financial and non-financial data activities of the bank. Bank Asia prioritizes stakeholders' issues based on materiality mapping determining the level of relevance and significance on economic, environmental, social and financial impacts.

**1.3.a) Identification of stakeholders:**

Bank Asia identified its stakeholders through conducting impact analyses in respect of:



Details on [page no. 206](#) of AIR-21 under Stakeholders engagement.



**1.3.b) Bank Asia's Stakeholder engagement methodology**

Bank Asia believes in the proper stakeholders' engagement in every aspect of its banking activities.

Details on [page no. 207](#) of AIR-21 under Stakeholders Engagement-Alignment with SDGs

**1.3.c) Identification of stakeholders' material matters and how such matters are applied**

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

Details on [page no. 209](#) of AIR-21 under Material Aspects and Boundaries.

**1.3.e) How the stakeholders are engaged in assessing impacts, implications and outlook in respect of Bank Asia's business model.**

Details on [page no. 206](#) of AIR-21 under Stakeholders engagement.

**1.3.1 CAPITALS**

*The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organization and, hence, the value of capital is not fixed over a period of time.*

We divide our capitals into 6 distinct segments as stated in the <IR> framework guideline, where we state the interconnectedness of our stated capitals, how their values are enhanced, eroded or transformed over time. The six capitals are aligned with relevant material aspects and adjusted accordingly with their pertinent strategic pillars, highlighting their associated risks and mitigation strategies to create a comprehensive value creation model for our key stakeholders. The brief description of the capitals are given below while the detailed description can be found in [pages no. 136-147](#)



# Integrated Report

## 1.4 BUSINESS MODEL

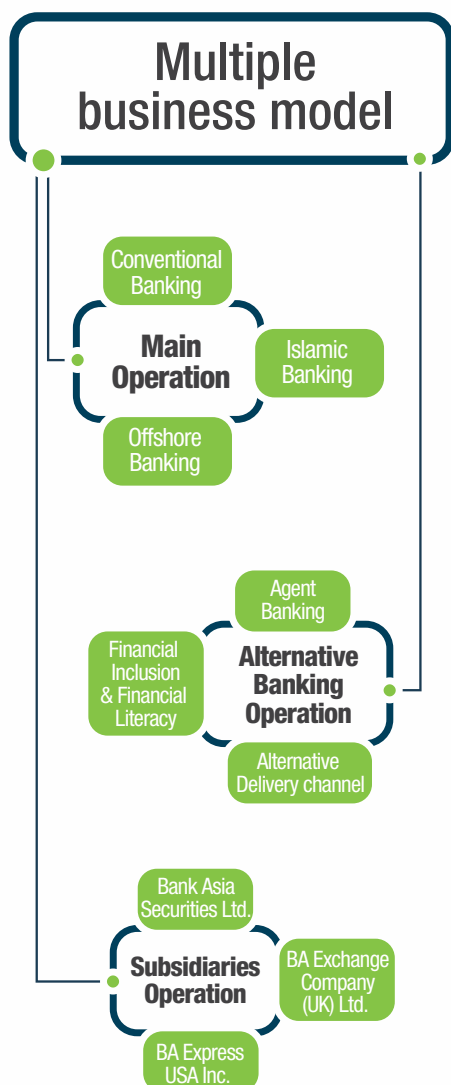
An organization's business model is its system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term.

Details of the Business model given in [page no. 148](#) of AIR-21

### 1.4.1 MULTIPLE BUSINESS MODEL OF BANK ASIA

Bank Asia's business model can be divided into three distinct segments: Main Banking Operations, Subsidiary Company Operations, Branchless Banking Operations.

- **Main Banking Operations:** This is further classified into 3 segments, i.e. Conventional Banking based on the traditional banking system, Islamic Banking based on the principles of Islamic Shariah based banking and Offshore Banking. A detailed explanation is given in the prior segment, i.e. 1.4.



The financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38) of the Bank Company Act 1991 (amended upto 2018), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards

(IFRSs), International Accounting Standards (IAS), and the standards set by the FRA the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. Section 38 of the Bank Company Act 1991 has been replaced through BRPD Circular no. 10 dated October 04, 2015.

- **Subsidiary Company Operations:**  
**Bank Asia Securities Ltd. (BASL)** a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS).  
**BA Exchange Company (UK) Ltd. & BA Express USA Inc.** are 2 fully owned subsidiaries of Bank Asia operating in the United Kingdom and United States, respectively. Their primary business operation is the channelling of remittance into the country. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.
- **Branchless Banking Operations:** this segment mainly consists of our Channel Banking Operations which follows their own business models. Under this banking operation:  
**Alternative Delivery Channel (ADC):** Details in [page no. 91](#)  
**Agent Banking:** Detailed description in [page no. 94](#)  
**Financial Inclusion and Financial Literacy Department:** Detailed description in [page no. 93](#)

## 1.5 PERFORMANCE

Bank Asia's integrated report provides explanation on the extent to which we have achieved our Goals in line with our company's vision and mission



**Vision:** To build a society where highest human dignity and rights receive the highest consideration along with reduction of poverty



**Mission:** Bank Asia is committed to establish high quality service, high standard of integrity with technology driven innovative service



### Core Values

Bank Asia plays an intermediary role between economic development and conservation of the environment

### 1.5.a) Comparative analysis through Quantitative indicators of Bank Asia

An analysis of Bank Asia Five Years' Performance of several key factors have been detailed on [page no. 48](#) of AIR-21

### 1.5.b) Bank Asia's material effects on capitals up and down the value chain

We have provided a detailed explanation on the material matters impacting our capitals in the following pages:

- Financial Capital: [Page no. 136](#)
- Human Capital: [Page no. 138](#)
- Manufactured Capital: [Page no. 140](#)
- Intellectual Capital: [Page no. 142](#)
- Natural Capital: [Page no. 144](#)
- Social & Relationship Capital: [Page no. 146](#)



### 1.5.c) Key stakeholder relationships and how Bank Asia has responded to key stakeholders' legitimate needs and interests

Bank Asia believes in the proper engagement with our stakeholders in every aspect of our business activities and maintaining a smooth and interactive relationship with them. Details on how we engage with our stakeholders have been provided in [page no. 206](#) under Stakeholder engagement and how we resolve stakeholder complains and concerns have been provided in [page no. 234-235](#) under Stakeholders Relationship/Grievance Redressal.

### 1.5.d) Organisation's outlook that describes the linkages between past and current performance

Million Tk.

Item	2020	2021	Growth
Loans & Advances/ Investments	244,642	262,267	7.20%
Deposit	303,028	317,782	4.87%
Import	141,289	225,789	59.81%
Export	108,549	141,496	30.35%
Remittance	98,911	128,441	29.86%

### KPIs that combine financial measures with other components

#### Balance Sheet Including Human Capital

Million Tk.

Particulars	31-Dec-21
Total Asset (Conventional)	438,293
Human Asset (Individuals' value)	23,037
Value of investments	6
Total Asset including Human Asset	461,336
<b>Capital &amp; liabilities</b>	
Total Liabilities (Conventional)	438,293
<b>Human Capital</b>	<b>23,043</b>
Total Capital & Liabilities including Human capital	461,336

### REDUCING CARBON FOOTPRINT

Million Tk.

Renewable Energy	2,226.18
Liquid Waste Management	7,164.05
Environment Friendly Brick Production	377.70
Green/Environment Friendly Establishments	614.70

## 1.6 INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT OF BANK ASIA LIMITED

Bank Asia's integrated report elaborates on specific risks and opportunities that affect the organization's ability to create value over time.

### Acknowledgement of Directors' Responsibility in respect of Bank Asia's internal control system to safeguard Stakeholder Interest

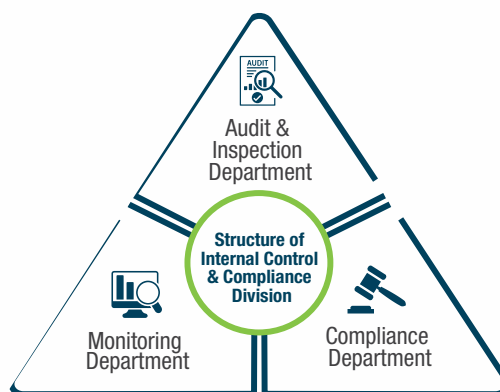
Bank Asia's Board of Directors acknowledges its overall responsibility to establish appropriate System of Internal Control and ensure Adequacy of the System of Internal Control. The Directors acknowledge their


overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations. The Board has supervised the policies and various parts of businesses to construct an effective internal control system which is essential for sustainable growth maintaining efficient conduct of business. They have also reviewed the adequacy and completeness of accounting records, well preparation of financial statements, and efficient management of risk, strengthening bank's assets and overall internal control process.

Statements of Directors' responsibility to establish appropriate System of Internal Control, Adequacy of the System of Internal Control and Responsibility Statement of MD and CFO are given in [page no. 242-243](#) of AIR-21.

Moreover, Internal control, Financial Reporting, Internal & External Audit, legal compliance, and Corporate Governance Guidelines/ Notification issued by Bangladesh Bank and BSEC. Details on [page no. 239](#) of AIR-21 under Roles & Responsibility of Board Audit Committee

### The structure of Bank Asia's Internal Control & Compliance and their activity highlight throughout the year.





**Audit and inspection covers**

**129** Branches,  
**05** Islamic Banking Windows,

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**23** Corporate Office Departments,  
**70** agent outlets



**Shariah Audit**  
**22** Branches



**ICT/IS Audits**  
**24** Branches and corporate office division/departments



**Monitoring**  
**319** offsite reports  
**412** exception reports



**Compliance Test**  
**129** branches  
**05** IBWs

# Integrated Report

## 1.6.a) The internal and external risks, opportunities, strengths & weaknesses and Bank Asia’s assessment of these factors

Through SWOT analysis, Bank Asia has identified specific factors that affects our business operations both internally and externally. Details in [page no. 130](#) of AIR-21.

## 1.6.b) The specific steps being taken by Bank Asia to mitigate or manage key risks

The Bank’s overall Risk Management Framework provides the foundation for balancing between risk and reward in order to maximize shareholders’ returns which are consistent with the Bank’s strategies and risk appetite. Details in [page no. 158](#) of AIR-21 under Risk Mitigation methodology.

Risk Management and Review process under the supervision of Process Development and Review Unit of the Bank. This unit will proactively review various operational processes (regardless of any specific risk) to identify any area of development. Based on such identification the unit will take necessary steps to enrich the process i.e. through policy/process development and eventual implementation, which can not only safeguard bank’s asset but also contribute strongly towards profitability.

## 1.6.c) Risk Management Report

Risk Management report includes details about different types of risk, their root cause, the potential impact on banking business activities, our response on risk mitigation, and overall risk rating of the borrowers. Details given in CRO’s statement on [page no. 152](#).

## 1.6.d) Effectiveness of the internal controls

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 internal audit of the internal control system of the bank. The significant deficiencies identified by the internal audit team are reported to the Audit Committee of the Board.

## 1.7 STRATEGIC FOCUS AND RESOURCE ALLOCATION

*Our Integrated Report describes Bank Asia’s strategic objectives that is to our current business model and the resource allocation plans to implement these strategies.*

### 1.7.a) Bank Asia’s short, medium and long term strategic objectives

Bank Asia has identified several short, medium and long-term objectives that may affect our business operations. Details on [page no. 125](#) of AIR-21 under Strategic Plans of Bank Asia.

### 1.7.b) Bank Asia’s Strategic Focus to implement our Organisational Goals



### 1.7.c) Bank Asia’s Segment Analysis and industry position in terms of Deposit and Advance, as well as Export and Import business

Through Segment Analysis we have provided an overview of Bank Asia’s Operating Profit, Total Assets and Profit Before Tax on a Consolidated and Solo basis. Details on [page no. 67](#) of AIR-21 under Segment Analysis.

An analysis of the Bank Asia’s performance in comparison to the banking industry in respect of our major financial indicators, i.e. Deposit and Advance, as well as Export and Import business have been detailed in [page no. 128-129](#) of AIR-21.

### 1.7.d) Bank Asia’s current business model related to our strategic objectives

Bank Asia’s business model defines the system of transforming inputs, through our business activities, into outputs and outcomes that aim to fulfil our strategic purposes and create value over the short, medium and long term. Details on [page no. 148-149](#) of AIR-21 under Our Business Model.

### 1.7.e) Bank Asia’s resource allocation plans to implement our strategic objectives

Bank Asia’s Resource allocation plan is detailed on [page no. 132](#) of AIR-21 under Strategic Focus.

### 1.7.f) Bank Asia’s measure of achievements against target outcomes

Bank Asia’s achievement against set targets over 6 major financial indicators, i.e. operating profit, Deposits, Loans, Import, Export, and Remittance have been given in detail and discussed on [page no. 64](#) under Performance Highlights of the President and Managing Director’s Review.

## 1.8 ORGANISATIONAL OUTLOOK

The outlook segment in our Integrated Report describes the challenges in pursuing our strategic objectives and the potential implications to our business model and future financial performance.

Details on [page no. 126](#) of AIR-21 under Strategic Plans and Outlook of Bank Asia, [page no. 297](#) of AIR-21 under Capital Planning (Banking Operation) 2021-2024.

## 1.9 BASIS OF PREPARATION AND PRESENTATION OF INTEGRATED REPORT

Bank Asia's Integrated Report 2021 has been prepared in accordance with the <IR> framework guideline as its basis as outlined by the International Integrated Reporting Council (IIRC).



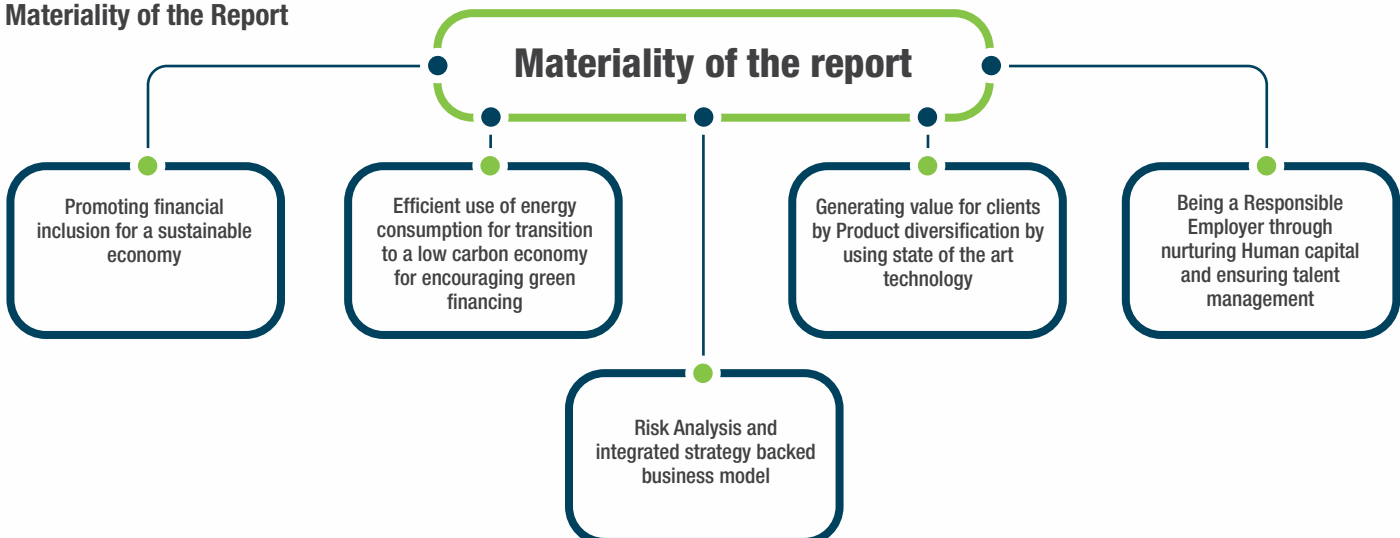
### 1.9.a) Factors considered in our materiality determination process

In our Integrated Report, the matters which significantly affect our organization's ability to create value in the short, medium and long term are considered to be material. Details on [page no. 61](#) of AIR-21 under Priorities we followed in 2021 and in [page no. 209](#) of AIR-21 under Material Aspects and Boundaries.

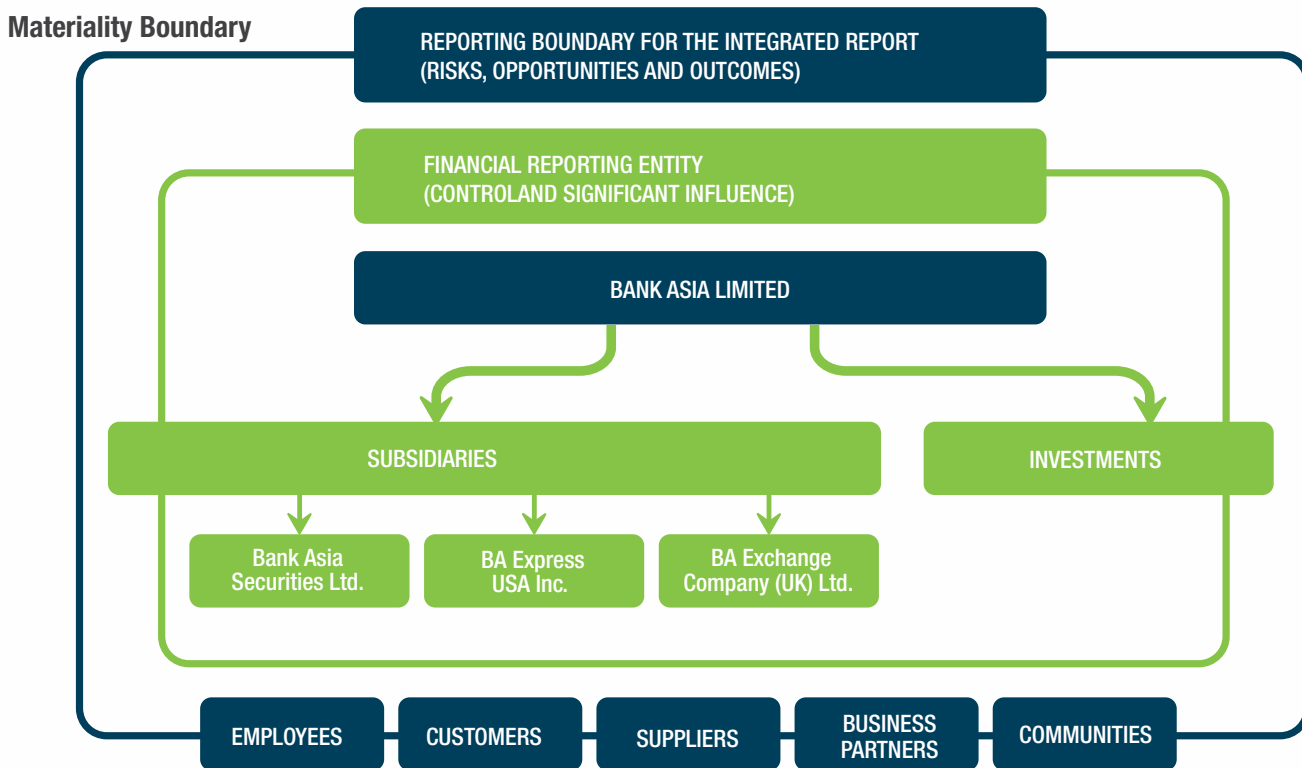
#### 1.9.a.i) Bank Asia's Materiality Determination Process

The process of determining materiality is entity specific and based on industry and other factors, as well as multi-stakeholder perspectives. Through materiality analysis, Bank Asia can identify what should be the vital priorities of the bank so that we can delineate our key triple bottom line keeping the short, medium and long term goals in mind. Bank Asia has an edge by developing strategies focusing on our fundamental priorities to facilitate our operational activities, embolden our goal-oriented performance, vitalize our sustainability framework and institutionalize our corporate governance philosophy for both internal and external stakeholders.

### Materiality of the Report



# Integrated Report



## 1.9.a.ii) Role of those charged with governance and key personnel in the identification and prioritization of material matters

The Board and Senior Management Team are the key personnel in the identification and prioritization of material matters of Bank Asia. The senior management team prepares proposals after thorough analysis which is then reviewed by the Board Committee before being sent for final approval to the Board of Directors. Details on [page no. 250-252](#) under sub-headings 1.12-1.19.



## 1.9.b) Reporting Boundary

The report boundary of the year 2021 covers only the bank's operation run by corporate office, its branches, SME service centres and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and two others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channelling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities



### 1.9.c) Summary of the significant frameworks, standards and principles used to evaluate Bank Asia's material matters

**Standards and Principles**

- **Integrated Reporting**
  - International Framework of the International Integrated Reporting Council (IIRC)
- **Governance, Risk management and operations**
  - Bank Companies Act (Amendment) 2018
  - BSEC Ordinance 1969
  - Corporate Governance Code by BSEC in 2018
  - Bangladesh Bank's guideline
  - DSE & CSE Listing Rules
- **Sustainability Reporting**
  - In accordance with the GRI Standards
  - United Nations Sustainable Development Goals
- **Financial Reporting**
  - International Financial Reporting Standards
  - International Accounting Standards
  - UK Accounting Standards
  - Generally Accepted Accounting Principle
- **Additional Reporting**
  - International Standards on Auditing (ISAs)
  - The Income Tax Ordinance 1984
  - The Income Tax Rules 1984
  - Relevant rules and regulations of Bangladesh Bank (The Central Bank)
  - Vat Act 2012 by NBR
  - Other applicable rules and regulations of the land

## 2. RESPONSIBILITY FOR AN INTEGRATED REPORT

Statements from those charged with governance that includes:

#### 1.a) Acknowledgement of the responsibility over the integrity of the integrated report

The Board and the management ensures that reasonable care has been taken in preparation and presentation of this Annual Integrated Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact. Details from [page no. 107-108](#) of AIR-21 under Integrated report.

#### 2.b) Acknowledgement to the preparation and presentation of the integrated report

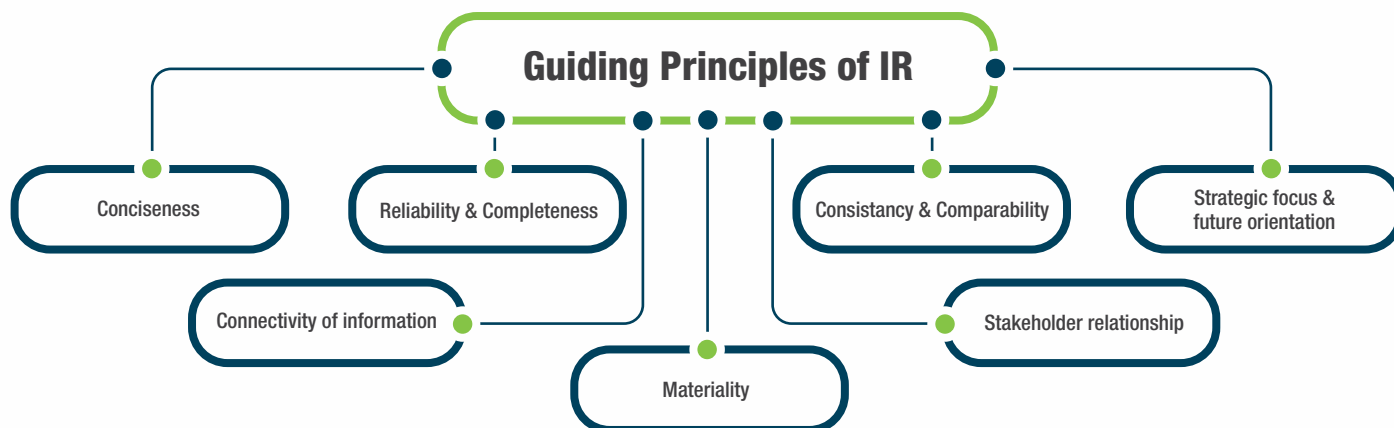
The Board and the management also ensures that reasonable care has been taken in preparation and presentation of this Integrated Annual Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact. Details on [page no. 230](#) of AIR-21 under Responsibility Statement of MD and CFO.

#### 2.c) Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework

The Board and the management ensures that the Integrated Annual Report has been prepared pursuant to the checklist in accordance with the International Framework of the International Integrated Reporting Council (IIRC). Details on [page no. 107-108](#) of AIR-21 under Integrated report.

## 3. OTHER QUALITATIVE CHARACTERISTICS OF BANK ASIA'S INTEGRATED REPORT

Bank Asia Annual Integrated Report has been prepared in accordance with the Guiding Principles as laid out by the <IR> framework. Below is a brief outline of the key elements addressed by Bank Asia.



# Integrated Report

## 3.1 Conciseness

Bank Asia has prepared the Annual Integrated Report 2021 in a concise manner but providing sufficient context to explain our organisation's strategies, governance practices, performance and prospects while ensuring the information provided is as relevant to the context as possible. The report provides cross-referencing where appropriate and kept repetition to a minimum if not avoided completely. However, where necessary, detailed explanation and/or referencing has been provided.

## 3.2 Reliability and completeness

Bank Asia's integrated report includes all material matters, both internal and external, in a balanced way and without material error. Bank Asia's overall material aspects and boundaries have been explained in [page no. 209](#), and the material aspects of the six individual IR capitals as well as their capital trade-offs have been explained in their respective segments from [page no. 136-147](#) of AIR-21.

## 3.3 Consistency and comparability

Bank Asia has presented the data and information in a way that enables comparison with other organizations to the extent it is material to our organization's own ability to create value over time.

**The deposit and advance strategy:** this segment briefly highlights the position of Bank Asia's deposit and advances in comparison to the Banking Industry, and our strategies to create value over time. Details on [page no. 128](#) of AIR-21 under deposit and advance strategy

**Export and import strategy:** this segment briefly highlights the position of Bank Asia's Export and Import in comparison to the Banking Industry, and our strategies to create value over time. Details on [page no. 129](#) of AIR-21 under Export and import strategy

**Horizontal and vertical analysis:** Horizontal Analysis shows Bank Asia's financial Performance comparison over a period of years. We show a 5 (five) year comparison and took the values of the year 2017 as the base year. Details on [page no. 52](#) of AIR-21

Vertical Analysis shows the amount of line items as percentage figures taking a specific item as the baseline figure for analysis. For our Profit & Loss analysis the total revenue is considered as the base item, and for the Balance sheet the Total Asset is the base item. Details on [page no. 54](#) of AIR-21

**Statement of NPL:** This segment describes the total Classified Loans of the industry versus Bank Asia and the strategies for NPL management and recovery process. Details on [page no. 167](#) of AIR-21

**Banking Industry:** An overall highlight of the country's banking industry in terms of key financial indicators has been detailed on [page no. 75](#) of AIR-21

**Bank Asia's environmental performance:** This segment details the environmental friendly initiatives undertaken by Bank Asia, such as, Energy Savings, Waste Management, Reducing Carbon Footprint and some our investment in Environmental friendly sustainable projects. Details on [page no. 210](#) of AIR-21

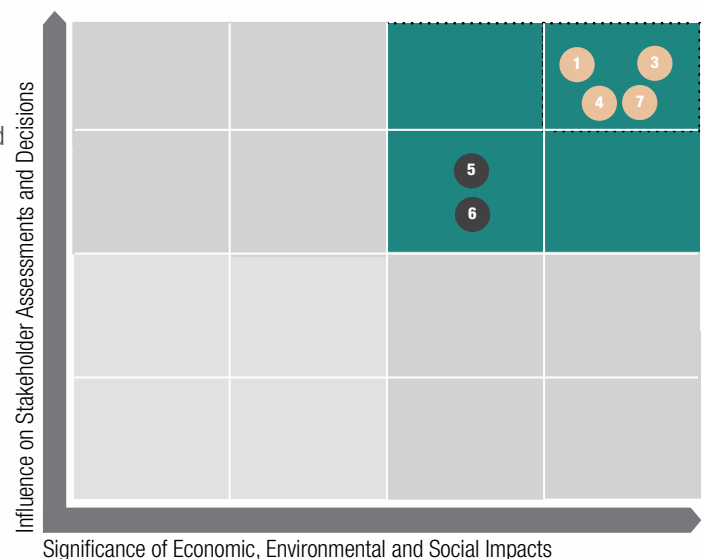
## 3.4 Connectivity of information

Our integrated report shows the value creation activities that describes the factors which affect the organization's ability to create value over time.

**Value creation activities:** This segment explains our overall banking activities that creates value over time by considering our external factors that impact our key business activities, how those are linked to the value we have created through our activities of and the overall outcome of our value creation process. All these factors are then interlinked with the relevant UN SDGs. Details on [page no. 134-135](#) of AIR-21

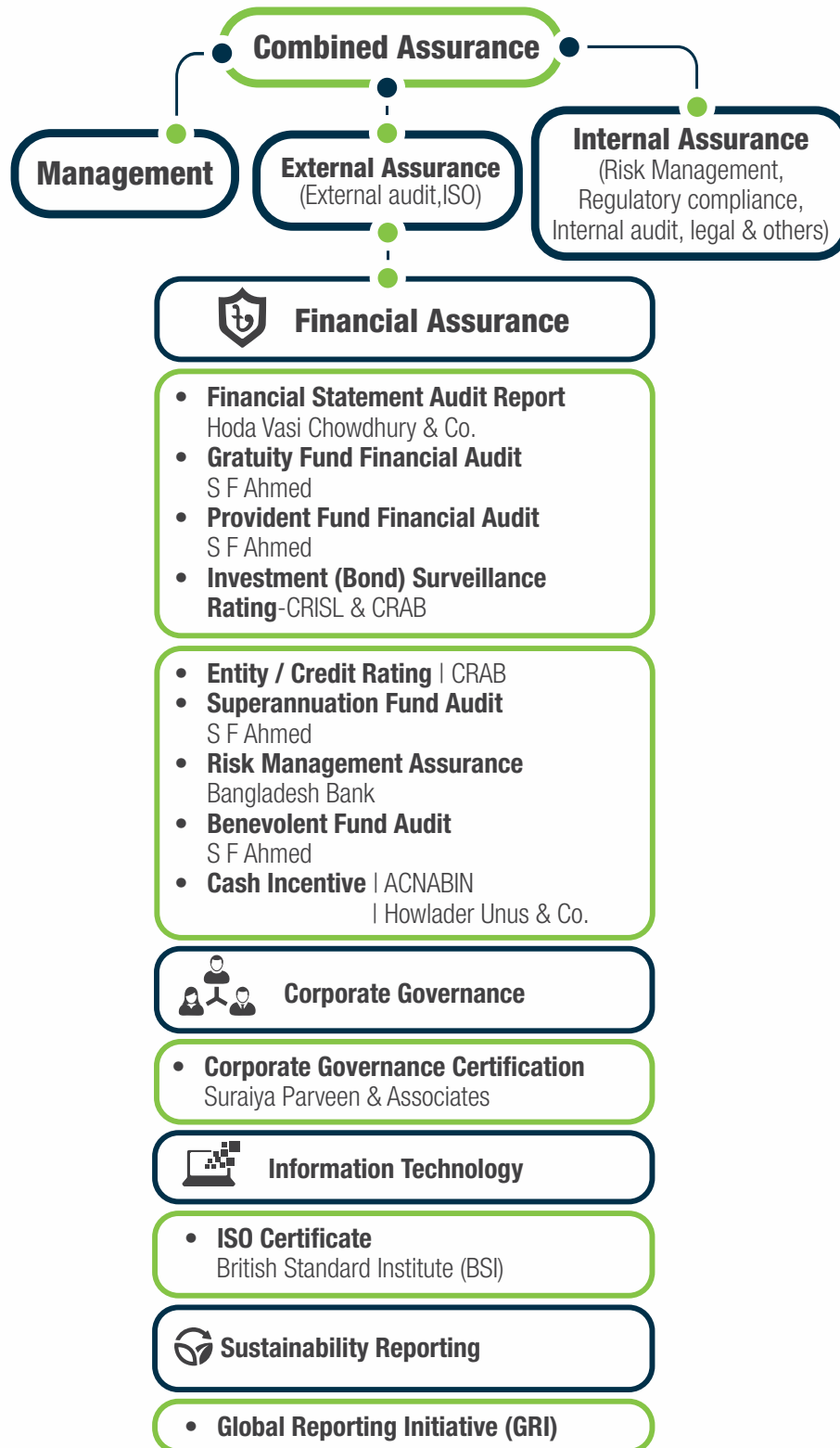
## 3.5 Materiality

Bank Asia's integrated report discloses information about matters that substantively affect our ability to create value over the short, medium and long term



### 3.6 Assurance on the Report

For maintaining proper transparency Bank Asia Ltd. has always obtained Combined Assurance from the following perspective:



## Strategic Plans & Business Outlook of Bank Asia

	Goals	Plans
<b>Short-Term (&lt; 3 years)</b>	<ul style="list-style-type: none"> <li>● Attract new customer segments</li> <li>● Improve customer satisfaction and achieve brand loyalty</li> <li>● Increase productivity and engagement of employees</li> <li>● Mobilization of low cost fund for business</li> <li>● Digital based retail customer assessment, lending and documentation</li> <li>● Attain quality funded/non-funded business growth in post-pandemic period</li> <li>● Keep asset portfolio sound</li> <li>● Strengthen financial inclusion across Bangladesh</li> <li>● Strengthening bank's capital base to absorb future shock</li> </ul>	<ul style="list-style-type: none"> <li>● Revisiting existing product lines, realignment to cater new customer segments and offer competitive rate</li> <li>● Encouraging and refining customers to use internet/ app based banking service for money withdrawal, transfer etc., process reengineering to meet regular issues</li> <li>● Placing right people in right place, establish career planning for key roles, arrange objective based training and ensure due recognition etc.</li> <li>● Run CASA campaign round the year and increasing rapport with local big corporates/ Govt. offices/ agencies</li> <li>● Evaluating prospective borrowers ability by mobile app/tab based assessment tool and digital documentation</li> <li>● Set up more clusters in divisional districts for quick loan assessment and approval, thus save turn-around time.</li> <li>● Continuous communication with clients, fine tuning of internal credit risk grading rules to comply with the risk management strategy of Board, observe portfolio health with improved monitoring/ reporting tools</li> <li>● Best use of all agent outlets, micro merchants, sub-branches etc. to increase small ticket deposit and loans</li> <li>● Incentivize borrowers to get them rated to reduce risk weighted assets and raise capital when required</li> </ul>
<b>Long-Term (&gt; 3 years)</b>	<ul style="list-style-type: none"> <li>● Moving bank's corporate and SME/Retail business towards 40:60 ratio</li> <li>● Increasing market share for customer segments such as students, NRB customers, freelancers etc.</li> <li>● Further improvement of customer service</li> <li>● Become number 1 employee/ employer of choice among all the PCB's and create a sustainable work force</li> <li>● Move closer to "net-zero equation" to reduce carbon footprints</li> </ul>	<ul style="list-style-type: none"> <li>● Selective growth in corporate business while accelerating in SME/Retail by maximum utilization of our distribution channels</li> <li>● Develop diversified deposit and loan product for and marketing digitally</li> <li>● Development of AI/chat bot based customer service solution</li> <li>● Invest in human capital by regular spending on local/foreign training &amp; development program</li> <li>● Increasing investments in green financing to leave a good impact in the environment</li> </ul>



# ECONOMIC OUTLOOK

With the 2nd and 3rd wave of Covid-19 hitting the country during the year the year, causing massive disruptions to the economy, the government was swift to take precautionary measures. Rolling out the countrywide vaccination campaign, and enforcing lockdowns to keep the spread of the virus under control, lead to the overall situation improving significantly. During the second half of the year, businesses slowly started reopening and the economy started to return to normalcy. In FY 2020-21 the real GDP of Bangladesh rebounded with 5.47 percent from 3.51 percent in FY2019-20 and the expected GDP growth for FY 2022 will be 6.6% as per IMF expectation which is in satisfactory position compared with other South Asian countries. This year country did not suffer much from any severe setback. Export growth bounced back swiftly and shows a 31.43% growth. In the same way the import shows 46.86% growth which is quite high from export & remittance growth. Foreign Remittance growth is 1.52% only. Banking sector saw 10.11% growth in private sector credit growth, which is the highest than previous years. The economy is also facing some challenges such as: inflationary pressure, non-performing loans, widening current account deficit, decreasing foreign exchange reserve and a distortion in the interest.

Covid-19 has not been completely eradicated and the emergence of the new Omicron variant caused significant disruptions in Europe and the US. However, the world economy is starting to rebound. The global economic growth is estimated at 5.9% in 2021 from -3.10% in 2020 but now in 2022, it is expected to be 4.4% which is also expected to be slowed to 3.8% in 2023. A strong spring recovery in 2021 resulted in a rebound in GDP. Economists attribute the recent rise in consumer prices to a variety of factors, including supply chain breakdowns, labor shortages, and a sudden surge in spending following widespread lockdowns during the COVID-19 pandemic. As of December, 2021, the inflation rate has risen dramatically in advanced economies, emerging markets, and developing economies.

# ESG Approach and our priorities

**E**

## Environment

It is our firm belief that our success as an organisation is defined by the long-term wellbeing of the people we engage with, the places in which we operate and the planet that we leave to our future generations.

**Energy Savings**  
**Water Usages**  
**GH<sub>2</sub>G Emission**  
**Waste Management**  
**Reducing Carbon Footprint**

**S**

## Social

Bank Asia has always been conscientious about giving back to the community that keeps us going. For this we have always prioritised on our CSR activities and what we can do for the betterment of society.

**Education**  
**Health**  
**Disaster Management**  
**Art & Culture**

**G**

## Governance

Our Corporate Governance framework is based on Integrity, transparency & accountability, effective internal controls, a strong risk culture and accountability to stakeholders where Bank Asia strives to perform at our very best.

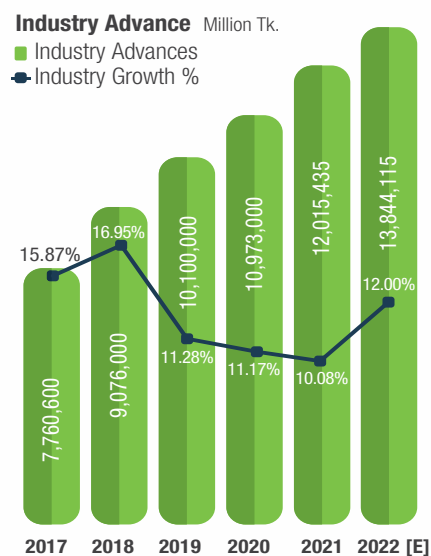
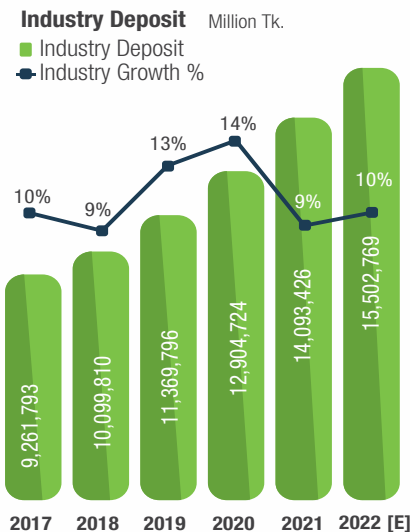
**Good Governance**  
**Integrity**  
**Transparency & Accountability**  
**Ethics & Compliance**  
**Risk Management**  
**Internal Control**

Details of Environmental performance, CSR & Corporate Governance are described in [page no. 210, 226, 236](#)

# Deposit and Advances Strategies

## DEPOSIT STRATEGIES

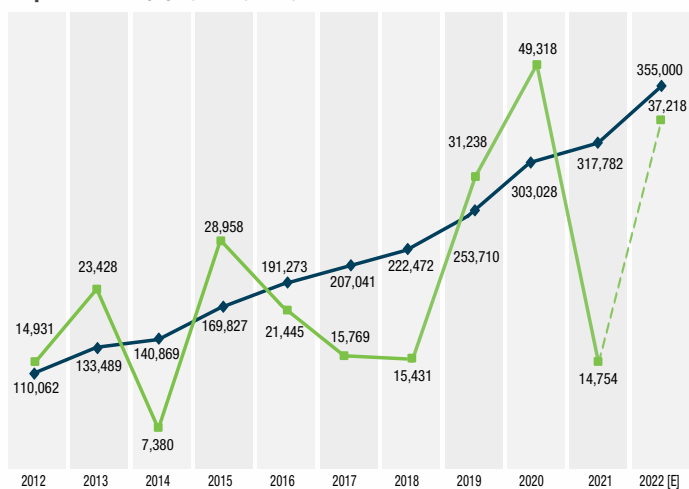
- Boost deposit mobilization through agent banking activities
- Establishing low cost sub-branches in important locations and reaching mass people through post office banking
- Reinforcing corporate liability marketing dept.
- Taping different government agencies e.g. Foreign Missions, Roads & Highway, LGED, Bangladesh Bridge Authority etc. and also other different corporate houses, e.g. Foreign Air Lines, Telecom companies etc. and maintaining regular intense social interaction with different segments of the society.
- Cross Selling of different products including retail to corporate customers.
- Strengthening important channels like ABAK (Amar Bari Amar Khamar), a govt. project to collect and distribute funds to the mass people
- Offering cash management services, i.e. collection of institutional accounts and effective use of EFTN service to ensure fast & secure cash service.
- Rigorous CASA campaign, Hajj deposits campaign and so on.
- Exploit mobile banking services to tap huge low ticket domestic remittance and mobile wallet to facilitate retail shopping.



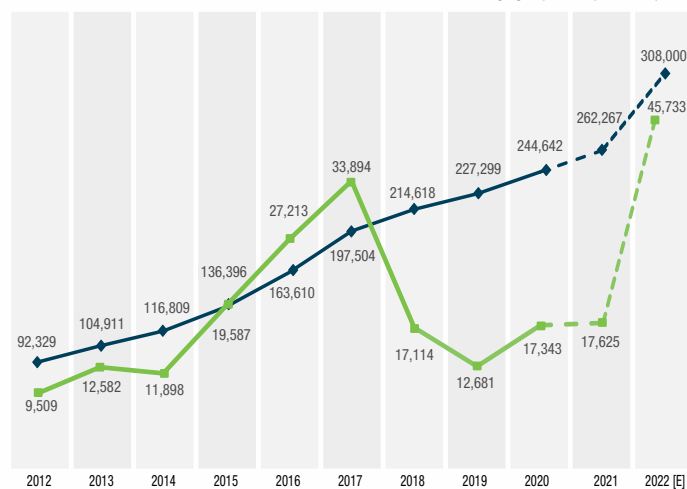
## ADVANCES STRATEGIES

- New emerging sectors like power, ship building, ship breaking, jute yarn, ceramic, pharmaceuticals industry etc. to be more focused.
- Existing thrust sectors like agro based industries, leather, frozen food, textile industry to be more focused.
- Backward linkage industries to be targeted which will provide a good source of SME business through availing the benefit of supply chain management.
- More priority to export oriented industries to help increase forex flow, earn through multi channel which will help increase no cost fund of the Bank.
- Special attention will be given to expand SME credit portfolio to achieve relatively higher yields and also to reduce adverse effects of large volume defaults.
- Risk Management techniques should apply to ensure strong internal control over business operation.
- Identifying probable problem accounts through Early Warning System ('EWS') and taking appropriate care of those and formulating exit plan, where necessary.

**Bank Asia** ◆ Deposits  
Deposit ■ Growth Amt Million Tk.



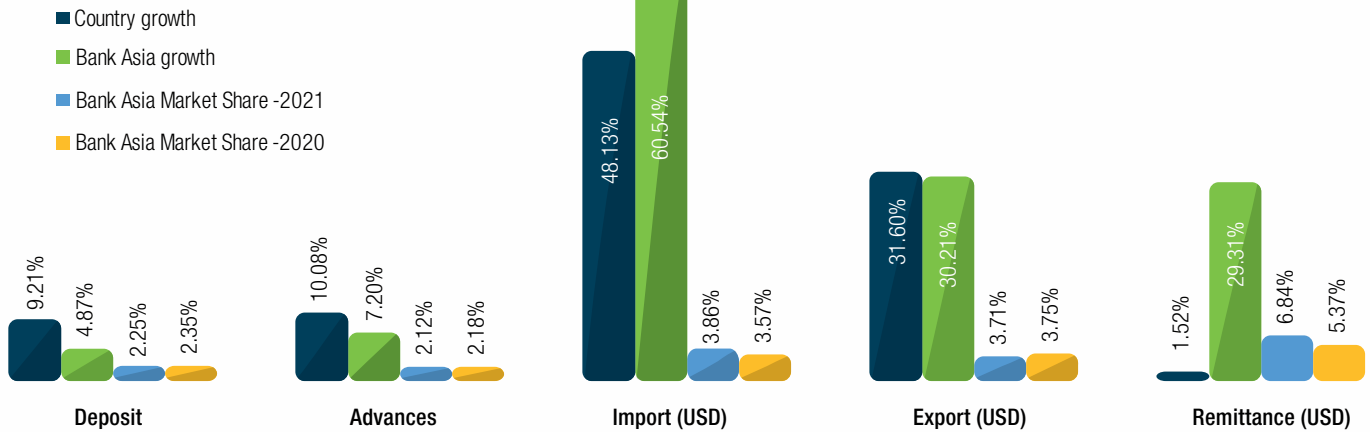
**Bank Asia** ◆ Loans & Advances  
Loans & Advances ■ Growth Amt Million Tk.



# Import and Export Strategies

## Country Position Vs Bank Asia Position

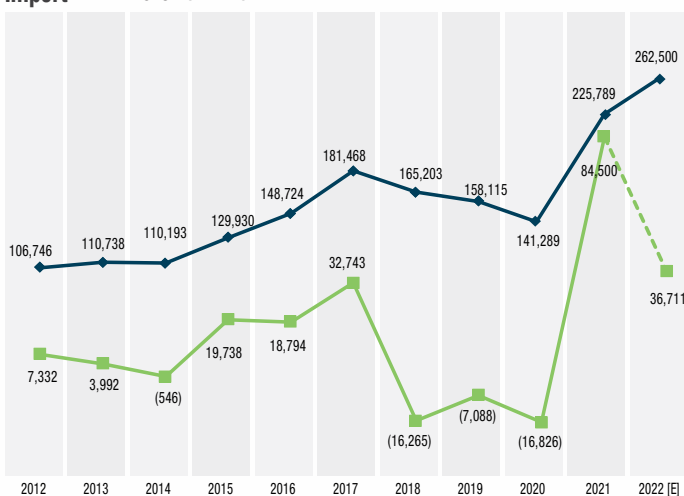
Percentage %



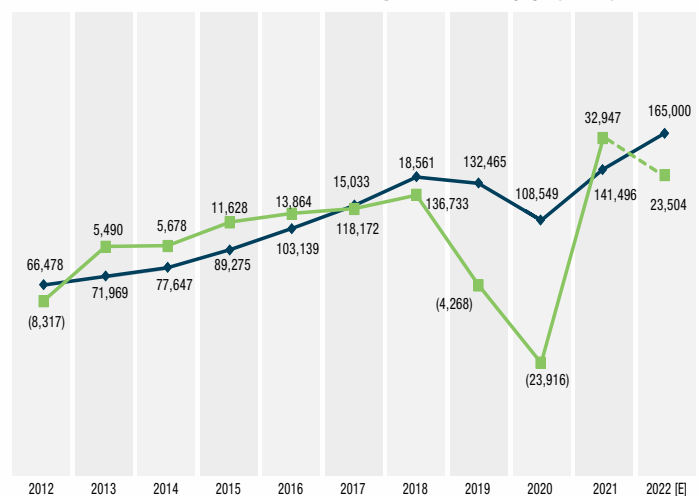
### IMPORT & EXPORT STRATEGIES

- Arranging credit lines from international agencies at a competitive rate to facilitate international trade business particularly for import clients, thus strengthen foreign exchange reserve for the country.
- Establishing bilateral business agreement with different European and Chinese counterpart banks to route their transactions into Bangladesh through our bank.
- Boosting Bank Guarantee business in the form of Bid Bond with local repo offices in Bangladesh of the foreign contractors offering competitive rate to facilitate mega projects like Metrorail, Padma Bridge, Six lane and eight lane high ways etc.
- Creating bilateral agreements with the renowned overseas banks and FI's to get more overseas funds since LIBOR Rate is gradually reducing, thus helping to reduce the import cost for industrial and local importers and manufacturers
- Marketing for not only established business houses but also the potential clients having strong entrepreneurship spirit to grow.
- Garments sector will be more focused where tested and potential clients will be in the portfolio basket under the regime of calculative risk return trade-off.
- Emerging ship building and ship breaking sectors will explore new opportunities which the Bank will tap for increasing international trade.
- Industries having backward linkage will yield better opportunity and reduce risk exposure.
- Focusing on service export sectors like IT and Education.

Bank Asia Import ◆ Import Growth Amt Million Tk.



Bank Asia Export ◆ Export Growth Amt Million Tk.





## STRENGTHS

# S

- **Security Compliance and Protection against Cyber Threats:** Successfully implemented HCI (Hyper Convergence Infrastructure) for Visualisation Application Platform, conducted training on the ISO27001:2013 Lead Auditor program and achieved ISO 27001:2013 surveillance audit.
- **Maintained a strong capital base:** one of the highest CRAR (15.72%) in the banking industry
- **Stable entity credit rating over last 6 years:** Long Term: AA2, Short Term: ST-2
- **Brand image enhancement:** recipient of prestigious 4 National and 5 International awards
- **Financial inclusion:** Pioneer in inclusion of grassroots level people through Agent Banking, Post Office Banking, Social Safety Network, ABAK & others
- **Robust distribution channel to provide nationwide coverage:** 5 million+ customers under Bank Asia's network. 129 Branches, 4,898 Agent Banks, 51,000+ Micro Merchants, 180,993 Post Office Banking Accounts.
- **Inward Remittance Growth:** Wide distribution channel and network with exchange houses were able to attract inward remittance worth USD 1,494 million in 2021
- **Enrichment of Human Capital:** provided virtual training & workshop of 42,816 man-hours to 5,115 participants in pandemic situation
- **Awareness Creation:** sustainable business framework by creating value for stakeholders complying with environmental issues and published reports & articles in this regard.
- **Reduced cost to income ratio:** 2021: 45% from 2020: 54%
- **Remarkable growth in After Tax Profit:** 33% growth versus previous year

## WEAKNESSES

# W

- **Technological Innovation Awareness:** Put integrated vision, Technological Innovation awareness & behavior driven programs.
- **Alternative Income Avenues:** dependence on industry culture which requires a lot of time and R&D to introduce new income avenues
- **Asset Management:** Lacking of proper Loan & other Asset Management is one of the inherent weaknesses of the overall banking industry.
- **Business Growth:** (Deposit & Advances) Lagging behind from target

## OPPORTUNITIES

# O

- **Digital Transformation:** Adoption of digital banking solutions
- **Stimulus packages for smoothening of business operation:** Increase ADR and IDR to generate funds.
- **Financial Inclusion:** in the age of marginalized profit for banks, this might be a game changer where around 1/3 of Bangladeshi households are yet to have access to either banks or other financial institutions.
- **Incorporating unbanked people:** Integrate them under our ever increasing agent banking network, one of the largest in the country.
- **Rebounding of the economy:** picking up of the export and import sectors and inward foreign remittance, alongside resumption of business activities
- **Implementation of government mega projects:** such as the Expansion of Hazrat Shahjalal International Airport's third terminal, Karnaphuli Tunnel, Dhaka-Sylhet 4 lane highway, etc.
- **Increasing money supply in the market:** Bangladesh Bank lowered the Repo Rate and CRR which creates more investment opportunities

## THREATS

# T

- **Global Political Unrest:** Rising tension among countries worldwide likely to cause an adverse cascading impact on our country's economic activities
- **Credit Risk:** Arising due to the rising trend of NPL levels in the country
- **Rising Inflation:** Reached 6.05% in December 2021, a point-to-point increase of 0.79%. This will put strain on the Bank's bottom line.
- **Shrinking profitability:** Single digit interest rate decreases the bank's earning potential
- **Cyber security:** Kaspersky Labs rated Bangladesh as the 3rd most vulnerable country in terms of not being able to defend against potential cyber attacks
- **Exchange rate risk:** fluctuations cause risk in forex business especially in import and export operations
- **Competition:** Cost of switching very low for customers due to presence of large number of peer banks in the country

# Strategic Focus

Improved performance through capacity building and employee productivity revitalizing efficient service delivery, organizational effectiveness, strong public relations and customer satisfaction equipping employees with expertise, necessary skills and knowledge properly addressing employee motivation, satisfaction, health and morale to improve employee productivity altogether culminate performance of the bank.



## BUSINESS KPI'S

Bank Asia has chosen some financial and non-financial Key Performance Indicators (KPIs) that are important for its future success. Financial KPIs: Proportion of SME portfolio, Loan loss rate, Cost Management, Net-operating Income Growth, Operating Income Mix, Cost to Income, Shareholder Returns. Non-Financial KPIs: Employee engagement, Brand perception, Customer satisfaction, IT performance & system reliability, Number of CASA customers, Proportion of non-interest income, Distribution outlet outside bank's own network.



### BUSINESS KRI'S

Bank Asia has chosen some forward looking Key Risk Indicators (KRIs) to focus on emerging risk to recover, improve or maintain its performance. Bank Asia is committed to create good risk culture that includes clear guidelines, clear responsibilities and risk awareness programs to identify. KRIs: Emerging impediments to financial performance, regulatory status, Asset growth outpacing capital growth, increase in SMA in the bank's geographic location or customer cluster, increase in approvals of credit proposal exceptions, increase in percentage of interest only loans to total loans, significant changes in funding mix period to period.



### CLUSTER PROGRAM FOR BRANCHES

Bank Asia implemented zonal mentorship concept involving Senior Management to monitor branches seamlessly with a view to managing core risks of the bank, optimizing the revenue streams (profitability), expediting credit approval process that will help achieve goals, make smart business decisions, overcome work place challenges and learn new skills.



### CUSTOMER SATISFACTION

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs, personalizing banking, creating brand ambassadors, Online product innovation, measure and reduce customer effort, creating differentiated customer value proposition, conducting customer satisfaction survey for identifying client expectations as well necessary actions to be taken for service improvement.



### GOING GREEN IN THE BANKING FUTURE

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



### PROMOTING FINANCIAL INCLUSION

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



### GIVING BACK

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



### FOCUSING MORE ON SME SEGMENT

The SME segment of the country has been playing a critical role in diversifying the country's economy, improving production and creating job opportunities. It is also an important gateway for ensuring financial inclusion. In recent years Bank Asia has been shifting its focus from corporate clients to include more of the SME segment to enable economic development and ensure financial inclusion.

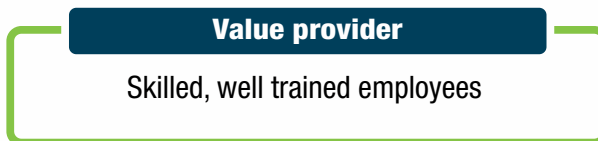
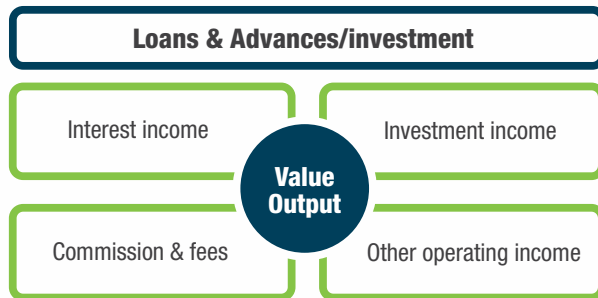
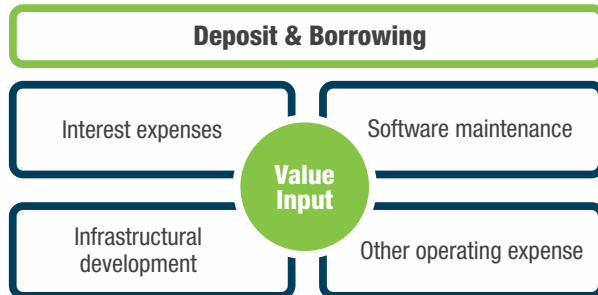
Resource allocation area	Human Resources	Office equipment (Tk.)	Floor space (sq. ft.)
Business Head	1	770,261.59	302.25
Zonal Office	12	9,243,139.13	
Branch Banking Services	1,433	1,103,784,864.25	433,124
Chairman, MD's & DMD's Secretariat	3	2,310,784.78	906.75
HR Planning & Manning	45	34,661,771.73	13,601.24
Operations Support	87	67,012,758.68	26295.72438
Finance Function	20	15,405,231.88	6,044.99
Treasury Function	17	13,094,447.10	5,138.24
Loan processing & supervision	393	302,712,806.45	118,784.13
International Operation	112	86,269,298.53	33,851.97
Information Systems	79	60,850,665.93	23,877.73
Board Secretariat	8	6,162,092.75	2,418.00
Internal Audit & Compliance	34	26,188,894.20	10,276.49
Channel Banking	275	211,821,938.36	83,118.67
Subsidiaries	28	21,567,324.63	8,462.99
<b>Total</b>	<b>2,547</b>	<b>1,961,856,280.00</b>	<b>769,830.00</b>



# Our Activities and Values



-  Finance
-  Competitors
-  Social cost & benefits
-  Technology
-  Legal
-  Environment
-  Economy
-  Infrastructure
-  Ethical
-  Customer



- To support economic growth, through credit, investment capital, trade finance and infrastructure financing we facilitate allocation of capital
- Facilitate access to financial services, enabling socio-economic development and personal wealth creation, which are relevant to the markets in which we operate
- Enable financial protection and diversification through risk transfer also engage with stakeholders and responsive to their concerns
- To ensure customers have safe as well as convenient access to their savings and funds we deploy and maintain the integrity of banking infrastructure
- Focused on technologically advanced banking systems appropriate to our industry to make banking more facile & interactive for customers
- Build and maintain a good governance framework to protect and enrich value creation in line with our code of ethics and values
- Actively make progress against our strategic priorities to achieve our vision and sustainable development goals.
- Reduce our operational impacts and promote positive change
- Strengthen risk management policy with strong internal control system for managing overall risk exposure of bank

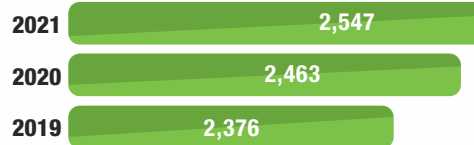
## VALUE WE HAVE CREATED

- Being a financial institution engaging in banking activities, we are a part and parcel of economy and facilitate at a fundamental level of economic growth and social development of the economies we serve
- We always believe that one of our greatest strength is Human Resource and for quality and value added service to the stakeholders, we frequently arrange training and development programs to our employees. We have also made 3.41% growth in employment creation from last year
- Ultimately, the most significant outcomes of our business activities are contribution to socioeconomic development, which we are achieving through profitability and the amount of dividend and tax of Bank Asia in 2021 was Tk. 5,493 million.
- As the Basel Capital Accord (Basel) requires banks to allocate financial capital to meet capital requirements, so we facilitate allocation of capital to support economic growth and in 2021 our reinvestment amount was Tk. 7,492 million
- To protect and enrich value creation we had Tk. 9.95 million as environmental savings and as financial inclusion we are serving 1.2 million beneficiaries through ABAK project and 4.92 million account holders through Agent banking program
- In order to keep positive impacts on lives we disbursed 6,052.88 million agri credit to 96,331 farmers.
- About 23,500 number of account with 14,450 million loans through OCAS-Diganta project

## OUTCOME OF VALUE CREATION

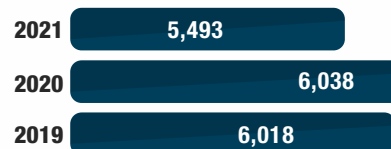
### Number of Employees

We recruit talented people and train them so that they can increase the company's value by giving their best effort



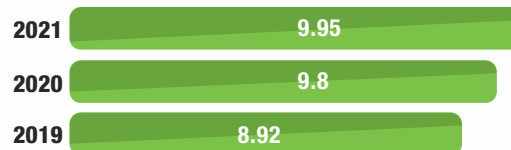
### Tax Amount (Million)

By paying taxes, we contribute directly to governments to build stronger economies



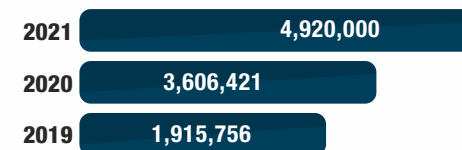
### Environmental Savings (Million)

Our commitment gradually increasing over the years for maintaining eco friendly environment



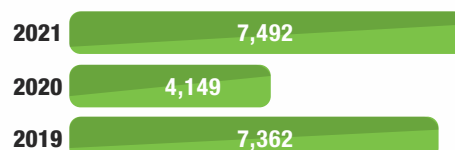
### A/C of Agent Banking

Provide banking services to geographically dispersed poor segment of the society through Agent banking since 2013

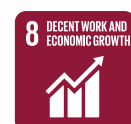


### Reinvestment (Million)

Wealth is reinvested for further growth of our business, which ultimately benefit our stakeholders



## SDGs

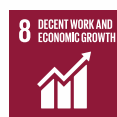


# Capital



Our Financial Capital is the pool of funds which includes our monetary resources such as funds arranged from valued depositors and shareholders in the form of deposits, equity and reinvestment which is for making loans, advances and investment.

## Interlinkage with SDG's



**33%** Profit after Tax growth

**7.20%** Loan & advance growth

**15.72%** CRAR

### Value Added Stage

Bank Asia use Financial Capital to expand business network & invest in various projects also provide diverse forms of deposit schemes through assessment in terms of risk exposure, capital adequacy, loan provision and regulators' instructions in advancing loans and making investment.

### Initiatives

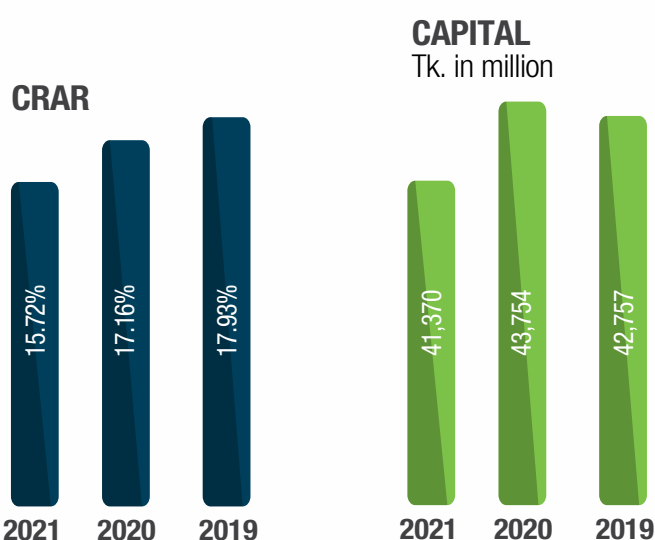
- Effective and responsible investment of shareholder's fund
- Repricing the loans to reduce the cost of fund

### Challenges

- Providing satisfactory return to shareholders
- Maintaining sustainable growth and financial stability

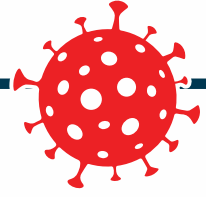
### Key Highlights

- 33% growth – Profit after Tax
- 7.20% growth - Loan & Advances
- 15.72% - CRAR



Runner Automobiles Ltd financed by Bank Asia Limited

## Value created throughout COVID-19



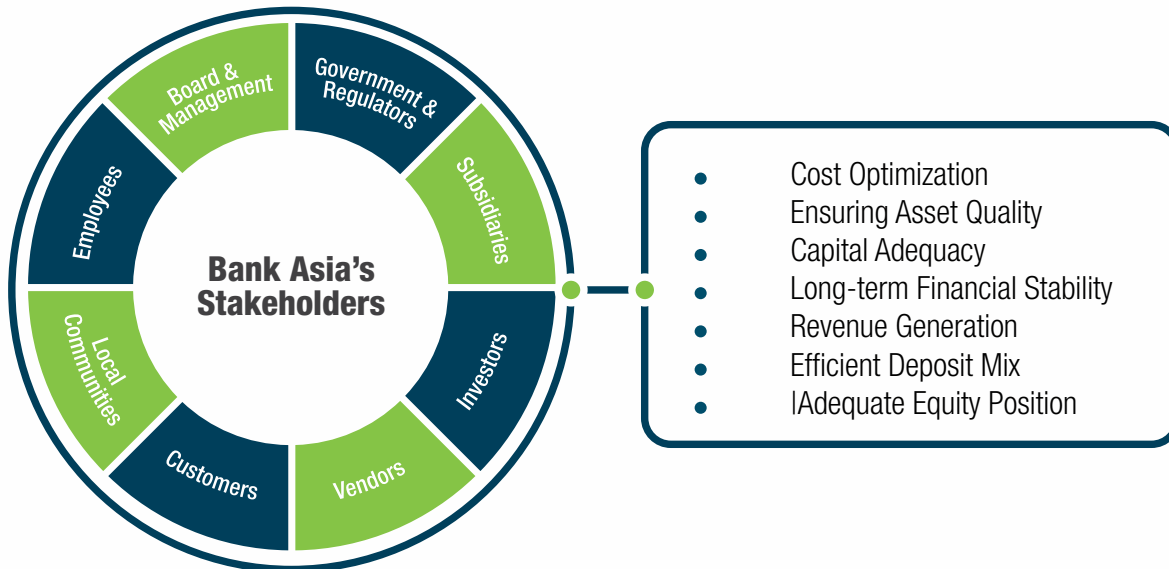
- Deposit grew by 4.83% and stood at Taka 317 billion whereas advance became Taka 262 billion with a growth of 7.20%
- Total assets of the bank became Taka 438 billion with a growth of 7.20%
- Provided financial access to marginal people through 4,898 Agent Banking outlet, 51,000+ Micro merchant beneficiaries, social safety net program, Post office banking
- A stimulus package worth Tk. 15,777 million was distributed to all business sectors, from corporate to small and medium-sized enterprises, to help victims of the pandemic

### Capital Trade-off

- Administrative expense saving

Particulars	Short-run	Long-run	Explanation
Financial Capital	↑	↑	The reduction in per head administrative cost increases the productivity of financial capital
Manufactured Capital	↓	↓	As the administrative expense per head decreases, it saves cost but it reduces the productivity of the manufactured capital
Social & Relationship	↑↓	↑↓	The reduction in operating expense moderately affects the social and relationship capital and the cash inflow goes both ways

### Material Aspects:



**Quality of Loans:** The goal is to provide loans selectively in order to keep the existing classified loans in a manageable state

**Investment:** A higher degree of importance is given to the investment portfolio to generate adequate income

## Outlook Forward

**Risk Management:** Emphasis is placed on optimizing valuable collaterals and diversifying the business portfolio to ensure minimal risk with maximum return

**Deposit Efficiency:** The idea is to decrease the cost of deposit as the time goes by. Already, the High Cost deposit decreased by TK. 8,121 million indicating efficiency





Our Human Capital refers to the skills and experience of our employees which enable Bank Asia to implement its strategies and deliver better services that create value to our stakeholders. Bank Asia focus on making industry-competitive, developing and motivated workforce.

**Interlinkage with SDG's**



Tk. **23,043** human capital  
Mln.

**2,547** Employees

**42,816** man hours of training

**Value Added Stage:** Our investment in Human Capital reduces our Financial Capital in the short-term. However, in the long-term, it adds to our Human, Financial, and Social and Relationship Capital.

**Initiatives**

- Acquires fresh, talented and right employees in the right place
- Provides long term training and development opportunities
- Ensures safe, healthy and equitable environment for all employee
- Provides competitive remuneration
- Rewards performance based bonus and incentives

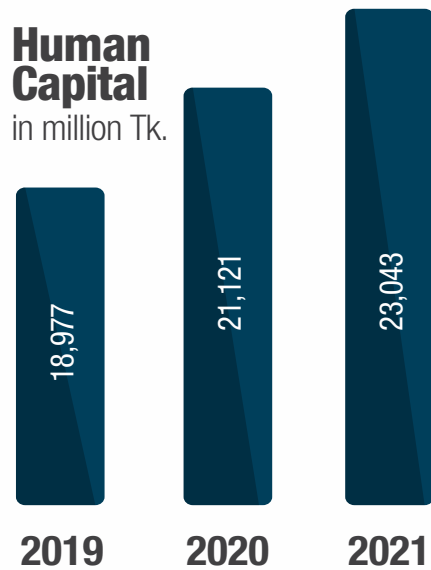
**Challenges:**

- Retaining experienced and skilled employees
- Developing human resources towards company's vision & growth
- Maintaining productivity and efficiency

**Key Highlights:**

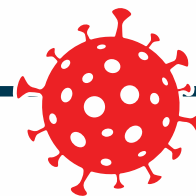
- Tk. 23,043 million value of human capital
- 2,547 employees
- 42,816 man hours of training
- 5,115 Employees received Training

**Human Capital**  
in million Tk.



A day long training on "Service-Level Standard & Work Process Flow of CTPC (Central Trade Processing Centre)"

## Value created throughout COVID-19



- No retrenchment of employees and staff
- No salary has been deducted
- Flexibility given to employees through allowing them to work on a roster basis
- Ensured healthcare facilities through establishing a dedicated Covid-19 isolation centre for bank employees
- Special Covid-19 incentives given to some employees
- Approval of special quarantine and sick leave policy
- Provided transport allowances to the employees

### Capital Trade-off

- Training & Development
- Benefits
- Hiring new personnel

Particulars	Short-run	Long-run	Explanation
Financial Capital	↓ ↓ ↓	↓ ↑ ↓ ↑ ↓ ↑	Here, the operating expense increases for the development of human resources both in the short-run and long-run. But in the long-run it will pay-off through better returns.
Human Capital	↑ ↑ ↑	↑ ↑ ↑	As the investment grows in this segment, the employees will receive training, compensation, and benefits both in the short and long-run. The company will further strengthen human capital by hiring competent personnel.
Intellectual Capital	↑	↑	Through giving proper need-based training, the employees will be able to improve themselves and their work ethic. This will help in growing the intellectual capital of the company.

### Material Aspects:



- Efficient Human Resource
- Transparency
- Occupational health & safety
- Performance Evaluation
- Corporate Culture
- No discrimination policy
- Gender Equity

**Digitalization in Training Process:** Integrating technology in training and workshop to enhance the HR process

**Fair Corporate Culture**  
Flexible, fair, and non-discriminating environment for employees

**Right Placement:** Hiring the right personnel through fair and competitive recruitment process

**Performance Driven:** Program well set KPIs for performance and inherent quality analysis for individual growth

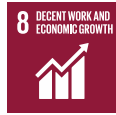
**Leadership and Team Development program:** Development of self-managed and effective employees through team building and excursion activities

## Outlook Forward



Bank Asia's Manufacturing Capital includes all infrastructure created and utilized within our integrated business model. These include our regional footprint of banking operations, business processes and technologies etc. for providing effective, efficient and innovative services to our customers.

**Interlinkage with SDG's**



**4,898** Agent Outlets

**51,000+** Micro Merchant beneficiaries

**920** outlets  
**3,783** agents

Post Office Banking

**Value Added Stage**

Bank Asia focuses on strong internal business process platform with output based infrastructural facility in all of the branches by creating & implementing technological innovation.

**Initiatives**

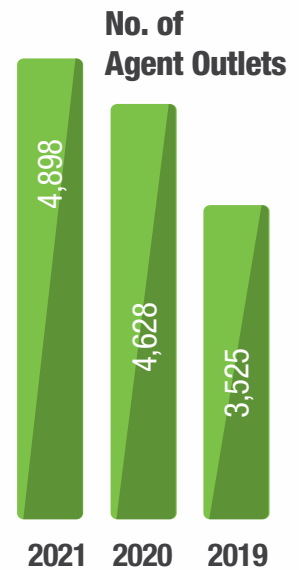
- Stay updated to adapt to changes and overcome the challenges
- Involvement in strategic planning
- Spreading the geographical boundaries through opening more channels

**Challenges**

- Increasing infrastructure facility to support growth.
- Careful management of operation to address and protect the customer need.

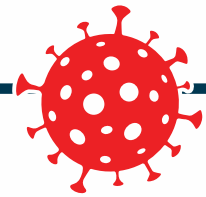
**Key Highlights**

- Branches: 129
- Agent Outlets: 4,898
- ATMs: 198 (Own); 12,000+ (Shared)
- Micro Merchants: 51,000+ beneficiaries
- Post Office Banking: 920 outlets; 3,783 agents
- Online Banking Transaction in BDT:
  - Smart App 10,543 million
  - E-payment 10,042 million
  - Internet Banking 1,264 million



Bank Asia's Post office banking outlet at Bottola Bazar, Shalkha, Magura

## Value created throughout COVID-19



### Value created throughout Covid-19:

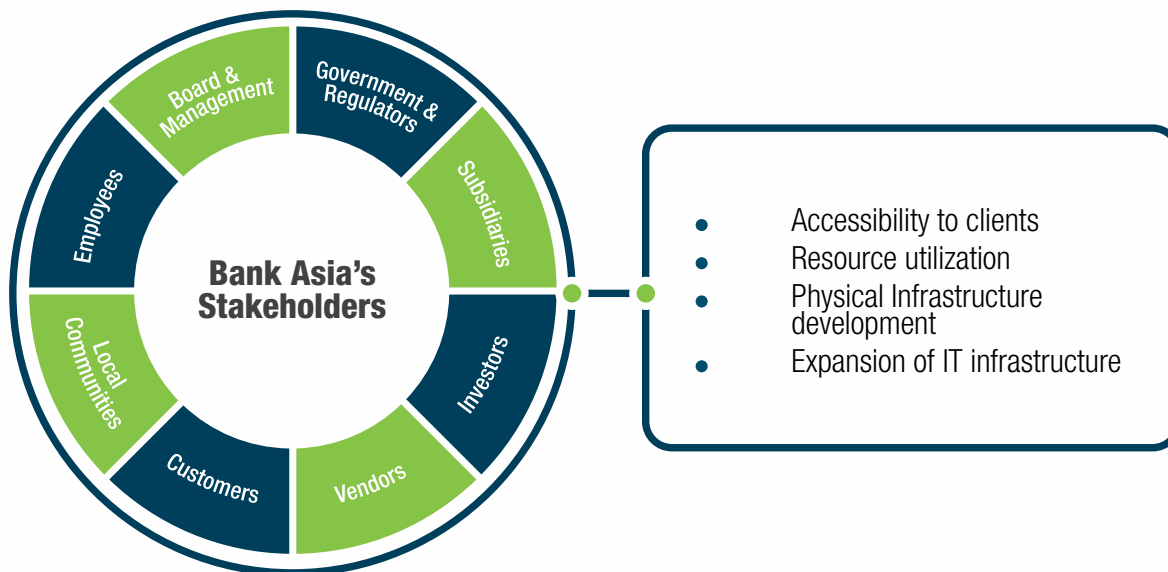
- Adoption of digital banking solutions (internet banking, smart app, e-payment solution, etc.) grew significantly throughout the pandemic
- Most of the branches were kept open during the lockdown periods
- ICT division developed remote working platform for to enable smooth working environment from their homes

### Capital Trade-off

- Investment in property, plant, and equipment
- Investment in network expansion
- Investment in information technology

Particulars	Short-run	Long-run	Explanation
Financial Capital	↓ ↓ ↓	↑ ↓ ↓ ↑ ↑ ↓	Here, the operating expense increases for the development of financial capital both in the short-run and long-run. But in the long-run, the investments will pay-off through better returns.
Manufactured Capital	↑ ↑ ↑	↑ ↑ ↑	As the capital expenditure grows, the infrastructure of the bank will grow both in the short and long run. This will assist in the expansion process of the bank.
Social & Relationship	↑ ↑	↑ ↑	Through proper investment in expansion and property of the business, trust and social reputation is built among the stakeholders of the company.

### Material Aspects:



**Online Banking:** Customers can get access to necessary banking services from their homes or on the go.

**Improve Process:** To utilize the manufactured capital at a maximum level, process innovation is necessary.

## Outlook Forward

**Infrastructure buildup:** Build the necessary infrastructure and provide the necessary establishments to ensure the smooth operation of banking operations, both physical and virtual.





Our Intellectual Capital consists of intangible intellectual resources like brand image, knowledge based assets like skills and competencies of employees, innovative research and development team, market reputation that offers a competitive edge to Bank Asia. Structured network, qualitative database, better software, good security systems are also used in our bank. It is an important factor for achieving success and helps to survive in the competitive environment

**Interlinkage with SDG's**



**3 National Awards for publication** | **4 international publication** | **Implemented Hyper Convergence Infrastructure** | **Tier-3 standard Disaster Recovery site**

**Value Added Stage**

Bank Asia creates market reputation by introducing, expanding & diversifying product portfolio, reducing service waiting time, conducting customer service quality survey.

**Initiatives**

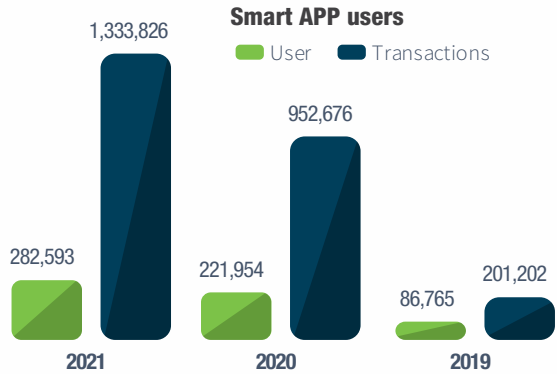
- Uses high quality and updated software, anti-virus, increased automation, and provides employee training
- Involvement in research and development and market analysis
- Offers unique products and services through innovation

**Challenges**

- Rapid changes in technology
- IT and informational risk identification and management
- Ensure quality investment in technology infrastructure

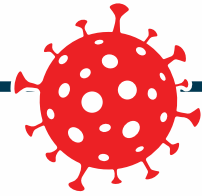
**Key Highlights**

- 3 National & 4 International Awards for publication
- Number of training courses
- Training hour per employee
- Implemented HCI (Hyper Convergence Infrastructure) for Visualization Application Platform to implement different Application and API
- Off-site Tier-3 standard Disaster Recovery (DR) site



Bank Asia Limited receives the trophy of 1<sup>st</sup> prize winner in the 21<sup>st</sup> ICAB National Award for Best Presented Annual Reports 2020 by Institute of Chartered Accountant of Bangladesh (ICAB).

## Value created throughout COVID-19



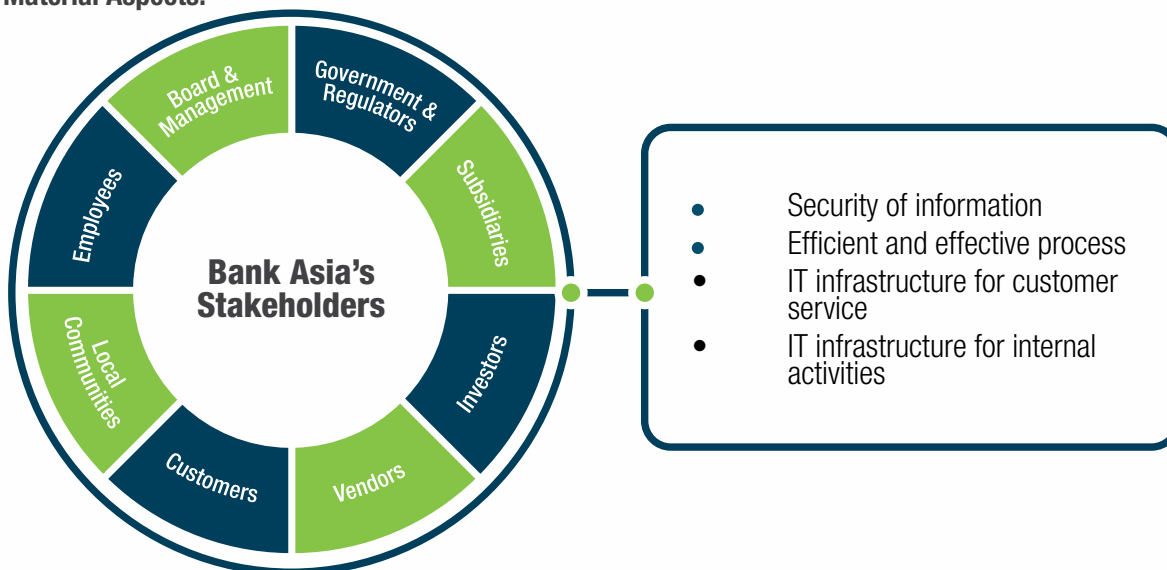
- Developed Artificial Intelligence Workforce (AIW)
- Implementation of Robotic Process Automation for real-time payments in order to channel remittance from abroad
- Implementation of Oracle RAC and Apex 19.2 for core banking system in order to enhance the operations of Agent Banking System
- More emphasis given to virtual training

### Capital Trade-off

- Digitalization and Automation, ● Maintenance of IT infrastructure, ● Service innovation

Particulars	Short-run	Long-run	Explanation
<b>Financial Capital</b>			There is a heavy expense incurred due to investments in digitalization and automation along with IT maintenance
<b>Manufactured Capital</b>	↓ ↓ ↓	↑ ↓ ↓ ↑ ↓ ↓	As the capital expenditure grows, the manufactured capital of the bank will grow both in the short and long run.
<b>Social &amp; Relationship</b>	↑	↑	Through proper investment in intellectual property, trust and social reputation is built among the stakeholders of the company
<b>Intellectual</b>	↑ ↑ ↑	↑ ↑ ↑	Service innovation and proper investment in IT will increase the overall intellectual property of the business
<b>Natural</b>	↑ ↑	↑ ↑	The digitalization will reduce the overall carbon footprint of the environment for which it will add value to the natural capital

### Material Aspects:



**Easy access for customers:** Implement alternative delivery channels to provide customers with immediate access to bank products and services

**Be up-to-date with technology:** Focus on digitalization in order to be updated with the change in technology

## Outlook Forward

**Quality-based banking service:** Focus on increasing investment and capital by providing quality banking services and knowledge-based services to our customers



The natural resources we consume to conduct our business and seamlessly deliver our products and services constitute our natural capital. We screen all our large loans to assess them for environmental and social risks. We are practicing to use renewable energy at our offices and reducing carbon offset print for ensuring green banking system.

**Interlinkage with SDG's**



**Tk. 7,164** million Liquid waste management

**Tk. 1,505** million Green Finance scheme

**Tk. 9.95** million Environmental Saving

**Value Added Stage**

Bank Asia tries to create a public awareness on the preservation of natural capital, reduction of wastage and keep the environment free from pollution through its operational activities and by publishing Sustainability Report which conveys a unique message to our stakeholders each year.

**Challenges**

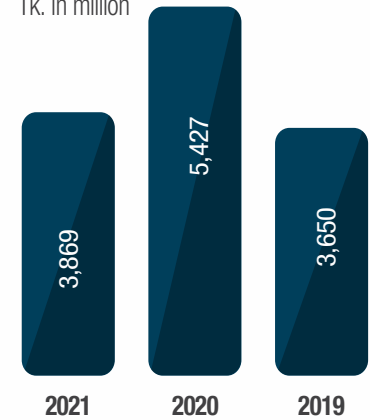
- Resource optimization to reduce energy wastage
- Maintain green and sustainable environment

**Initiatives**

- Introduced E-products such as SMS banking, internet banking
- E- Commerce and payment solution
- Actively involved in green financing activities (Tk. 614.70 million)
- Provide 8 trainings and seminar on green banking to spread awareness to 57 employees of 85.5 man hours

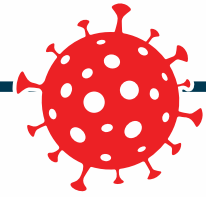
**Agricultural credit disbursement**

Tk. in million



*Spectra solar park financed by Bank Asia Limited.*

## Value created throughout COVID-19



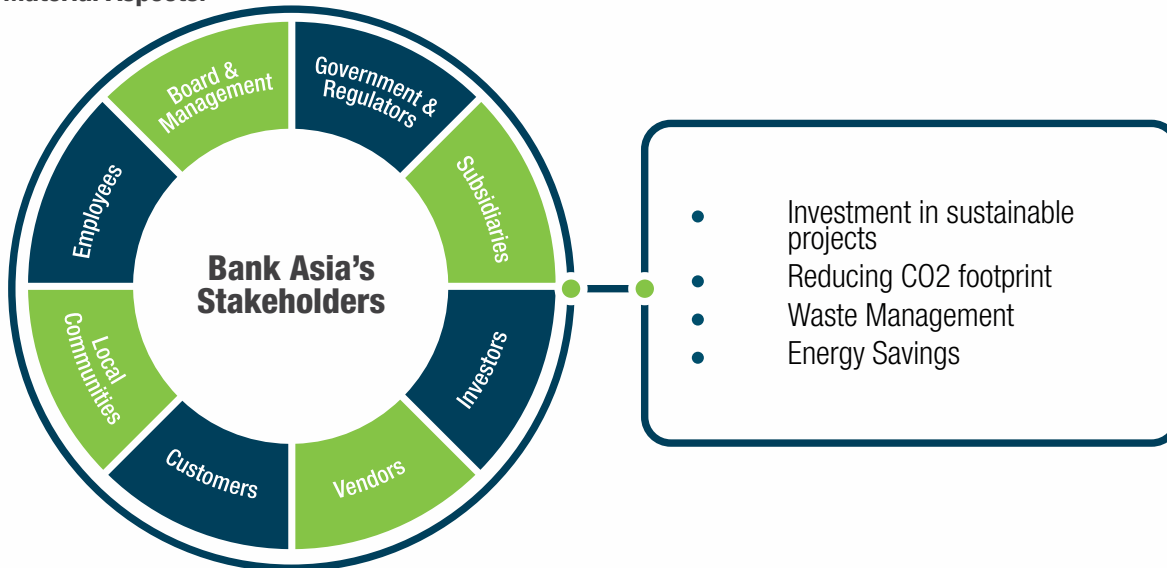
- Reduction of CO2 emissions by providing training to the employees through ZOOM, Cisco Webex & True Conference
- Net Saving from environmental activities is Tk. 9.95 million
- Disbursed Tk. 614.70 million for financing Green establishment
- In 2021, disbursed Tk.1,505.42 million under Green Finance scheme
- Tk. 2,226.18 million spent on renewable energy projects
- Invested Tk. 7,164.05 million for liquid waste management disposal
- Tk. 377.70 million invested in environment friendly brick production

### Capital Trade-off

- Sustainable Green Banking establishments
- Sustainable Green Office practices

Particulars	Short-run	Long-run	Explanation
<b>Financial Capital</b>	↓↓	↑↑	As the green financing initiatives increase, capital outflow upsurges. Later on, this sustainable practice pays off in the future
<b>Manufactured Capital</b>	↑	↑	As the green office practices are established, the manufactured capital increases both in the short and long run
<b>Social &amp; Relationship</b>	↑	↑	The investments made in green banking will increase the brand value of the bank which will result in increased social & relationship capital
<b>Natural</b>	↑↑	↑↑	Prioritising investments in environment friendly/sustainable projects for the betterment of our future generation

### Material Aspects:



**Sustainable Banking Operations:** Sustainable Banking activities that do not adversely impact the environment

**Reducing Carbon footprint:** Proper resource management throughout the organization to reduce carbon footprint

## Outlook Forward

**Green Investment:** Investment in green, renewable and environmental friendly projects in compliance with regulatory guidelines





Our Social and Relationship Capital refers to the long-term relationships we have created with our stakeholders like business partners, regulators, customers, voluntary organizations which helps to build and maintain a strong social reputation and trust.

**Interlinkage with SDG's**



<b>Tk. 247</b> million	<b>CSR</b> <b>Activities</b>	<b>Tk. 105</b> million	<b>Healthcare</b> <b>Activities</b>	<b>Tk. 42</b> million	<b>Educational</b> <b>Activities</b>
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**Value Added Stage**

Social and Relationship Capital is vital importance for the sustainable value creation of Bank Asia. We take a holistic approach to sustainable value creation with our customers, trade partners and merchants or communities by nurturing our long-standing relationships. Through CSR activities we work closely with various communities to improve their lives and livelihood opportunities.

**Initiatives**

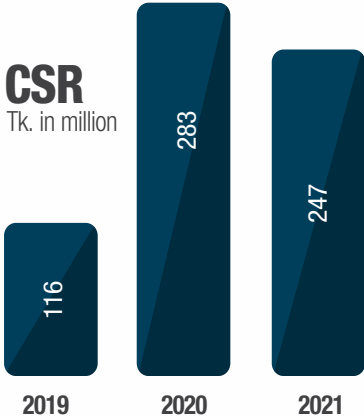
- Proposed 50 Bed indoor hospital at Ma Amiran Hospital and Diagnostic Centre
- Focuses on SDG through various CSR activities in different sectors
- Provides support to unprivileged people through social safety net program.

**Key Highlights**

- Tk. 247.45 million spending for CSR
  - Health 104.70 million
  - Education 42.00 million
  - Disaster Management 48.85 million
  - Art & Culture 1.00 million
  - Others 50.90 million

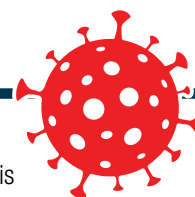
**Challenges**

- Empowering shareholders
- Evolving customer needs
- Addressing the shareholder's needs



Patients receiving Born Blind Treatment from Bank Asia Ma Amiran Hospital & Medical College

## Value created throughout COVID-19



- Donated Tk. 50 million to PM's to Prime Minister's Relief & Welfare Fund in order to prevent the Covid-19 crisis and treat patients
- Donated Tk. 53.49 million for building Hospital
- Provided Tk. 1.21 million for curative treatment of patients
- Provided Tk. 22.30 million under Bank Asia Higher Studies scholarship program
- Donated Tk. 8.84 million for construction purpose of school, and to IBA, DB, DMP
- Tk. 10.86 million for purchasing of desktop, braille, & other training materials
- Tk. 48.85 investment for disaster management
- Donated Tk. 50.00 million to Bangabandhu memorial trust
- Agreement with UN, UNDP, IFC, ADB, and Bangladesh Bank, Remittance Inpay

### Capital Trade-off

- Efforts in increasing community service
- Customer service investments

Particulars	Short-run	Long-run	Explanation
Financial Capital	↓ ↓	↑ ↑	As the CSR initiatives increase, capital outflow upsurges. Later on, this sustainable practice pays off in the future
Manufactured Capital	↑	↑	As the sustainable investment grows, the infrastructure of the bank will grow both in the short and long run
Social & Relationship	↑ ↑	↑ ↑	Through proper investment in expansion and property of the business, trust and social reputation is built among the stakeholders of the company

### Material Aspects:



- Open and transparency in maintaining communication with stakeholders
- Customer service assurance
- Corporate social responsibility
- Develop & maintain proper governance framework for long term value creation

#### Digitalization in Training Process:

Integrating technology in training and workshop to enhance the HR process

#### Fair Corporate Culture

Flexible, fair, and non-discriminating environment for employees

#### Right Placement:

Hiring the right personnel through fair and competitive recruitment process

**Performance Driven:** Program well set KPIs for performance and inherent quality analysis for individual growth

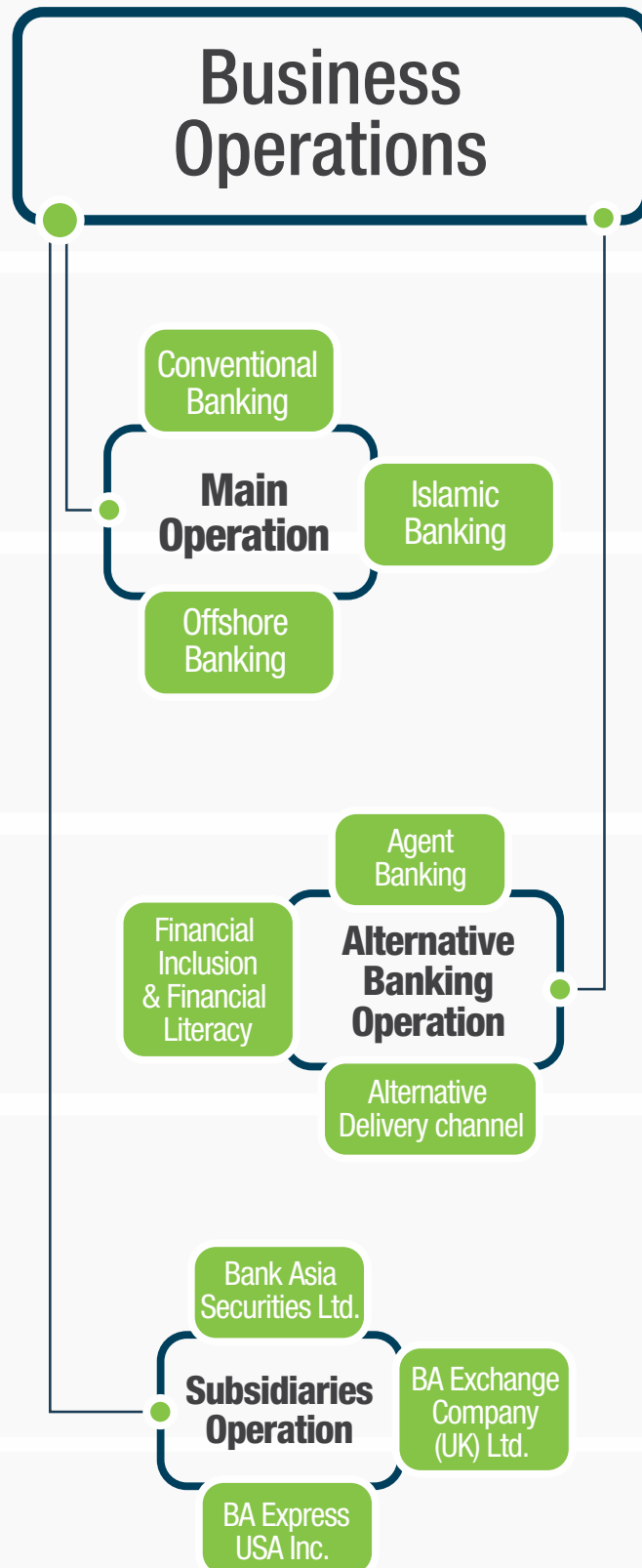
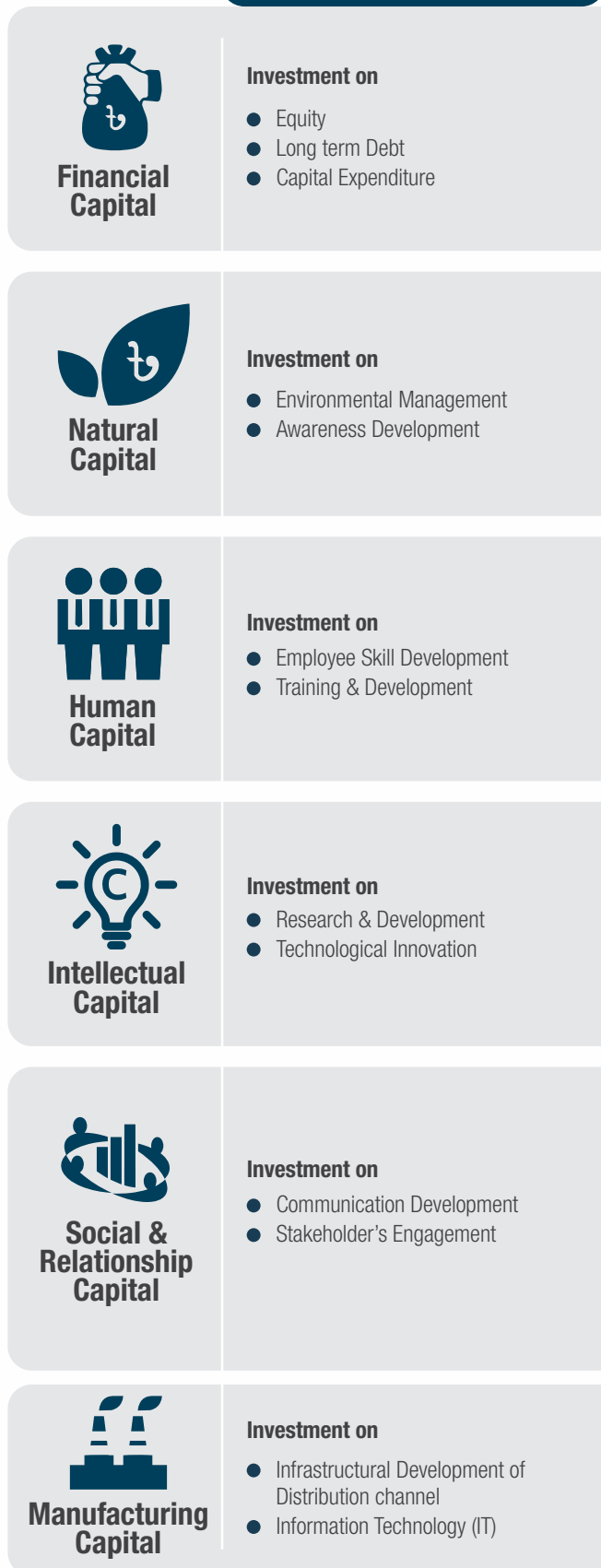
#### Leadership and Team Development program:

Development of self-managed and effective employees through team building and excursion activities

## Outlook Forward

# Our Business Model

## Inputs



## Activities

## Output

## Outcome

- Effective and responsible investment of shareholder's fund
- Diversifying the business portfolio
- Cost reduction initiatives
- Curbing CL ratio
- Supporting the entrepreneurs through CMSE
- Use deposit money to facilitate lending
- Minimizing risk through approved regulatory environment

- Payment to the Stakeholders
- Promoting financial inclusion
- Growth in operating profit
- Timely repayment of debt with stated return
- Transparency & integrity in financial reporting

- Sustainable growth
- Financial Stability
- Satisfactory Return

- Installed solar panels in 11 branches of Bank Asia
- Introduced E-products such as SMS banking, internet banking and payment solution
- Turned into eco-friendly banking system
- Adoption of SDG's
- Providing services through Online Credit Approval(OCAS) which helps in carbon sequestration of the planet
- Prioritize financing any eco-friendly projects

- Reduction of wastage through monitoring
- Management of liquid waste efficiently
- Reduction of energy and carbon footprint
- Ranked as one of the top 10 sustainable banks by BB

- Raised awareness regarding conservation of energy, water, saving paper, etc.
- Generate value for clients through sustainable and innovative solutions
- Biodiversity preservation

- Established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner
- Create pool of talent and skilful managers by arranging development programs
- Ensures hygienic & congenial workplace for all employees
- Group Health Insurance for the employees
- Performance management & appraisals
- Yearly performance bonus for motivation

- Skilled and competent employee force
- Career growth and organizational development
- Talents and performances development
- Job satisfaction & career progression

- Creation of sustainable workforce
- Play a vital role in materializing the mission, vision, goals and objectives of the bank
- Increasing of profit through improved productivity & efficiency

- Involvement in research and development and market analysis
- Focus on build up capital through offering quality banking facilities and knowledge- based services
- Implemented Robotic Process Automation (RPA) for real-time payments
- Implemented Oracle Real Application Cluster and migrate Oracle Database 120.1.0.1 to Oracle Database 12.1.0.2 for the Bank
- Set-up arrangement with OPGSPs to bring the earned money by exporting service in nonphysical form

- Improved and innovative products launched
- Certified with ISO/IEC 27001:2013
- Received "Bangladesh Innovation Award 2021" in Banking Category for outstanding effort for digital payment through Micro Merchant channel

- Expanding and diversifying product portfolio
- Quick service to the clients.
- A better prepared organization for facing disruptive business models

- Focuses on SDG through various CSR activities in different sectors
- Provides support to unprivileged people through social safety net program
- Empowering communities through Agri/Rural credit
- Established one of the largest agent banking network, with over 4,898 outlets opened across the country in last 7 years
- Being the pioneer of Agent banking in the country with the goal of serving the grassroots people, Bank Asia has built 4,898 Agent Banks and onboarded 51,237 micro merchants, 920 Post Office Banking Outlets
- Benefit economy by poverty reduction through banking services to rural poor people by "ABAK" project

- Empowering Shareholders
- Better Stakeholder relationship
- Partnership with UNDP under LGED Ministry
- Increasing number of outlets lower the operational cost and increase the popularity of agent banking

- Overall betterment of the nation
- Long term customer relationship
- Enriching brand visibility and reputation

- Introduced mobile app based service
- Stay updated to adapt changes and overcome the challenges
- Total 198 owned ATM and 12000+ shared ATM providing services
- Alternative delivery channel

- Strong internal business process platform

- Expand in the geographically dispersed segment





# **Risk** **Management** **Report**

Below gives an overview of the locations of our risk disclosures.

## **RISK** Management Framework

Page: 154-157

## **RISK** Mitigation Methodology

Page: 158-161

## Disclosure of **RISK** Reporting

Page: 162-166



## From Chief Risk Officer's Desk



As the 2020 ended, the global financial industry was eager to see it off and then 2021 happened and we realized how sticky the unprecedented global phenomenon of Covid19 could be, even throughout 2022. Undoubtedly in the face of pandemic, risk management oversight and maneuvering has moved into a position that's more critical for bank success than ever before. On the other hand, the underlying shift of major components like customer expectation, regulatory priority, and trending digitization landscape ultimately forced banks to adopt idiosyncratic risk profiles resulting grappling with emerging social and financial issues on a remarkable scale. The 2022 will be a period of appraisal to understand whether these risk management strategies prevented businesses from failing or just delayed recognition of new non-performing loans.

While defining risk management strategy at Bank Asia Ltd., amid on so much ongoing upheaval regarding upcoming risk landscape during 2022, it has been duly recognized at the enterprise level that the priority, scope and value of the function as a whole will be further escalated. One particular insight is, in one hand at macro level concern of the Board and Senior Management has been tuned to determine the credibility of the structure to ensure the decisions that are being made are the right, and on the micro level assessment has been initiated that the right people are making those decisions.

Being an integral part of the overall financial framework of the country, indeed 2021 was a quite challenging year for Bank Asia Ltd. But unlike being terrified, the bank ensured consistent momentum in risk management function as a result, along with ensuring sustainability the bank was able to achieve numerous milestones. Alongside of policy level chances like risk appetite, risk management framework etc., the bank has put precise attention toward revisiting the existing operational process with a view of reengineering and shifting risk management function from exclusively corporate office level to transaction level as well. The breadth of the aforesaid collective revision has encompasses almost every arena of the bank.

Alongside of managing current risks, the bank has accordingly formulated outlook of risk and accordingly formulated risk management strategies as follow:

### **Trending Risk**

- Unorthodox pattern of competition: The banking industry is substantially exposed to intense competition across the markets. The breadth of the competition is not limited to local banking institutes but also encompasses foreign banks and non-banking institutions. On top of that, evolving industry trend, rapid technology transformation and environmental factors (such has Covid19) may impact customer need and preference, resulting further intensify the level of prevailing competition.



- Risk arising from acquisition and disinvestment: During the year 2022, the banking industry is likely to experience the introductory phases of acquisition and/or disinvestment. The aforesaid experience is likely to accompany progressive risk factor. For example, Bank Asia Ltd., has prominent history of regularly considering a range of corporate opportunities, including acquisition. In case of acquisition, the bank is likely to inherit risk factors of the concerned organization. On the other hand merger/acquisition among/by other financial players is likely to bring along changes in existing risk profile in view of consolidation effect.
- The economic impact of Covid19 is extremely uncertain, but it has increased credit risk across the bank's portfolio: Covid19 has created economic and financial disruptions that have adversely affected and is likely to continue creating increasing heat (i.e. risk) level across various dimensions. The extent of this risk has considerable magnitude to affect the bank's critical aspects for example financial condition, liquidity etc. More concerning issue is the level of uncertainty cannot be fully predicted.
- Changing Sectoral spectrum: The global crisis related to Covid19, has significantly altered the potentially structure of economic sector of the country. As a consequence of the crisis, various sectors which might were earlier highly promising might lose potential and vice-versa.
- Blessing v/s curse of information technology: In one hand, the Covid19 has amplified the technological advancement among banking system. That has created scope for the bank to involve in various new type of banking transaction. On the other hand banks will be exposed to cyber risk.
- Regulatory vigilance: In order to reestablish discipline in the financial system, regulatory vigilance is likely to be further strengthened. The outcome of the increasing vigilance can range from increasing supervision, introduction of new policy direction and/or revision of existing policies.

### **Risk Management Strategies**

- The bank has adopted 05 year vision for risk management and in view of that has adopted risk management target for the year 2022
- Under the risk management target, for the year 2022 the bank has given maximum attention on credit, operational and liquidity risk management
- While defining the risk appetite, the bank has adopted a non-conventional method through significant calibration of existing limit determinant elements to capture the post Covid19 recovery affects. Alongside the bank has incorporated numerous factors from border risk aspects like market and Anti-money laundering.
- As a new initiative under credit risk, the bank will start the parallel run of internal credit rating with target for full migration to Internal Rating Based approach with in 2025. To further provide emphasis, on internal credit rating the bank will initiate the parallel run of risk based pricing. Apart for new tool implementation the bank will ensure constant review of existing credit risk management framework
- During the year 2022, major focus will be provided to ensure extensive acclimation of the operational risk management framework of the bank. Alongside of full implementation of operational risk management tools like risk log/register, Key risk indicator, Risk Control Self-Assessment (RCSA) etc. The bank will revisit existing risk management tools like fraud detection and management, risk based audit etc.
- To enhance the risk management coverage across the organization, the bank should establish common definition of risk and uniform management process
- Valuation/revaluation by enlisted surveyor
- Prompt resolution of documentation lapses and facilitate the audit reporting automation process
- Adhere to regulatory guidelines and compliance to Bank's policy

### **Sustainability under stressed perspective**

Stress scenarios demonstrate the capital resilience of the bank. The bank uses sensitivity analysis to assess the potential impact of conditions under stress.

Bank Asia Ltd., identifies plausible scenarios and quantifies their potential impact on financial resources or capital required or both. Depending on the outcome, the bank then develops, implements and monitors appropriate actions.

The outcome of latest stress testing performed based on December 31, 2022 indicates, the resilience capacity was sufficiently robust to accommodate all shocks at minor and moderate magnitude. Even at major magnitude the bank was able to meet 07 scenarios out of 09 listed scenarios. In term of liquidity stress the bank was also maintained sound liquidity to meet all related scenarios.



Rashidul Kabir Rajib  
Chief Risk Officer



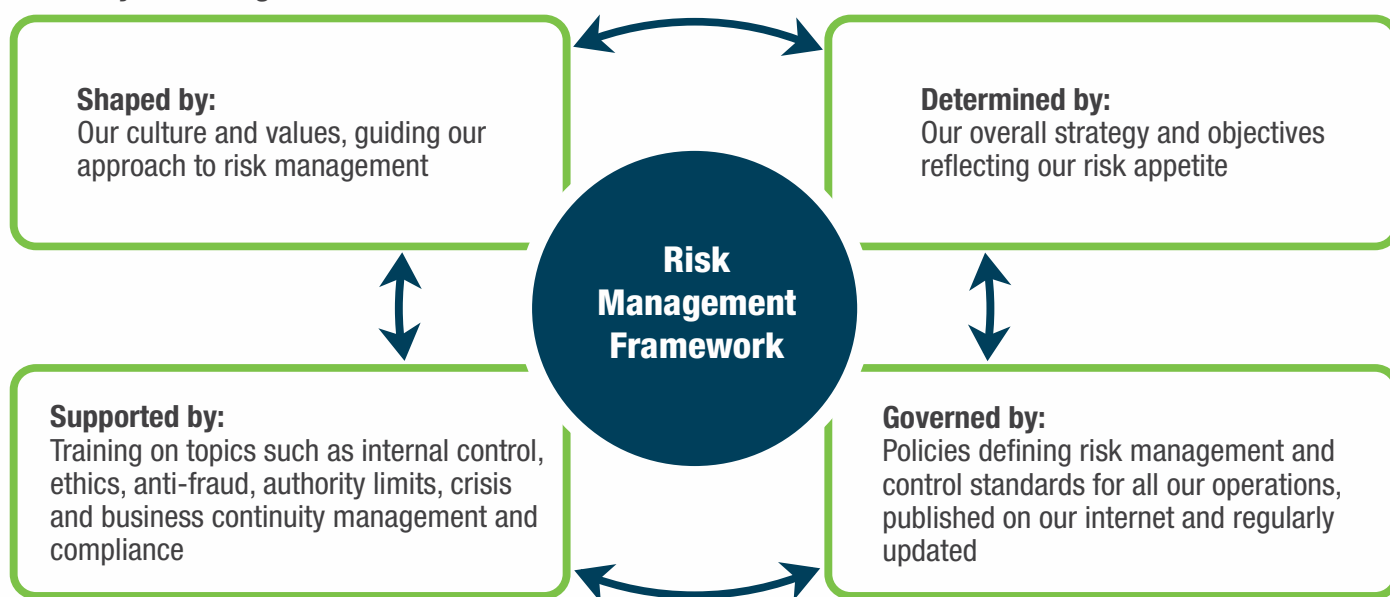
# RISK MANAGEMENT FRAMEWORK

Risk is inevitable in banking business, as such risk management is part of our culture across the bank. Unlike considering risk exclusively as a vulnerable component, the bank considers risk also as opportunity as well. The bank manages risk taking limit by formulating risk appetite on yearly. The formulation of risk appetite primarily depends on its very own capacity to manage risk as well as on the basis of credibility of the risk to bring along opportunities. Ensuring that we have an effective risk management system in place is key to developing our business and achieving our objectives.

Bank's Risk management division provided oversight of risk management on an enterprise-wide level through the establishment of the risk strategies, frameworks and policies, with independent assessments and monitoring of all risks challenges. We strived for a simple and practical approach while constantly improving our risk management process and the quality of information it produces. Our key focus areas during the year were:

1. Transformation from practice based operation for uniform business practices through adoption of policies and procedures
2. Unlike silo basis we are thriving toward enterprise wide risk management culture through building awareness and knowledge
3. Instead of accommodating risk through fresh capital injection, we are managing risk to minimize capital requirement
4. We are reviewing our risk assessment model through effective back testing to ensure proper alignment with trending risk nature and standard practices
5. Operational risk management, particularly fraud risk and cyber risk

## The way we manage risk:



### 1.1. Risk Management Approach

It is important not only fulfill regulatory requirements but also improve financial and operational performance of the banks. Strong and integrated risk management is essential for the long-term sustainability of the bank's business. The comprehensive risk management policies and sophisticated risk management processes are required for systematic identification, measurement, monitoring and controlling of all business risks. Bank's overall financial soundness can be measured only by adopting a strong risk management process by communicating concise risk management standards to all concerned officials through adequate policies, directives, operating procedures and training programs.

Effective risk management is beyond the regulatory requirement. In a broad sight, risk can be divided into 02 (two) major parts: Systematic Risk and Non-systematic/Diversifiable Risk.

Systematic risk refers to those risk affect the financial system or market as a whole. On the other hand, Non-systematic risk which belongs to a specific institution but not all participants in the financial market or system. Effective risk management has many benefits like reduction of frequency and severity of losses, safe and sound banking practices and better returns to stakeholders due to lower losses.

The core business of a bank is to manage risk and provide a return to shareholders in line with the accepted risk profile. The default loan in the local banking industry seem to indicate that the banking sector has failed to tend to its core business. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially adverse effect on their business. Banks are obliged to establish a comprehensive and reliable risk management system, integrated in all business activities and providing for the bank risk profile to be always in line with the established risk propensity.

## 1.2 Risk Management Units of the Bank

Particulars	Roles and Responsibilities
Credit Risk Management Unit	Is primarily responsible for finding out and recommending mitigation for all credit risk related issues of the bank. Major focus of the unit will be to ensure continuous understanding of any kind of changes in risk parameter and review of credit related activities of the bank to measure the performance of existing credit risk management tools.
Credit Rating Unit	This unit is also responsible for developing internal client rating model and periodic credit related reporting of the bank management and Board Risk Management Committee.
Market Risk Management Unit	Is primarily responsible to identify, assess, manage, report and any risk arising from Asset-Liability mismatch, change in yield curve and/or market volatility (FX or equity investment).
Operational Risk Management Unit	Operational Risk Management Unit is primary responsible to manage any possible operational risk resulting from people, process, system and external forces.
Process Development and Review Unit	Process Development and Review Unit is basically a process reengineering unit. This unit will proactively review various operational processes (regardless of any specific risk) to identify any area of development. Based on such identification the unit will take necessary steps to enrich the process i.e. through policy/process development and eventual implementation, which can not only safeguard bank's asset but also contribute strongly towards profitability
Capital Management Unit	Capital Management Unit is primarily responsible to ensure execution of Pillar –II capital computation. More precisely the unit will develop methodologies/models to accurately calculate additional capital requirement on top of minimum capital requirement.

## 2. MAJOR COMPONENT OF RISK MANAGEMENT OF BANK ASIA

The Bank's risk management framework is applied on an enterprise wide basis and consists of three key elements:

- Risk Governance,
- Risk Appetite, and
- Risk Management Procedure

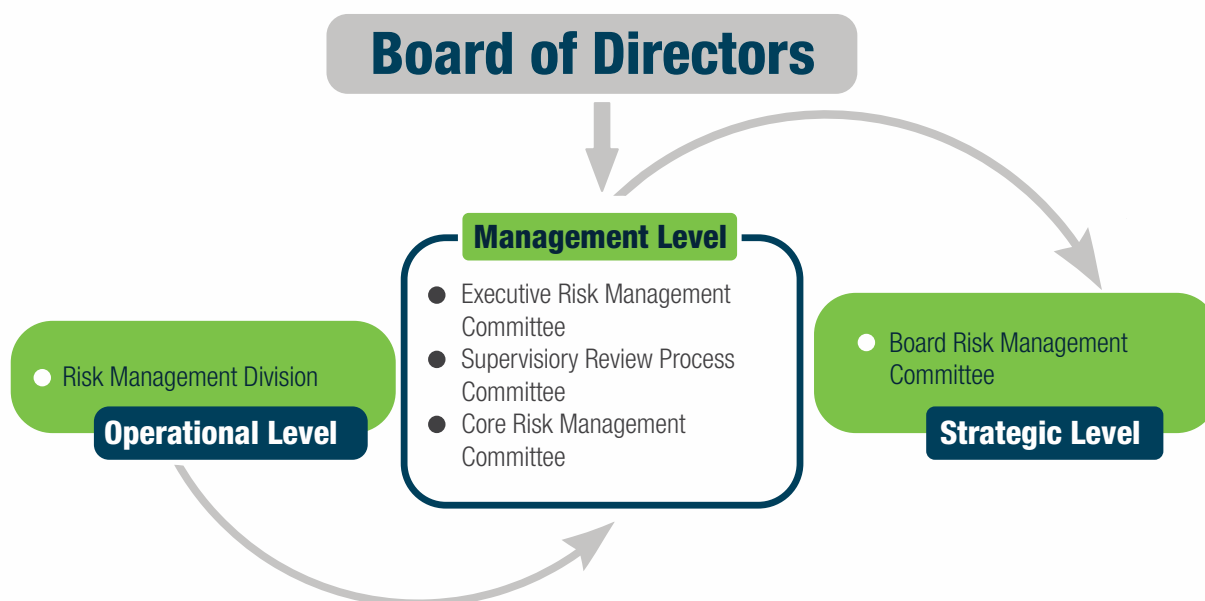
### 2.1 Risk management framework and Risk Governance Structure of the Bank

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholders' returns. The bank's enterprise-wide risk management framework provides the foundation for achieving these goals.

This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the global markets in which the bank operates, including regulatory standards and industry best practices. The risk management programs of the bank's subsidiaries also conform in all material respects, to the bank's risk management framework, although the actual mode of execution of their programs may be different.

In line with global and national level risk management framework Bank Asia Ltd. has own Risk management framework for overall risk management of the Bank. The above framework is combination of Board level oversight, Management oversight and Operational level risk management structure.

**Bank Asia Limited has three level of structure in regards to managing risk.**

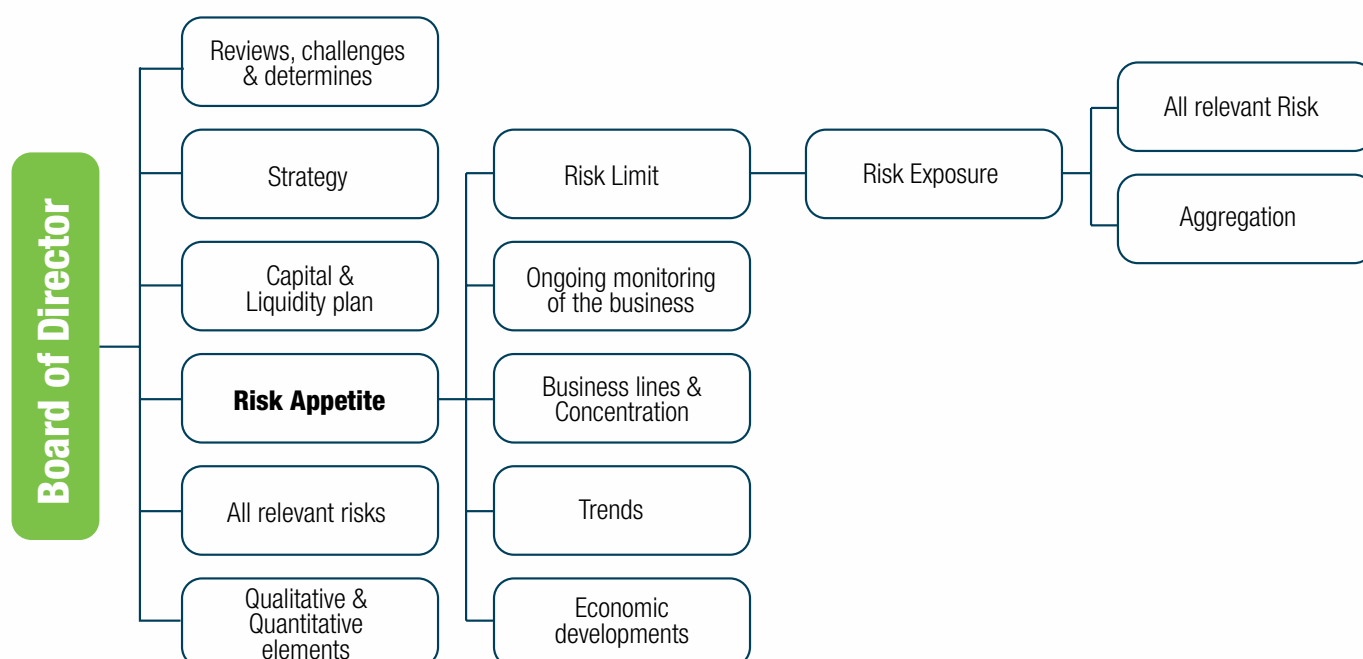


Particulars	Roles and Responsibilities
Board Risk Management Committee	<ul style="list-style-type: none"> <li>Design and implement Risk strategy and policy</li> <li>Review, monitor and understand risk profile of the bank</li> <li>Review and recommend bank's risk appetite, limit and tolerance level</li> <li>Review of Management level operational risk structure</li> <li>Performance review and recommendation</li> </ul>
Executive Risk Management Committee	<ul style="list-style-type: none"> <li>Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis</li> <li>Determining general principal for measuring, managing and reporting the bank's risk</li> <li>Minimizing/controlling risks through ensuring proper implementation of the decisions;</li> <li>Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;</li> <li>Oversee the development, implementation and maintenance of the bank's overall risk management framework and risk appetite, strategy, principals and policies</li> <li>Ensure bank's Risk Management practices are in line with regulatory benchmark and industry best practice</li> </ul>
Supervisory Review Process Committee	<ul style="list-style-type: none"> <li>Ensure that the bank has an internal process to identify and assess all relevant risks of the bank</li> <li>Vetting/recommending general principal for development of ICAAP document</li> <li>Ensure that capital is adequately allocated against the ICAAP outcome</li> <li>Error free and timely reporting of ICAAP outcome to Strategic layer and BB</li> </ul>
Core Risk Assessment Committee	<ul style="list-style-type: none"> <li>Adoption of in-house core risk assessment methodology</li> <li>Perform periodic assessment of Core Risk Guidelines' implementation status</li> <li>Review and approval of core risk rating and recommendation for improvement</li> <li>Extend supervisory support for implementation of committee's resolution</li> </ul>
Policy Review Committee	<ul style="list-style-type: none"> <li>A regular review of policies, procedures and PPG of the bank</li> <li>Adoption of global standard policies related to bank</li> </ul>

## 2.2 Risk Appetite

The term Risk Appetite refers to the broad types and amounts of risks that a bank is willing to undertake in implementing its business strategy. Setting the risk appetite is an exercise where Bank's risk capital is allocated effectively and risk limits are set within the risk strategy of the Bank. Thus, the risk appetite is set, covering overall group position of a bank ensuring main business units are in line with the business objectives set by Board of Directors. Considering the importance and regulatory requirement, Risk Management Division of Bank Asia Limited has developed risk appetite for the year 2021 which is Board approved. Bank Asia Limited has considered new areas under risk appetite statement. Parameter wise risk appetite was set considering historical trend, Central Bank benchmark, International Benchmark and perception of the senior management.

### Setting & Monitoring Risk Appetite



### **Risk Mitigation Plan**

- Risk Appetite
- Internal Credit Rating
- Early Alert System & Overdue Management Routine
- Sectoral Lending Cap
- Risk Based Pricing
- Deferral Management Process and Documentation Review
- Policy/process review
- Operation process review and reengineering
- Capital Rationing
- Internal ICAAP

### **Risk Culture**

Bank Asia Limited has developed risk management framework covering risk governance, which includes, risk management structure comprising different sub committees and clearly defined reporting lines ensuring risk management unit is functioning independently.

### **Risk Appetite**

Bank Asia Limited set Parameter wise Risk Appetite considering historical trend, Central Bank benchmark, International Benchmark and perception of the senior management.

## **Risk Monitoring & Reporting**

**CRMR:** The half-yearly paper covers 100+ parameters (specified by BB).

**Risk Report:** The monthly basis risk report focuses on risk aspects which requires immediate focus. The report is the core discussion point of various risk committees i.e. ERM, BRMC etc

**ICAAP:** The yearly basis BBank report covers risk areas like documentation lapses, concentration, liquidity, reputation, environmental, settlement, core risk etc.

Further to that the bank has developed its own ICAAP and executed on half-yearly basis.

**Reports to Board/Board RMC:** Meeting of Board RMC takes places on monthly basis and based on requirement of the committee various memos/process/policies are submitted mostly covering risk issues.

### **2.3 Core Risk Assessment Procedure:**

With a view to establish a benchmark of banking operation quality in the country, the Central has developed 06 (six) separate core risk guidelines. These guidelines primarily provide global best practices in these areas under the context of Bangladeshi banking.

As part of adoption of standard operational process across the banking operation, Risk Management Division will be playing a vital role for adoption of these benchmark practices. The primary role of the division is to identify the gap in current operational process of the bank and as prescribed structure in respective core risk guideline, facilitation of formation and providing secretarial services to core risk management committee, facilitate recommendation and change implementation process regarding improvement in core risk areas.

### **Risk Culture**

Risk Culture of the Bank promotes its business objectives and an environment that enables management to execute the business strategy in a more efficient and sustainable manner. The Board of Directors regularly reviews the risk profile of the Bank and its subsidiaries and makes every senior leader a responsible stakeholder in developing a strong risk culture within the Bank. Further, the Bank ensures that, every employee has a clear understanding of their responsibilities in terms of risks undertaken by them in every step they take in their regular business activities. Bank Asia Limited has developed a risk management framework covering risk governance, which includes, risk management structure comprising different sub committees and clearly defined reporting lines ensuring risk management unit is functioning independently. Risk governance of the Bank also includes setting the risk appetite statement, risk limits, risk management functions, capital planning, risk management policies, risk infrastructure and MIS and analysis to monitor Bank's risk profile.

## **3. RISK MANAGEMENT DIVISION OF THE BANK**

The Risk Management Division of the bank act as the core wing for overall risk management operation of the bank. The division consists of 05 sub units and the Head of the division directly reports to Chief Risk Officer. There are 04 purely risk related committee at management level and a risk management committee at Board level.

### **Structure & Reporting Line of Risk Management Division**

- RMD consists of 05 units
- CRO act as Head of RMD and report to Board RMC
- CRO is member of all risk related committee of the bank
- CRO is the chairman of ERM
- President & Managing Director is the Chairman of SRP Team
- At least quarterly risk reporting to Board RMC



# RISK MITIGATION METHODOLOGY

The success of banking operation largely depends on choosing the best equation between risk and return. This implies that by nature the banking operation is subject to various risks. However to ensure the sustainability, among all other factors creating value (i.e. return/profit) is a basic requirement for any financial organization. Keeping the uncertainty factor in mind each bank need to adopt a risk management framework that should be effectively enough to manage all material uncertainties to achieve the goal of the organization.

The process starts through defining what the organization wants to achieve and the external and internal factors that may influence success in achieving those objectives. This step is called establishing the context and is an essential precursor to risk identification.

Risk assessment comprises the three steps of risk identification, risk analysis, and risk evaluation. Risk identification requires the application of a systematic process to understand what could happen, how, when, and why.

Risk analysis is concerned with developing an understanding of each risk, its consequences, and the likelihood of those consequences

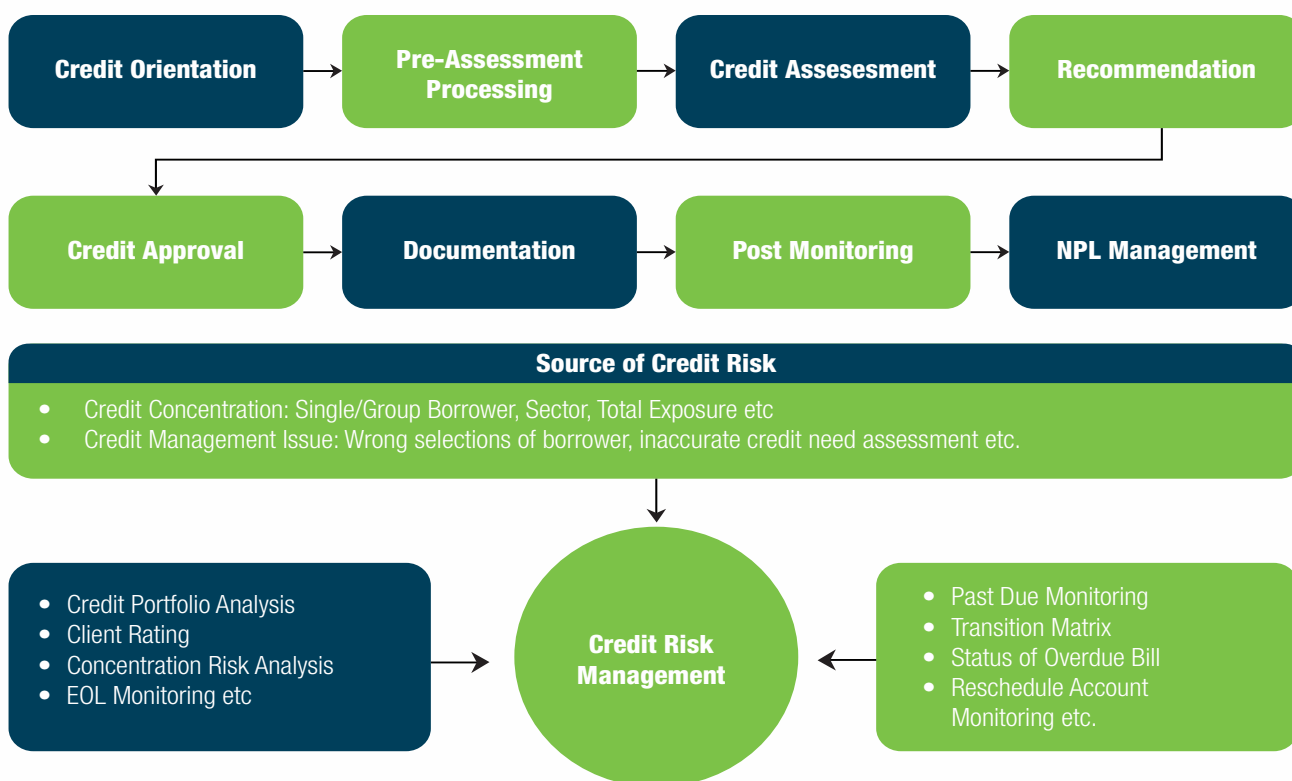
Risk evaluation involves making decision about the level of risk and the priority for attention through the application of the criteria developed when the context was established.

Risk treatment is the process by which existing controls are improved or new controls are developed and implemented.

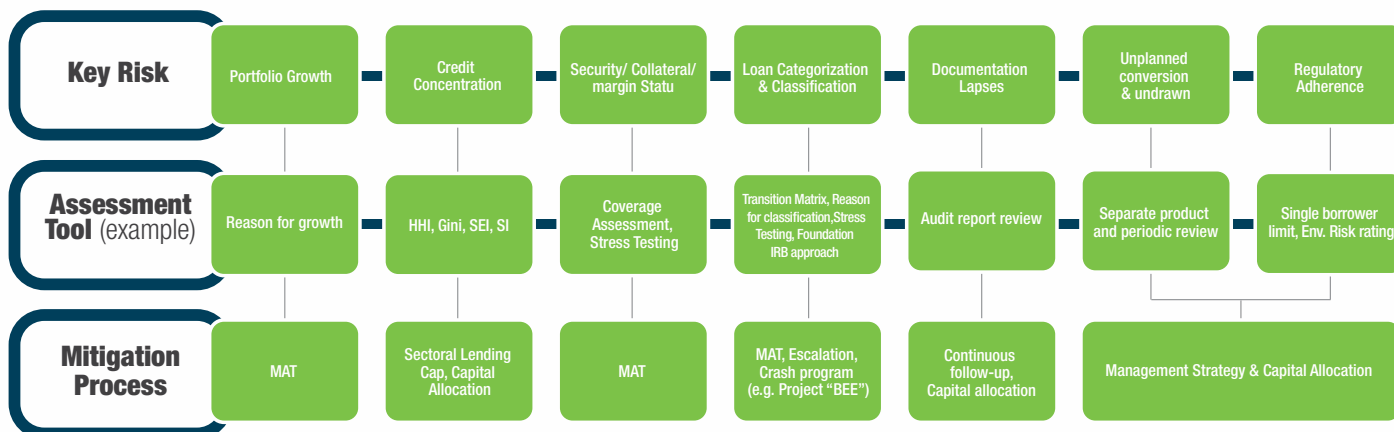
## 1. CREDIT RISK:

Credit risk primarily triggers either from unwillingness or inability of a credit borrower to serve its obligation, resulting economic loss to the bank. Credit risk arises from on balance sheet claims such as loan and overdrafts as well as off balance sheet commitments such as guarantee, acceptance, letter of credit etc. Similar to most other banking institutes, in the case of Bank Asia Limited, loans are the largest and most obvious sources of credit risk.

Bank's credit risk management specifically addresses the following areas:



## Credit Risk Concerns & Mitigation Plan Operational Level-Credit Risk



## 2. MARKET RISK :

Market risk is defined as the risk of losses against expected (fair) value of financial assets, liabilities and off-balance sheet items resulting from absurd market condition (e.g. macro-economic factors). The underlying risk is also considered as non-diversifiable risk, i.e. risk that cannot be avoided. In general market risk is often triggered by other forms of financial risks such as credit and market liquidity risks. For example, a downgraded of the credit standing of an issuer (e.g. share) could lead to a drop in the market value of the securities issued by the issuer. Furthermore, a major sale security by another holder could depress the price of the security.



**2.1 Interest Rate Risk** arising from mismatches in the interest rate profile of assets, liabilities and capital instruments including basis risk arising from different interest rate benchmarks, interest rate re-pricing risk, yield curve risk and embedded optionality.

**2.2 Equity risk** is defined as losses due to changes in market price of equity held by the Bank. To measure and identify this risk, marks to market valuations of the equity instruments that are traded in secondary market are made. The minimum capital standard for equities is expressed in terms of two separately calculated charges for the "specific risk" of holding a long or short position in an individual equity and for the "general market risk" of holding a long or short position in the market as a whole.

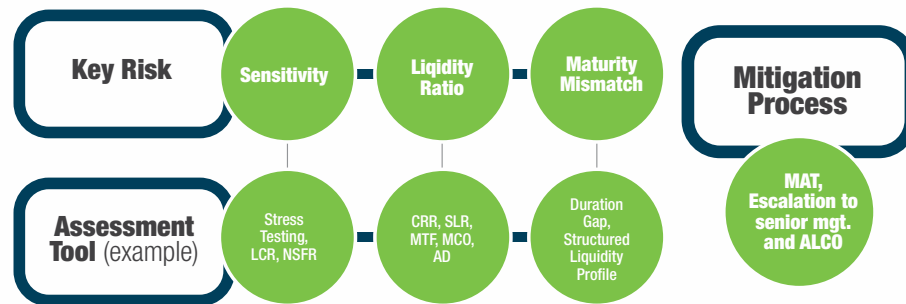
**2.3 Foreign exchange risk** arising mainly from our strategic investments which are denominated in currencies other than the BDT. Foreign exchange position is managed by treasury division. In the year ended 2021, Total Risk Weighted Assets for Foreign Exchange Risk is Tk. 3,901 million and capital requirement is Tk. 390.10 million.

**2.4 Commodity risk** is the risk of loss due to changes in spot and forward prices and the volatility of precious and base metals, and energy products. A commodity is defined as a physical product which is or can be traded on a secondary market, e.g. agricultural products, minerals (including oil) and precious metals. The price risk in commodities is often more complex and volatile than that associated with currencies and interest rates. Commodity markets may also be less liquid than those for interest rates and currencies and, as a result, changes in supply and demand can have a more dramatic effect on price and volatility. These market characteristics can make price transparency and the effective hedging of commodities risk more difficult. For spot or physical trading, the directional risk arising from a change in the spot price is the most important risk. However, banks using portfolio strategies involving forward and derivative contracts are exposed to a variety of additional risks, which may well be larger than the risk of a change in spot prices.

### 3. LIQUIDITY RISK :

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. An institution short of liquidity may have to undertake transaction at heavy cost resulting in a loss of earning or in worst case scenario; the liquidity risk could result in bankruptcy.

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



### 4. OPERATIONAL RISK:

Operational Risk refers to the risk of loss resulting from inadequate or failed internal process, people and system or from external events. This definition includes legal risk but excludes strategic and reputational risk. Unlike other risk as faced by the bank, the operational risk is inherent in most of the process and operations of the bank and cannot be separated from other risks. Operational risk in a bank are the functions of the bank's overall environment and culture, employee competence and integrity, management strategies and philosophies, extent and degree of process centric approach to business, etc.



### 5. REPUTATION RISK:

Reputation risk is the current or prospective risk to earnings and capital that arise from decline in the customer base, costly litigation due to adverse perception of the stakeholders. It originate from the lack of compliance with industry service standards or regulation, failure to meet commitments, inefficient and poor quality customer service, lack of fair market practices, unreasonably high costs and inappropriate business conduct. In a nutshell, "reputation risk arises from the failure to meet stakeholders' reasonable expectation of bank's performance and behavior". Reputation risk is a subset of operational risk which can adversely affect the capital base if the driving forces of the risk turn worse. Banks assess reputational risk in ICAAP document under Pillar-2 by considering following key indicators:

- Credit Rating conducted by ECAs
- Internal fraud
- External fraud
- Non-payment or delayed payment of accepted bills (foreign & domestic)
- Quality of customer service.

Assessing above key indicators for all aspects bank maintains additional capital for that/those risk/risks.

## 6. STRATEGIC RISK:

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, non-adaptability/ less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base.

In this context, strategic risk possesses a significant space in the ICAAP of the banks, following aspects is considered:

- CAMELS rating – optimum level (satisfactory)
- Operating expenses as % of operating income- optimum level up to 45%
- Classified loans as % of total outstanding loans- optimum level up to 5%
- Classified loan recovery as % of total classified loans- optimum level minimum 20%
- Written-off loans as % of total classified loans- optimum level up to 15%
- Interest waiver as % of total classified loans-optimum level up to 5%.

## 7. INTERNAL CONTROL & COMPLIANCE RISK:

Internal control is the process, affected 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.

Bank's senior management is responsible for establishing a compliance policy that contains the basic principles to be approved by the board and explains the main processes by which compliance risks are to be identified and managed through all levels of the organization.

The board and management are accountable for the bank's compliance, the compliance function has an important role in supporting corporate values, policies and processes that help ensure that the bank acts responsibly and fulfils all applicable obligations.

## 8. MONEY LAUNDERING RISK:

Money Laundering Risk can be defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. The bank has a designated chief compliance officer at Head Office and Compliance officers at branches who independently review the transactions of the accounts to verify suspicious transactions.

The convergence of several remarkable changes in the world markets propelled Money Laundering to become a worldwide problem. Bank Asia considers Money Laundering and Terrorist Financing Risk not only a compliance requirement of the regulatory bodies but also as one of its core business values. Bank Asia Limited included various activities with the existing to mitigate Money Laundering, Terrorist Financing and Proliferation Financing. For more information on how we manage our Money Laundering Risk, refer to Directors Report on pages 101.

## 9. ENVIRONMENTAL AND CLIMATE CHANGE RISK:

Environmental and climate change risk refers to the uncertainty or probability of losses that originates from any adverse environmental or climate change events (natural or manmade) and/or the non-compliance of the prevailing national environmental regulations. This is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. Environmental and climate change risk can hamper the business stability of the borrowers in respect of both- i) profitability and ii) reputation. Consequentially, the extent of risk for the banks will be higher.

## 10. INFORMATION TECHNOLOGY (IT) RISK:

IT risk refer to Financial loss, disruption or reputational damage caused by failure of people, processes or technology that's leading to cyber-attack on critical systems and/ or unavailability of critical technology components.

Key Risk	Mitigation Process
Network Risk - Improper Configuration, Authentication etc.	Bank Asia has deployed configured Routers, Firewalls, WAF, and Switches etc. to make DDR-Distance Disaster Recovery site operational and established VPN connectivity with all branches, booth, and departments.
Data Centre Risk - Server Failure, Monitoring Failure etc.	Bank Asia have installed and configured high availability Oracle Data Guard for Non CBS and Utility Database It has reduced load of production system as well as transactions are occurring smoothly.
Hardware Risk – Power Faults, Equipment Incompatibilities, damage etc.	Bank has established a Tier-3 standard Disaster Recovery (DR) site which is fully functional since August, 2021. Bank has also successfully completed drill test on November 27, 2021 for network, Storage, Database and Application connectivity in different combinations to ensure Business continuity for branch banking operation (CBS only) through Disaster Recovery Site.



# DISCLOSURE OF RISK REPORTING

Risk management report addresses the disclosure requirements of Basel III pillar 3, and materials risk that effect bank's earning, capital and shareholders' value and management action plan against that risks set out by Bangladesh Bank. Banks prepared its statement regarding capital adequacy statement in line with pillar I of Basel III on quarterly basis and submitted to Bangladesh Bank by following month both in solo basis and consolidated basis. Solo basis included Bank's conventional banking, Islamic banking and Off- shore banking. Consolidated basis included Bank and its three subsidiary companies i.e. Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc.

## 1. BASEL III APPROACH ADOPTED:

Bangladesh Bank vide its BRPD Circular No. 18 dated December 21, 2014 implemented revised regulatory capital framework for banks in line with Basel III in Bangladesh with effect from January 01, 2015 which was implemented from January 01, 2020.

Basel III incorporated strengthening capital framework, enhancing risk coverage, risk based capital requirement with leverage ratio, reducing pro cyclicality and promoting countercyclical buffers, addressing systemic risk and introduce global liquidity standard. Under Basel III capital framework, bank has to maintain buffer capital 2.5% in addition to minimum capital requirement 10%.

Leverage ratio express 4.87% of total tier I capital (after related deduction specified by BB) to total exposure i.e. on balance sheet and off- balance sheet exposure (after related deduction specified by BB) and also submit the information to Bangladesh Bank on quarterly basis.

To ensure strong liquidity base, Bank also maintaining two liquidity standard i.e. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) having more than  $\geq 100\%$ . LCR was introduced to promote short- term resilience of bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. NSFR was introduced to promote resilience over a longer horizon (1 year) by creating additional incentives for bank to fund its activities with more stable sources of funding on an ongoing structural basis. Bank prepare LCR and NSFR and submit Bangladesh Bank on monthly and quarterly basis respectively.

**Credit Risk** Out of three approaches Standardized Approach, IRB and Advanced IRB, Bangladesh Bank adopted Standardized Approach. The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks assigned a risk weight to all on-balance sheet and off-balance sheet exposures. Risk weights are based on external credit rating (solicited) as mapped with the BB rating grade or a fixed weight specified by BB.

**Market risk** Out of two approaches Standardized (Rule Based) Approach and Internal Models Approach, Bangladesh Bank adopted Standardized (Rule Based) Approach. In such approach, Bank maintained capital on for various market risks (interest rate risk, price, foreign exchange risk and commodity risk) which were determined separately.

**Operational risk** Out of three approaches i.e. Basic Indicator Approach, Standardized Approach and Advanced Measurement Approach, Bangladesh Bank adopted basic indicator approach. Under that approach, Bank calculated capital charge is a fixed percentage (15%) of average positive annual gross income of the bank.

SI	Risk Category	2021		2020	
		Million Tk.	%	Million Tk.	%
A	Credit Risk	231,814	88.09%	222,128	87.14%
i	On- Balance sheet	176,962	67.25%	187,436	73.53%
ii	Off- Balance sheet	54,852	20.84%	34,692	13.61%
B	Market Risk	7,030	2.67%	9,744	3.82%
i	Interest Rate Risk	1,318	0.50%	7,398	2.90%
ii	Equity Position Risk	1,811	0.69%	1,919	0.75%
iii	Foreign exchange	3901	1.48%	427	0.17%
C	Operational Risk	24,309	9.24%	23,033	9.04%
		263,153	100.00%	254,905	100.00%

## 2. PILLAR-I MINIMUM CAPITAL REQUIREMENT (MCR) CALCULATION:

The MCR is a Basel prescribed minimum capital assessment process against credit, market and operational risk of the bank. The underlying assessment is a mandatory requirement of the Central Bank and assessment are carried out on quarterly basis. Regarding MCR calculation Risk Management Division of the bank will perform necessary analysis to understand the trend of MCR of the bank, develop necessary model to predict the overall MCR of the bank, place necessary recommendation for improvement.

## 3. PILLAR-II SUPERVISORY REVIEW PROCESS UNDER ICAAP:

IThis is also a part of Basel regime. Under this process banks are required to assess the additional capital requirement against risk that has not been considered under Pillar I (i.e. Minimum Capital Requirement). As per global standard each bank is required to develop necessary model for assessment of these risk, this assessment process is known as Internal Capital Adequacy Assessment Process (ICAAP). As per current practice of Bangladesh, the central bank has developed an ICAAP format and advised all banks to report the ICAAP on yearly basis. Bangladesh Bank has also advised all banks to form a committee (i.e. Supervisory Review Committee). The regular arrange a meeting with the committee each year to identify the final additional capital requirement based on the ICAAP document.

## 4. Concentration Risk:

Concentration risk arises for invest most or all of the assets to single or few individuals or entities or sectors or instruments. It indicates bank's failure to diversify its loan and investment portfolios, concentration risk emerges. Downturn in concentrated activities and/ or areas may cause huge losses to a bank relative to its capital and can threaten the bank's health or ability to maintain its core operations.

Bank assesses concentration risk in ICAAP document under Pillar-2 in following two ways:

### 4.1 Credit Concentration Risk:

When the credit portfolio of a bank is concentrated within a few individuals or entities or sectors, credit concentration risk arises. Following individual concentration is considered for credit concentration risk:

- Sector wise exposure
- Division wise exposure (geographic concentration)
- Group wise exposure
- Single borrower wise exposure
- Top borrower wise exposure.

#### 4.1 Market Concentration Risk:

When the investment portfolio of a bank is concentrated within a few instruments or any instrument of few companies or any instrument of few sectors, market concentration risk arises. Following individual concentration is considered for market concentration risk:

- Instrument (financial securities) wise investment
- Sector wise investment in listed instruments
- Currency wise investment of foreign exchange portfolio.

Assessing concentration of above indicator for all aspects bank maintains additional capital for that/those risk/risks

#### 5. STRESS TESTING

The underlying tool is used to assess the bank's vulnerability to unexpected but presumable change in various related factors (e.g. increase in NPL, change in interest rate, fall of security value etc.). The impact of this model is expressed through change in overall CAR of the bank. Central Bank has advised all banks to perform stress testing on quarterly basis. The outcome of stress testing is needed submitted to Bangladesh Bank upon review of senior management and Board.

#### 6. MARKET DISCIPLINE

In line with Pillar III of Basel III, Bank prepared market discipline statements on yearly basis and submitted to Bangladesh Bank accordingly. Bank also disclosed market discipline in separate Annual Integrated report ( page no. 170-189) and bank's websites

#### 7. RISK MANAGEMENT PAPER

Risk Management Report for different risk related issues are prepared and presented to top management and submitted to Bangladesh Bank. On the basis of said paper, awareness was created regarding different risks.

#### Sector wise concentration

Sector	2021		2020	
	Million Tk.	%	Million Tk.	%
Chief Executive and other senior executives	210	0.08%	200	0.08%
Agriculture	5,936	2.26%	9,523	3.89%
Industry	136,529	52.06%	117,769	48.14%
Constructions	9,489	3.62%	5,360	2.19%
Power, Gas, Water and Sanitary Services	9,460	3.61%	6,559	2.68%
Transport, Storage and Communication	1,964	0.75%	1,424	0.58%
Trade Services	46,140	17.59%	48,065	19.65%
Housing Services	19,312	7.36%	16,706	6.83%
Banking and Insurance	3,129	1.19%	4,427	1.81%
Professional and Misc. services	30,098	11.48%	34,609	14.15%
<b>Total</b>	<b>262,267</b>	<b>100.00%</b>	<b>244,642</b>	<b>100.00%</b>

#### Geographical concentration

Division	2021		2020	
	Million Tk.	%	Million Tk.	%
Dhaka Division	215,118	80.79%	197,735	72.27%
Chittagong Division	30,732	12.18%	29,818	21.45%
Khulna Division	4,077	2.26%	5,414	1.84%
Rajshahi Division	5,657	2.45%	6,000	2.27%
Barisal Division	1,389	0.37%	908	0.35%
Sylhet Division	3,070	1.07%	2,617	1.04%
Rangpur Division	1,679	0.65%	1,580	0.56%
Mymensingh Division	545	0.23%	570	0.23%
<b>Total</b>	<b>262,267</b>	<b>100.00%</b>	<b>244,642</b>	<b>100.00%</b>

Million Taka

#### Top borrower wise exposure

Sl. No.	Name of clients	Outstanding (Taka) 2021			Outstanding (Taka) 2020		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Meghna Group	493	7,241	7,733	-	-	-
2	Bashundhara Group	4,770	2,119	6,889	3,986	2,806	6,792
3	CITY Group	404	5,557	5,961	-	-	-
4	Ahmed Group	-	5,865	5,865	82	5,133	5,215
5	Pran Group	2,463	2,646	5,109	-	-	-
6	Echotex Group	1,228	3,809	5,038	2,072	2,733	4,806
7	MAX Group	3,333	1,539	4,873	-	-	-
8	Saiham Group	3,020	1,768	4,787	1,449	3,436	4,885
9	Spectra Group	2,076	2,708	4,784	2,680	2,951	5,631
10	AA Group	2,147	2,542	4,689	-	-	-
11	Western Marine Group	4,351	106	4,457	-	-	-
12.	Bulk Trade International Ltd	82	4,227	4,309	-	-	-
13.	Gemcon Group	3,116	1,073	4,188	-	-	-
14.	BRAC	-	-	-	6,373	11	6,383
	<b>Total</b>	<b>27,483</b>	<b>41,198</b>	<b>68,681</b>	<b>16,642</b>	<b>17,070</b>	<b>33,712</b>

# Risk Management Report

## 8. Risk based Audit

In parallel to generic audit function, the necessity of adoption of Risk Based audit is increasing. The underlying audit function is an effective tool for effective risk management. Where typical audit process primarily aim to identify irregularities among transactions/events which has already occurred, the risk based audit is used to validate that the internal control environment is functioning as planned.

## 9. Capital Management of Bank

Bank's capital management framework serves to ensure that the bank (both in solo basis and consolidated basis) are able to maintain adequate capital level. The bank capital management objectives are to:

- Maintain sufficient capital resources to meet minimum regulatory capital requirements set by Bangladesh Bank in accordance with Basel III requirements
- Maintain sufficient capital resources to support the bank's risk appetite
- Cover unexpected loss of the bank and support the bank's credit rating
- Ensure the bank holds capital in excess of minimum requirements in order to achieve the target capital adequacy ratios set by management and approved by the board, to maintain minimum adequacy in stress situation.

### Raising Tier II capital

Bank Asia is always keen to maintain sufficient capital base against doing 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 15.72% as on December 31, 2021 against required 10%.

### 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 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 received consent from both Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC). This capital will be added to bank's Tier-1 capital.

### 7 Years Floating Rate Non-Convertible Subordinated Bond 3 and Bond 4 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 all formalities further issuance of two Subordinated Bonds each of Tk. 5,000 million as Tier-2 capital. In this regard, Bank has already completed further issuance of two Subordinated Bonds each of Tk. 5,000 million as Tier-2 Capital in April 2017 and November, 2019.

## 10. Capital planning

Bank's capital planning is a dynamic, ongoing and forward-looking mechanism to incorporate changes in a banks strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy.

Capital planning assists the banks Board of Directors and senior management to:

- i. identify risks, improve banks understanding of overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
- ii. identify vulnerabilities i.e. concentrations and assess their impact on capital,
- iii. integrate business strategy, risk management, capital and liquidity planning decisions, have a forward-looking assessment of the bank's capital needs, including capital needs that may arise from rapid changes in the economic and financial environment.

Capital planning considers both short- term and long-term capital needs and is coordinated with a bank's overall strategy and planning cycles, usually with a forecast horizon of five years. Bank capital planning include following components:

- Identifying and evaluating risks
- Setting and assessing capital adequacy goals that relate to risk
- Maintaining a strategy to ensure capital adequacy and contingency planning
- Ensuring integrity in the internal capital planning process and capital adequacy assessments.

	2015	2016	2017	2018	2019	2020
	Implementation process					full implementation
Minimum Total Capital	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.5%	2.5%
Minimum Total Capital plus buffer	10.0%	10.625%	11.25%	11.875%	12.5%	12.5%
Leverage Ratio	3%	3%	3% Readjustment	Migration to Pillar I		
Liquidity coverage ratio	≥ 100% (fr Sept)	≥ 100%	≥ 100%	≥ 100%	≥ 100%	≥ 100%
Net stable funding ratio	≥ 100% (fr Sept)	>100%	>100%	>100%	>100%	>100%

### 11. Capital Relief by Reducing Risk

In the year 2021, the Board of Directors and the Senior Management of the bank emphasized rigorously on corporate borrowers credit rating to lower our risk profile as well as to reduce the capital requirement of the bank.

### 12. Borrower's Rating

As prescribed by Bangladesh Bank, all banks in Bangladesh assessing credit risk under standardized approach of the Risk based capital adequacy framework (Basel III) where External Credit Rating Institutes (ECAIs) duly recognized by BB performs borrowers rating. According to Credit rating of individual borrower, Risk Weighted Asset (RWA) is calculated for assessing the Minimum Capital Requirement (MCR) under Pillar-I of Basel III

### Key Achievement of Risk Management Division in 2021

Remarkable Achievement	Achieved a sustainable CRAR of the bank i.e. 15.72%
	Reviewed more than 2000+ Loan File for ICRR Approval during 2021
	During 2021 the bank has consistently remain covered under Stress Testing
	Successful adaptation of Risk Model like ICRRS, Internal Rating
	Rated Exposure was more than 80% of total eligible exposure

### Key Initiatives taken by Risk Management Division in 2021

During the year 2021, Risk Management Division of Bank Asia Limited has taken different initiatives to strengthen the overall risk management function of the bank. Followings are the major initiatives for the year 2021:

**Sectoral Lending Cap:** 2021 was considered as the pandemic year for the financial sector. To ensure strategic objectives in the sectoral lending cap for 2021, RMD has developed and approved the sectoral lending cap for the year of 2021. RMD has synchronized the sector wise existing capital requirement and targeted capital adequacy for 2021. Business wing and Branch perception has been considered for preparing the appetite. Furthermore, RMD has accumulated sector wise business information published in the new paper, monetary policy or any other reliable media source(s). RMD has also duly considered the prospect and the negative news during the lending cap preparation.

**Risk Conference 2021:** During the year 2021, Risk Management Division of the bank has successfully arranged a Risk Conference for the first time. RMD is planning to arrange the Risk conference on regular basis.

**System automation for Internal Credit Risk Rating System:** As per Central Bank direction, RMD of Bank Asia Limited reviews the ICRRS for all credit proposals. To speed up the approval process and reducing the approval time, an automated platform for ICRRS has been developed by Risk Management Division. All the branches are now bound to submit the ICRRS through the system "CPR". Till the end of 2021, a total number of 2000+ ICRRS has been reviewed through the system.

**Review of Top 20 Borrowers Concentration:** A new initiative has been taken to review the Top 20 borrowers funding structure. ERM advised CRO to setting up internal conservative ceiling instead of relying on regulatory benchmark.

**Documentation Lapses Monitoring:** On a yearly basis, bank is performing its additional capital requirement for documentation lapses for funded credit portfolio. For a time being, strong monitoring process helps the bank to reduce the capital charge against the documentation lapses. Risk Management Division of the bank has developed web based software for capital calculation of documentation lapses under ICAAP. A comprehensive audit of Bangladesh Bank has been took place for reviewing the documentation lapses under ICAAP for the year of 2020.



# Risk Management Report

**Minimum Capital Requirement Calculation:** To meet the regulatory requirement, bank performs MCR calculation on quarterly basis which is generated from automated software. The said software is capable to calculate how much capital is required for each 100 Tk. lending (branch



specific and mode of lending i.e. funded and non-funded). It is mentioned here that at the end of year 2022, bank was able to maintain the CRAR of 15.72%.

**Stress Testing:** On a quarterly basis each bank performs “Sensitivity Analysis”. Through the year 2022, bank was able to maintain its Capital Adequacy after minor shock in all events. Risk Management Division has already developed an automated platform for Stress Testing.

**Risk Appetite:** Risk Management Division of Bank Asia Limited has developed risk appetite for the year 2022. Bank Asia Limited has considered new areas under risk appetite statement. Parameter wise risk appetite was set considering historical trend, Central Bank benchmark, International Benchmark and perception of the senior management.

## CONCLUSION

Bank Asia continuously followed international standard regarding managing risk as specified by Bank for International Settlement (BIS) in its core principles of effective banking supervision specially following along with others:

Principle 15 – Risk management process

Principle 16 – Capital adequacy

Principle 17 – Credit risk

Principle 18 – Problem assets, provisions and reserves

Principle 19 – Concentration risk and large exposure limits

Principle 20 – Transactions with related parties

Principle 21 – Country and transfer risks

Principle 22 – Market risks

Principle 23 – Interest rate risk in the banking book

Principle 24 – Liquidity risk

Principle 25 – Operational risk

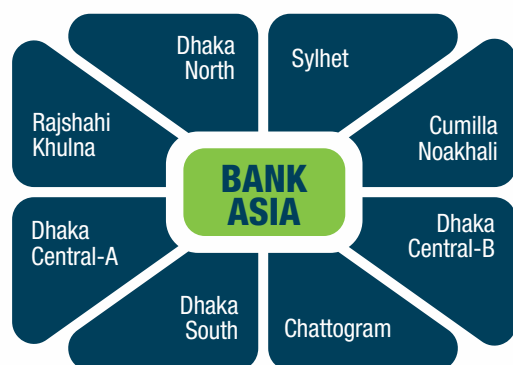
The global economy continues to be volatile and under stress, and our continued commitment to sound risk management has proved to be effective as reflected in our strong capital and liquidity position. We recognize that maintaining and continually enhancing our risk management capabilities will be critical in the months ahead to ensure that the bank’s financial and strategic objectives are achieved within approved levels of risk appetite.

## Statement on Non-Performing Loan (NPL) Management

One of our core business priorities is to curb non-performing loans by maintaining quality assets. In this regard, Bank Asia's credit approval process has been framed to unveil and assess the unforeseen, inherent risk so that assets quality will not deteriorate in the long run. Proper monitoring and strong recovery drive from branch and corporate office help in maintaining quality assets of Bank Asia. From 2016 Debt Collection Unit under SAMD (Special Asset Management Division) was formed for further recovery drives of written off loans. Like the previous year, executives of Corporate Office got involved in recovery campaign alongside with their normal desk activities as an innovative idea that resulted in a huge NPL recovery of Tk. 1,871.94 million in 2021.

### STRATEGIES FOR NPL MANAGEMENT & RECOVERY PROCESS

The recovery strategies are formulated based on analysis carried out by the following eight zones/units of the Division:



#### Benefits for creating these 8 zones:

- Focused approach
- Wider area coverage (all NPL Branches)
- Accountability of staff performance (KPI)
- Crossed training development & empowerment of SAMD team members
- Created collaboration among the SAMD staff
- Strong Branch connectivity and subsequent follow-ups
- Systematic distribution of NPLs based on volume, gravity & availability of talents/resources with SAMD

All the zones/units are working on different area applying standard recovery process towards achievement of their set goals. They are also keeping good contribution in the profitability of the Bank through recovery of NPL vis a vis release of Interest Suspense kept suspended against NPL accounts.

### NPL STATUS OF BANKING INDUSTRY OF THE COUNTRY

The amount of classified loans in the country increased to Tk. 1,032.74 billion in December 2021 from Tk. 887.34 billion in 2020.

#### NPL & Recovery Status of Bank Asia

The Bank ended the year (2021) with Non-performing loan (NPL) of Tk. 13,469.54 million which is 5.14% of the total loans & advances. We have now Tk. 4,133.87 million under stay order at the end of 2021.

- At the end of 2021, the Bank's total write off loans was Tk. 16,075.91 million against 283 accounts. The closing balance has increased due to addition of Tk. 2,909.80 million as newly write off loans. Mentionable that an amount of Tk. 287.43 million has been recovered from written-off accounts during 2021 and write-off outstanding stand of Tk. 14,846.64 million.
- During the year 2021, 81.83% of rescheduled loans remained unclassified (UC) i.e. cash recovery and installment payments of major rescheduled/ restructured borrowers were regular. It may also be noted that the remaining 18.16% of rescheduled loans that were downgraded to classified status constitutes 28.01% of total classified loans. Management has already increased recovery initiatives from those defaulted loans.
- Cash recovery from written off loan during the Year/Period was highest from inception of written-off which was Tk. 287.43 million in 2021.

### TOTAL CLASSIFIED LOANS COUNTRY VS BANK ASIA

(In Billion)

	Bank Asia		Country	
	2021	2020	2021	2020
CL Amount	13.07	7.93	1,032.74	887.34
CL Ratio (in %)	5.14%	3.24%	7.9%	7.6%

### NPL BY BANKS TYPE (upto september 2021)

(In Billion)

Types of Banks	Total CL	Required Provision	Provision Maintained	EXCESS(+)/SHORTFALL(-)
SCBs	440.2	303.1	199.4	-103.8
SBs	37	23.3	23.1	-0.2
PCBs	507.4	377.3	413.2	35.9
FCBs	26.9	19.7	25.8	6.1
<b>TOTAL</b>	<b>1011.5</b>	<b>723.5</b>	<b>661.4</b>	<b>-62</b>

## Strategic Planning for 2022

Strong Supervision, follow up and monitoring for the NPL accounts as well as rescheduled & restructured loans to be ensured both by 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 & supervision in pre-classification stage should be ensured by C&LL, ME, CMSE, CRM and other concerned departments

Adequate staff in SAMD and optimum utilization of manpower in SAMD to be ensured

Appropriate Legal action to be initiated

Achievement of Loan Budget by the concerned Business Units as set by the Board

Chattogram Zone recovery team to be strengthened more for better recovery

Focus on Legal Team & involvement of strong/expert law-firms

We are optimistic that by deploying our above mentioned strategies, we will be able to keep the classified loan of the bank within 4.00% at the end of the year 2022. Being one of the most compliant banks in the industry, Bank Asia is putting all out efforts to recover money from defaulted clients and stop fresh inclusion of CL. For success in that front, management is further streamlining its credit appraisal process, adept negotiability, proper and timely legal actions and subsequent monitoring and follow up drives with its employees.



# **Basel III Pillar 3** **Market Disclosure**



**Minimum  
Capital**

**Supervisor  
Review**

**Market  
Discipline**



## Basel III Pillar 3 Market Disclosure

Annual Disclosure for the year ended December 31, 2021

The public disclosure of prudential information is an important component of Basel Committee on Banking Supervision's framework of capital measurement and capital adequacy, known as Basel III. Bangladesh Bank has specified the standard of disclosure through Guidelines on Risk Based Capital Adequacy (December 2010) which revised in Basel III Guideline on December 2014 with effect from January 2015. The standard aims to enhance the transparency in Bangladeshi financial market by setting minimum requirement for the disclosure of information on the risk management practice and capital adequacy.

In line with the Bangladesh Bank BRPD Circular no. 35 of December 29, 2010 as to Guidelines on 'Risk Based Capital Adequacy for Banks' and subsequent BRPD Circular 18 dated December 21, 2014 on 'Guideline on Risk Based Capital Adequacy', following detailed qualitative and quantitative disclosures are provided in accordance with the central bank directions covering scope of capital adequacy framework, capital of the bank, risk exposure and assessment methodology, risk mitigation strategies and capital adequacy of the bank.

To cope up with the international best practices and to make the bank's risk absorbent capital 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel II) was introduced from January 01, 2009 as a parallel run with BRPD Circular No. 10, dated November 25, 2002 (Basel I). At the end of parallel run, Basel II regime started from January 01, 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that, Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel III) vide its BRPD Circular 18 dated December 21, 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance.

# Basel III Pillar 3 Market Disclosure

## 1. SCOPE OF APPLICATION:

### Qualitative Disclosures

- a) The name of top corporate entity in the group to which this guidelines applies

**BANK ASIA LIMITED**

The consolidated financial statements of the Bank include the financial statements of i) Bank Asia Limited ii) Bank Asia Securities Limited iii) BA Exchange Company (UK) Limited. and iv) BA Express USA Inc.

Bank Asia holds 99.99%, 100% and 100% shares of Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. respectively.

The bank has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to the bank.

A brief description of these institutions are given below:

#### Bank Asia Limited

Bank Asia Limited ("the Bank") is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994, governed by the Banking Companies Act 1991. The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 129 branches (121 branches, 4 SME/Agri branches and 4 SME service centers). Moreover, it has 7 Sub-branches and 198 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in USA. The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

- b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group:

- (i) that are fully consolidated
- (ii) that are given a deduction treatment; and
- (iii) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted)

#### Bank Asia Securities Limited

Bank Asia Securities Limited, a majority owned subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2<sup>nd</sup> Floor), 2 Dilkusha Commercial Area, Dhaka 1000 which has commenced its business on the 17 April 2011.

#### BA Exchange Company (UK) Limited

BA Exchange Company (UK) Limited was incorporated as a private limited company under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07314397 as a fully owned subsidiary company of Bank Asia Limited, BA Exchange Company (UK) Limited launched its operation in London on 16 May 2011. BA Exchange Company (UK) Limited attaches a fresh width to the Bank's remittance operation and expands its global presence for remittance services. Bank Asia stretched its business in United Kingdom through its wholly owned subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

#### BA Express USA Inc.

BA Express USA Inc. is fully owned subsidiary company of Bank Asia Limited incorporated in New York State Department of Financial Services (NYSDFS) in USA. The company obtained license to receive money for transmission within USA and abroad and to transmit same, pursuant to the provision of Article 13-B of the USA Banking Law, subject to all rules and regulations made by the Superintendent of Financial Services of New York relating to such business, effective November 22, 2013. The company has started its commercial operation from June 01, 2014.

- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group

Not applicable for the bank

### Quantitative Disclosures

- d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not applicable for the bank

# Basel III Pillar 3 Market Disclosure

## 2. CAPITAL STRUCTURE

### Qualitative Disclosures

Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2.

The composition of regulatory capital is different than accounting capital. In line with Basel regime the structure of regulatory capital consists of Tier 1, Tier 2 & Tier 3. However the capital structure of Bank Asia Ltd consists of only Tier 1 and Tier 2 capital.

Tier 1: Capital of Bank Asia Ltd consists of Paid up capital, statutory reserve, general reserve and retained earnings, Minority Interest.

Tier 2: Capital of the bank consists of 50% revaluation reserve for fixed asset & securities, subordinated debts and general provision.

### Quantitative Disclosures

Million Taka

SI	Particulars	Solo	Consolidated
<b>a)</b>	<b>Tier-I (Core Capital)</b>		
a.1	Paid up capital	11,659	11,659
a.2	Statutory reserve	10,725	10,725
a.3	General reserve	8	8
a.4	Retained earnings	2,805	2,651
a.5	Minority interest in subsidiaries	-	0.010
a.6	Dividend equalization account	-	-
a.7	Others	-	-
<b>a.8</b>	<b>Sub-Total (a.1 to a.7)</b>	<b>25,197</b>	<b>25,044</b>
	Less: Regulatory adjustments	-	-
a.9	Reciprocal Crossholdings in the CET - 1 Capital of Banking, Financial and Insurance Entities	45	45
a.10	Others if any	-	-
a.11	Common Equity Tier -1 capital (Going-Concern Capital)/ Core Capital (a.8 – a.9)	25,153	24,999
a.12	Additional Tier 1 Capital	-	-
<b>a.13</b>	<b>Total Tier- 1 Capital</b>	<b>25,153</b>	<b>24,999</b>
<b>b)</b>	<b>Tier-II (Supplementary Capital)</b>	-	-
b.1	General Provisions for unclassified loans	7,863	7,863
b.2	General Provisions for Off-balance sheet exposure	1,490	1,490
b.3	General Provision for Covid-19	865	865
b.4	Asset revaluation reserves up to 50%	-	-
b.5	Subordinate debt	6,000	6,000
b.6	Other reserve	-	-
<b>b.7</b>	<b>Sub-Total (b.1 to b.6)</b>	<b>16,218</b>	<b>16,218</b>
	Less: Regulatory adjustments	-	-
b.8	100 % of revaluation reserve for fixed assets, securities and equity securities	-	-
b.9	Total Tier-2 Capital Available	16,218	16,218
b.10	Maximum Limit Tier-2 Capital Available(Tier-2 capital can be maximum up to 4.0% of the total RWA or 88.89% of CET-1, whichever is higher)	16,510	16,312
b.11	Excess Amount over Maximum Limit T-2	-	-
<b>b.12</b>	<b>Total Tier- 2 Capital</b>	<b>16,218</b>	<b>16,218</b>
<b>c)</b>	<b>Tier-III (Eligible for market risk only)</b>	-	-
c.1	Short-term subordinated debt	-	-
<b>c.2</b>	<b>Sub-Total (c.1 )</b>	<b>-</b>	<b>-</b>
<b>d</b>	<b>Total Eligible Capital (a.13+ b.8+ c.2)</b>	<b>41,370</b>	<b>41,217</b>

# Basel III Pillar 3 Market Disclosure

## 3. CAPITAL ADEQUACY

### Qualitative Disclosures

#### Capital Calculation Approach

With regard to regulatory capital computation approaches (Minimum Capital Requirement) the bank is following the prescribed approach of Bangladesh Bank. Below are risk wise capital computation approaches that the bank is currently applying:

- *Credit Risk* - Standardized Approach (SA)
- *Market Risk* - Standardized Approach (SA)
- *Operational Risk* – Basic Indicator Approach (BIA)

#### Capital of the Bank

In parallel to business growth, the bank effectively manages its capital to meet regulatory requirement considering the risk profile. Below are few highlights:

- Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) including buffer is 12.50%, whereas as on December 2021 the CRAR of the bank was 15.72%.
- During the same period Minimum Capital Requirement (MCR) of the bank was Tk. 26,315 million and eligible capital was Tk. 41,370 million; i.e. the bank hold TK. 15,055 million surplus capital.

#### Reduction of Capital Requirement through increasing Rated Clients

As per Basel-III norms capital adequacy i.e. buffer capital is a must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. Under the Standardized Approach of the RBCA guidelines of Basel-III, counterparties credit rating are determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the guideline, the rated exposures of a bank will reduce the Risk Weights and the regulatory capital requirement as well as create the room to expand the business of the bank. This will also enable the bank to assess the creditworthiness of the borrowers as well, to an acceptable level.

To withstand these challenges, the Board of Directors & the Senior Management of the bank emphasized rigorously round the year 2020 on corporate borrowers credit rating to lower our risk profile as well as to reduce the capital requirement of the bank. Accordingly, the Risk Management Division (RMD), CRO along with the branches has taken all-out efforts to increase the number of corporate borrower's exposures rated. They are constantly taking the initiatives through guidance of the Senior Management; series of meetings, correspondence, awareness program with the allied concerns i.e. branches of the bank & ECAIs.

A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities



# Basel III Pillar 3 Market Disclosure

## Quantitative Disclosures

Million Taka

Sl.	Risk Category	Solo	Consolidated
<b>Details of Risk Weighted Assets (RWA)</b>			
a	Credit Risk		
a.1	On- Balance sheet	176,962	178,349
a.2	Off- Balance sheet	54,853	54,853
<b>a.3</b>	<b>Total Credit Risk (a.1+a.2)</b>	<b>231,814</b>	<b>233,201</b>
b	Market Risk	7,030	7,845
c	Operational Risk	24,309	24,856
	<b>Total RWA (a.3+b+c)</b>	<b>263,153</b>	<b>265,902</b>
<b>Details of Risk wise Minimum Capital Requirement (MCR)</b>			
<b>a</b>	<b>Credit Risk</b>		
a.1	On- Balance sheet	17,696	17,835
a.2	Off- Balanced sheet	5,485	5,485
<b>a.3</b>	<b>Total Credit Risk (a.1+a.2)</b>	<b>23,181</b>	<b>23,320</b>
b	Market Risk	703	784
c	Operational Risk	2,431	2,486
	<b>Total Minimum Capital Requirement</b>	<b>26,315</b>	<b>26,590</b>
	<b>Total Maintained Capital</b>	<b>41,370</b>	<b>41,217</b>
	Total Capital Surplus	15,055	14,626
<b>Details of Tier wise Capital of the Bank</b>			
		-	-
1	Tier- 1 Capital	25,153	24,999
2	Tier- 2 Capital	16,218	16,218
3	Tier- 3 Capital	-	-
	<b>Total Capital</b>	<b>41,370</b>	<b>41,217</b>
	<b>Total Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital / RWA)</b>	<b>15.72%</b>	<b>15.50%</b>
	<b>Tier 1 CRAR (Tier 1 Capital / RWA)</b>	<b>9.56%</b>	<b>9.40%</b>
	<b>Tier 2 CRAR (Tier 2 Capital / RWA)</b>	<b>6.16%</b>	<b>6.10%</b>
	<b>Capital Conservation Buffer (2.5% of RWA)</b>	<b>3.56%</b>	<b>3.40%</b>

# Basel III Pillar 3 Market Disclosure

## 4. CREDIT RISK

### Qualitative Disclosures

#### (a) The general qualitative disclosure requirement with respect to credit risk, including:

Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in reference to BRPD Circular No.14 dated September 23, 2012, BRPD Circular No. 19 dated December 27, 2012 and BRPD Circular No.08 dated August 02, 2015 on the captioned subject.

1. Any Continuous Loan or Demand Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid instalment (s) will be treated as past due/overdue after six months of the expiry date.

2. A Continuous Loan, Demand Loan, Fixed Term Loan or any instalment(s)/part of instalment(s) of a Fixed Term Loan which will remain past due/overdue for a period of:

a. 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)".

b. 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".

c. 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)".

3. Loans have to be treated as defaulted loan as per section 5(GaGa) of the Banking Companies Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No.08 dated August 02, 2015. In this regard, a portion of the "Sub-standard (SS)" loans will be reported as defaulted loan.

We kept all other instructions of BRPD Circular No.14 dated September 23, 2012 and its subsequent modifications unchanged.

Definitions of past due and impaired (for accounting purposes)

Description of approaches followed for specific and general allowances and statistical methods

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer					
House finance	1%	1%	20%	50%	100%
Loans for professionals	2%	2%	20%	50%	100%
Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc	2%	2%	20%	50%	100%
Short-term agri-credit and micro credit	1%	1%	5%	5%	100%
Small and medium enterprise finance	0.25%	0.25%	20%	50%	100%
Others	1%	1%	20%	50%	100%

# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

The Bank has structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for credit approval in line with the recommendation from credit committee consisting of the senior management of the bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, policy formulation & implementation, green finance, issuance & sanction advice are the major activities of CRM division. Separate segments for Corporate, Retail, SME, Credit Cards have been formed under CRM division in order to diversify the credit risk. Moreover, towards mitigating the risks and to reduce turnaround time, Bank Asia has developed a robust credit approval system in which all the loans based on their size are approved and disbursed through newly established clusters and also through Corporate Office in centralized system. The credit proposals recommended by branches are scrutinized by CRM division. Sanctions are conveyed to the Branches after getting approval from various dedicated authority, Head of Credit, President & Managing Director and Board of Directors if needed. Limits are loaded into the system by Credit Administration Department but it is not operative until the branch complies all the terms and conditions incorporated in the sanction advice. The above arrangement ensures the segregation of duties & responsibilities and thus minimizes the credit risk.

To stream line the overall credit portfolio, the bank has taken various initiative, for example, complete separation of business and risk, supervision of fresh credit proposal from branch through business wings at corporate office, empowerment of CRM and other risk management wings, digitization of loan documentation management process etc. Further to the above credit proposal format is also redefined as it is one of the key tools to maintain quality portfolio since its informs us risk, credit requirement, performance, liability position, compliance, financial position, environmental issues, effective rate of return, details of business etc. of the customer to mitigate credit risk.

The standardized approach is applied for risk weighting of exposure as per directive of Bangladesh Bank. It requires banks to use risk assessment. The Bank is following Credit Risk Grading (CRG) manual for assessing a borrower and making decisions of disbursing loans and advances/ investments while nominating the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. Maximum counterparty/group exposure are limited to 15% (funded) of the bank's capital base as stipulated by BB where a higher limit is required for projects of national importance subject to prior approval of Bangladesh Bank. The single borrower exposure limit has been increasing day by day of the bank with the increase of the total capital of the bank. But the management of the bank is exercising the prudential limit to a single borrower in order to minimize concentration risk of the bank considering the security coverage, satisfactory performance, credit risk grading status, earning potentials, capital requirement, etc. against the limit.

Discussion of the Bank's credit risk management policy

# Basel III Pillar 3 Market Disclosure

## Quantitative Disclosures

Particular	Outstanding
<b>b) Total gross credit risk exposures</b>	<b>262,267</b>
Chief Executives & Others senior executives	210
Agriculture	5,936
Industry	136,529
Constructions	9,489
Power, Gas, Water and Sanitary Services	9,460
Transport, Storage and Communication	1,964
Trade Services	46,140
Housing Services	19,312
Banking and Insurance	3,129
Professional and Misc. services	30,098
<b>c) Geographical distribution of exposures</b>	<b>262,267</b>
Dhaka Division	215,116
Chattogram Division	30,732
Khulna Division	4,078
Rajshahi Division	5,657
Barishal Division	1,389
Sylhet Division	3,070
Rangpur Division	1,679
Mymensingh Division	545
<b>d) Industry or counterparty type distribution of exposures</b>	<b>262,267</b>
Chief Executive & other senior Executives	210
Agriculture	5,936
Food Manufacturing	12,276
Beverage industry	227
Tobacco industry	-
RMG industry	38,369
Textile industry	29,542
Wood cork and allied products	50
Furniture and Fixture	383
Paper and paper products	4,940
Leather and leather products	2,036
Rubber products	2,410
Chemical and chemical products	1,122
Basic metal products	8,583
Electrical machinery and apparatus	3,520
Other manufacturing industries	22,981
Ship building	4,730
Ship breaking	1,749

Million Taka

Particular	Outstanding
Pharmaceutical	3,611
Constructions	9,489
Power, Gas, Water and Sanitary Services	9,460
Transport, Storage and Communication	1,964
Trade Services	46,140
Housing Services	19,312
Banking and Insurance	3,129
Professional and Misc. services	30,098
Others	-
<b>e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure</b>	<b>262,267</b>
Repayable on demand	36,115
Not more than 3 months	38,830
More than 3 months but not more than 1 year	95,411
More than 1 year but not more than 5 years	75,255
More than 5 years	16,656
<b>f) By major industry or counterparty type</b>	
<b>Sector wise past due loan classification categories:</b>	
Sub- Standard	1,324
Doubtful	331
Bad and Loss	11,814
Total	13,470
<b>Specific and general provisions</b>	<b>17,508</b>
Total General Provision:	10,218
Total Specific Provision:	7,290
<b>g) Gross Non Performing Assets ( NPAs)</b>	<b>13,470</b>
<b>Non Performing Assets ( NPAs) to Outstanding Loans Advances</b>	<b>5.14%</b>
Movement of Non Performing Assets ( NPAs)	-
Opening balance	7,930
Additions	7,691
Reductions	2,151
Closing balance	13,470
<b>Movement of specific provisions for NPAs</b>	
Opening balance	4,120
Less: Write-off	(2,381)
Add: Recovery from previously written off	287
Transfer from General Provision	1,238
Add: Provisions made during the period	4,026
<b>Closing balance</b>	<b>7,290</b>



# Basel III Pillar 3 Market Disclosure

## 5. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

### Qualitative Disclosures

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons

Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.

The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. Equity investments must therefore go hand in hand with a good risk management plan in place. In an uncertain marketplace like the present, investor cannot afford to place all hope in only one thing. Therefore, it is very important to protect the total investment value by means of diversification.

Bank Asia has been operating in the capital market of Bangladesh since 2009. The Bank invested in shares both in primary as well as secondary market. Bank Asia has been started its own portfolio operation from May 04, 2010. Since then the Bank was mainly involved in "Own Portfolio Management" activity.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Investments in shares of Bank Asia are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The Bank recognizes that no investment is totally free from risk and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best interest of the Bank.

The Management of the Bank has constituted an Investment Committee / team comprising of members from the senior executives of the Bank who have sound experiences and knowledge on Capital Market activities.

Investment team of Bank Asia reviews status of the own portfolio investment on regular basis and follows top-down approach where they review and analyze economy outlook, sectoral growth and specific company analysis. Company specific risk is minimized through proper diversification. To manage market risk, we follow economic research. Moreover, it has been noted that, the major source of market risk comes from the frequent change of regulation. Thus, it is important to maintain close relationship with the regulatory body and keep aware if there is any upcoming regulation change.

Our investment in shares are being monitored and controlled by the Investment Committee are reflected in accounts through proper methodologies and accounting standards of the local & international. Investments are valued on mark to mark basis on a particular period.

# Basel III Pillar 3 Market Disclosure

## Quantitative Disclosures

Million

Taka

Sl.	Particular	Amount
a)	a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value:	Not Applicable
b)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	Nil
c)	Total unrealized gains (losses)	Nil
	Total latent revaluation gains (losses)	Nil
	Any amounts of the above included in Tier 2 capital.	Nil
d)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	
d.1	Specific Risk	905
d.2	General Market Risk	905
<b>d3.</b>	<b>Total (d1+d2)</b>	<b>1,811</b>

## 6. INTEREST RATE RISK IN THE BANKING BOOK

### Qualitative Disclosures

The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement

Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively affected with the change in the Interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis.

Bank has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interests rate changes i.e. 1%, 2% and 3%.

### Quantitative Disclosures

Million Taka

Sl.	Particular	Amount
1	Market Value of Assets	433,104
2	Market Value of Liabilities	377,821
3	Weighted Average of Duration of Liabilities (DL) in years	1.05
4	Weighted Average of Duration of Assets (DA) in years	1.88
5	Duration GAP (DA-DL) in years	0.96
6	Yield to Maturity (YTM -Assets)	5.69%
	Yield to Maturity (YTM -Liability)	3.18%
	Magnitude of Interest Rate Change	1%      2%      3%

# Basel III Pillar 3 Market Disclosure

## Quantitative Disclosures

Million Taka

Sl.	Particular	Amount		
7	Fall in Market Value of Equity	(3,926.55)	(7,853.11)	(11,779.70)
<b>Stress Testing</b>		<b>Minor</b>	<b>Moderate</b>	<b>Major</b>
8	Regulatory capital (after shock)	37,853	33,927	30,000
9	RWA (after shock)	259,501	255,574	251,648
<b>10</b>	<b>CRAR (after shock)</b>	<b>14.59%</b>	<b>13.27%</b>	<b>11.92%</b>

## 7. MARKET RISK

### Qualitative Disclosures

Views of BOD on trading/ investment actives	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
Methods used to measure Market Risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.
Market risk Management system	The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. Also meets at least once in a month.
Policies and process for mitigating Market Risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

### Quantitative Disclosures

Million Taka

Particular	Amount
The capital requirement for:	
Interest Rate Risk	131.78
Equity Position Risk	181.07
Foreign exchange	390.12
Commodity Risk	-
<b>Total capital requirement against Market Risk</b>	<b>702.97</b>

## 8. OPERATIONAL RISK

### Qualitative Disclosures

Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board oversees the activities of Internal Control & Compliance Division to protect against all operational risk.
Performance gap of executives and staffs	Bank has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. BA's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.

# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

Potential external vulnerable events	Considering the increasing complexity of banking operation resulted from various trending macro economic scenario and excessive competitive environment, it is unlikely to completely avoid potential external vulnerable events. However, through effective risk management operation the impact from potential external vulnerable events are quite minimum.
Policies and processes for mitigating operational risk	Operational risk, defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. It is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. The Bank Asia Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry. Bank Asia Limited has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with central bank requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.  On top of that, as part of recent development, the bank is in the process of adoption of globally recognized operational risk assessment tools, e.g. Risk Control Self Assessment for assessment of all possible operational risk and adoption of Key Risk Indicator (KRI) to help the bank to set operational risk trigger parameters.
Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

## Quantitative Disclosures

Million Taka

Particular	Solo	Consolidated
Capital Requirement for Operational Risk under MCR	2,431	2,486

## 9. LIQUIDITY RATIO

### Qualitative Disclosures

Views of BOD on system to reduce liquidity Risk	<p>Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types:</p> <ol style="list-style-type: none"> <li>Funding liquidity risk: The risk that a firm will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition</li> <li>Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market</li> </ol> <p>Banking organization, where off-balance sheet exposure is significant or has strong dependency on corporate deposit or experiencing step asset (i.e. primarily credit portfolio or investment book) growth is exposed to high level of Liquidity risk. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequence of other financial risks such as credit risk, interest rate risk, foreign exchange risk etc.</p>
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# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

In the perspective of Bangladesh, identifying and monitoring the driving factors of liquidity risk is viewed from the following aspects:

### Regulatory Liquidity Indicators (RLIs):

- Cash Reserve Requirement (CRR)
- Statutory Liquidity Ratio (SLR)
- Medium Term Funding Ratio (MTFR)
- Maximum Cumulative Outflow (MCO)
- Advance Deposit Ratio (ADR)/Investment Deposit Ratio (IDR)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)

Methods used to measure Liquidity Risk

### Bank's own liquidity monitoring tools:

- Wholesale Borrowing and Funding Guidelines
- Liquidity Contingency Plan
- Management Action Trigger (MAT)

Computation of Capital Charge against Liquidity Risk: If annual average of any RLIs of any bank falls below Bangladesh Bank's requirement the bank will be required to maintain additional capital for that RLI (or those RLIs).

As per Bangladesh Bank guideline management maintain sufficient CRR and SLR.

Liquidity Risk Management System

In December 2014, the Bangladesh Bank started to two new liquidity metrics as part of the implementation of Basel III. These are a short term liquidity stress metric, the Liquidity Coverage Ratio (LCR), and a longer term funding metric, the Net Stable Funding Ratio (NSFR). Banks have to maintain LCR and NSFR are at a minimum of 100%.

Policies and processes for mitigating Liquidity Risk

Bank Asia Limited Asset-Liability Management Committee (ALCO) has responsibility for monitoring liquidity measures and limits. Liquidity is maintained in excess of the maximum cumulative outflows calculated within these stress tests. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk.

## Quantitative Disclosures

Million Taka

Particular	Amount
Liquidity Coverage Ratio (LCR)	217.27%
Net Stable Funding Ratio (NSFR)	107.93%
Stock of High quality liquid assets	103,208
Total net cash outflows over the next 30 calendar days	47,501
Available amount of stable funding	333,465
Required amount of stable funding	308,968

# Basel III Pillar 3 Market Disclosure

## 10. LEVERAGE RATIO

Qualitative Disclosures	
Views of BOD on system to reduce excessive leverage	<p>In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:</p> <p>a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy.</p> <p>b) reinforce the risk based requirements with an easy to understand and a non-risk based measure.</p> <p>The policy for Leverage Ratio including on and off balance sheet exposure and capital related policy. The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.</p>
Policies and processes for managing excessive on and off balance sheet leverage	<p>There are approved limits for instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against such risk.</p>
Approach for calculating exposure	<p>Calculation of Leverage Ratio</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$ <p>The exposure measure for the leverage ratio will generally follow the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank:</p> <ol style="list-style-type: none"> <li>On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/ deficit on available for sale (AFS)/ Held-for-trading (HFT) positions).</li> <li>Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.</li> <li>Netting of loans and deposits is not allowed.</li> </ol>

## Quantitative Disclosures

Particular	Million Taka	
	Solo	Consolidated
Tier-1 Capital (A)	25,153	24,999
<b>Exposure measure :</b>		
On balance sheet exposure	431,003	433,736
Off balance sheet exposure	85,160	85,160
Less: Regulatory adjustment made to Tier I capital	45	45
<b>Total exposure (B)</b>	<b>516,118</b>	<b>518,851</b>
<b>Leverage Ratio (A/B)</b>	<b>4.87%</b>	<b>4.82%</b>

# Basel III Pillar 3 Market Disclosure

## 11. REMUNERATION

### Qualitative Disclosures

#### Name, composition and mandate of the main body overseeing remuneration:

Managing Director, Senior Management Team (SMT) & Head of People Management Division (PMD) governs the remuneration related policies and practices in alignment with the bank's short & long term objectives. They play an independent role, operating as an overseer; and if required, make recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of Senior Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Bank's strategy and applied consistency for all employee levels.

A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches:

a. Information relating to the bodies that oversee remuneration.

Remuneration Committee of Bank Asia also oversee its two foreign subsidiary i.e. BA Exchange Company (UK) Limited and BA Express USA Inc. and one local subsidiary i.e. Bank Asia Securities Limited.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group:

Risk Takers are senior employees who can take, or influence the taking of material risk for Bank Asia or for a material business unit.

Designation	No of Employee
President and Managing Director	01
Deputy Managing Director	06
Senior Executive Vice President	04
Executive Vice President	13
Senior Vice President	15

# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

### Key features of remuneration policy :

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

Bank Asia compensation program focuses on individual short-term goals vis-a-vis long-term success and overall profitability of the Bank. Both our short-term annual incentive and long-term compensation plans promote our pay-for-performance philosophy, as well as our goal of having a meaningful amount of pay at-risk, and we believe both plans provide us a competitive advantage in the acquisition and retention of talents.

### Objectives of remuneration policy :

The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits. Performance is judged, not only on what is achieved, but also on how it is achieved as well as alignment with the Bank's values.

b. Information relating to the design and structure of remuneration processes.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any change that was made:

The remuneration committee reviewed the firm's remuneration on 2018 and revised the remuneration by conducting a survey considering the following facts:

- Oversee Bank's remuneration position and revise the structure according to the competitive market
- Align compensation strategy with business strategy
- Determine the percentage of increment at each job grade
- Get acquainted with inflation in the economy

Based on the survey, Banks changes the remuneration on Compa-Ration based of its existing employees

### A discussion of how the bank ensures that employees dealing with risk and its compliance are remunerated independently of the businesses they oversee :

Control function of internal control and compliance directly responds of Audit Committee of the Board and dotted report to the President and Managing Director. Credit Risk Officer reports to President and Managing Director directly.



# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

### **An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed):**

A balanced scorecard approach has been adopted by the Board with real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-a-vis set target of a given year. We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors.

### **A discussion of the ways in which these measures affect remuneration:**

The way in which each individual contributes to or impacts on the key criteria differs depending on the area of the business/target activities in which they operate and nature of activities specified by the management. These differences are reflected in the expected outcomes and performance indicators developed for each individual employee/role and satisfactory performance against these indicators is required to qualify for annual increment of remuneration, performance bonus, promotion and other benefits.

### **A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration:**

Since the implementation of real-life SMART KPI to evaluate the contribution of all individuals, no change has been taken place.

### **An overview of main performance metrics for bank, top-level business lines and individuals:**

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

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

### **A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance:**

Yearly performance bonus, salary increment, staff house building loan are directly linked with employee's individual performance.

### **A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.**

Variance performances like performance bonus, salary increment are determined by the outcome of scorecard in prescribed KPI of the individual.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

e. Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.

Bank Asia provides its Employees incentive compensation delivered in the form of deferred cash awards, subject to performance based on Key Performance Indicators (KPI).

# Basel III Pillar 3 Market Disclosure

## Qualitative Disclosures

A summary of Short-term and Long-term compensation plan are given below:

Total Compensation = Fixed Pay (Salary)+Variable Pay (Bonus)+Variable Pay (Long term incentive)

Form of variable remuneration offered by Bank Asia:

### Cash Form:

Short-Term Incentives / Rewards

1. Yearly fixed and incentive bonus;
2. Yearly Increment;
3. Business accomplishment financial award;
4. Special Increment for special assignments/accomplishment;
5. Car, fuel and car maintenance allowance for executives;
6. Cash Risk allowance for cashier;
7. Charge allowance for Head of Branches

### Long-Term Incentives / Rewards

1. Provident fund;
2. Gratuity;
3. Benevolent fund
4. Employee house building loan with minimum interest rate
5. Provident fund loan with minimum interest rate
6. Periodically salary review (enhancement)
7. Furniture allowance for executives
8. Yearly professional membership fees for professional certificates holder

### Non-Cash Form:

#### Short-Term Incentives / Rewards

1. Medical insurance coverage for self, wife and two children;
2. Accelerates promotion for top talents;
3. Study leave

#### Long-Term Incentives / Rewards

1. Foreign training award;

f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

## Basel III Pillar 3 Market Disclosure

### Quantitative Disclosures

Particular	<i>Million Taka</i>	
g. Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Meeting regarding overseeing the remuneration was held on need basis.	
	<b>No.</b>	<b>Amount</b>
h. Number and total amount of guaranteed bonuses awarded made during the financial year.		Nil
Number and total amount of sign-on awards made during the financial year.		Nil
Number and total amount of severance payments made during the financial year		Nil
i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	
Total amount of deferred remuneration paid out in the financial year.	Nil	

# Basel III Pillar 3 Market Disclosure

## Quantitative Disclosures

j. Breakdown of amount of remuneration awards for the financial year to show:

- fixed and variable

Breakdown of Remuneration is as follows  
(Taka in million):

Particular	Amount
Basic salary	1,381
Allowances	1,456
Festival bonus	234
Gratuity	362
Provident fund contribution	134
Performance bonus	300
<b>Total</b>	<b>3,867</b>

- deferred and non-deferred.

Nil

- different forms used (cash, shares and share linked instruments, other forms).

All the remunerations are provided in the form of cash

k. Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.

Nil

Total amount of reductions during the financial year due to ex post explicit adjustments.

Nil

Total amount of reductions during the financial year due to ex post implicit adjustments.

Nil

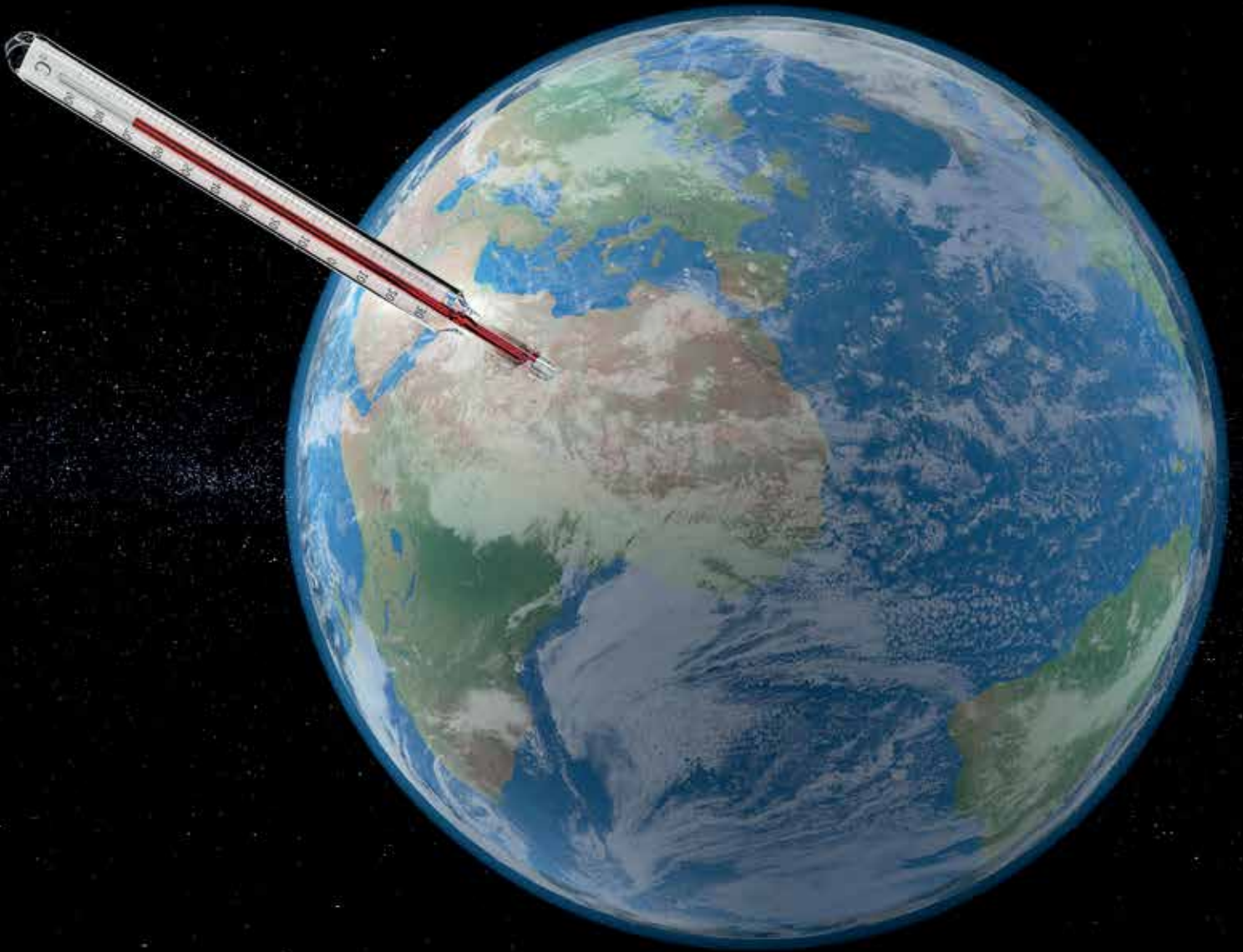


# Summary Sustainability Report

**Temperature Rising** need to be controlled by minimizing Carbon Footprint to avoid Catastrophic Environmental consequences

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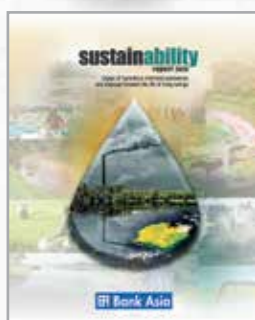


# Achievement for Sustainability Report



**MATERIALITY  
DISCLOSURES SERVICE**

**2021**



Bank Asia produces separate full scale *Sustainability Report* every year following GRI Guidelines including GRI Content Index and page reference. For more details visit : [www.bankasia-bd.com](http://www.bankasia-bd.com)

## Bank Asia achieved Asia Sustainability Reporting Rating (ASRR) by NCSR and ICSP, Jakarta, Indonesia

- Bank Asia has been granted “Gold Rank” in Asia Sustainability Reporting Rating 2021 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) for Sustainability Report 2020
- Bank Asia has been granted ‘Gold Rank’ in ASRR 2020 by NCSR and ICSP for Sustainability Report 2019
- Bank Asia has been granted ‘Gold Rank’ in ASRR 2019 by NCSR and ICSP for Sustainability Report 2018
- Gold Rank- Best Sustainability Report in ASRR 2018 - 14<sup>th</sup> SRA 2018 for Sustainability Report 2017 by NCSR and ICSP
- ‘Winner-Best Sustainability Report in Overseas category’ - 13<sup>th</sup> SRA 2017 for Sustainability Report 2016
- Best Sustainability Report in Bangladesh - 12<sup>th</sup> SRA 2016 for Sustainability Report 2015
- Best Sustainability Reporting Award 2015, Runner up 1 in Overseas Category for Sustainability Report 2014
- Sustainability Reporting Award 2014 (SRA 14) for Most Impressive Report 2013 for Sustainability Report 2013
- Sustainability Reporting Award 2013 (SRA 13) for Most Progressive Report 2012 for Sustainability Report 2012
- Commendation for the first time - 9<sup>th</sup> SRA for Sustainability Report 2012

# Sustainable Banking Operations

## Key Highlights 2021

Disbursed **Tk. 22.30** million under Bank Asia Higher Studies Scholarship

**417** students received support under this program



Brought **1,200,000** unbanked villagers under Bank Asia's banking service network

**\$ 1,515** million supplied through our MFIs network business

**3** million households received remittance from rural and semi-urban areas



**96,331** rural farmers were financially supported

Disbursed **Tk. 6,053** million as Agriculture & Rural credit

**42,816** Man-hours of training for human capital development



Delivered E-Statements to **1,109,110** customers

**66%** done through ATMs



**15,36,564** transactions completed

Worth **Tk. 10,042** million (approx.)

**4,898** agent outlets covering 64 districts of Bangladesh



**Tk. 1,505.42** million in Renewable Energy under Green Finance







# Message from the President and Managing Director

After faring through one of the most challenging years in, we stepped into a world that has been dubbed as “new normal”. The 2nd and 3rd Covid-19 waves hit the country in April and July of 2021, respectively, causing unimaginable suffering to hundreds of thousands of people across the nation. However, like other countries across the world, Bangladesh also had to adapt to the circumstances and businesses were slowly starting resume their operations. The Economy was slowly starting to get back on its feet and the country’s GDP growth stood at 5.47% in 2021 compared to the previous year’s GDP growth of 5.20%. Similar to last year, the Government continued providing various incentives throughout the year to the sectors affected by the pandemic.

Bank Asia is steadfast in its contribution towards creating a sustainable economy with its strong capital base and business ethics. With this, I am honoured to present Bank Asia Sustainability Report 2021 which will focus on “**Rising Temperature**” where we are trying to raise awareness towards global warming, the adverse impacts this is having on our world and if we do not take actions towards a green, sustainable future now, the results would be catastrophic. Now, I would like to share some of the initiatives taken by Bank Asia towards the development of a sustainable future:

## **Green Banking – For a Sustainable Future**

Bank Asia aims to build a better future by growing responsibly and sustainably followed by eco-friendly measures across the organization. The bank circulated Green Banking Policy guidelines to raise awareness and conserve energy and water as well as saving paper and fundamental resources. To step into paperless banking, we highly encourage customers to use E-Statement, SMS banking, SMS Alert, Net Banking, E-fund Transfer and E-mail Correspondences. More than 1,333,826 transactions worth of Tk. 10,543 million was done through Bank Asia SMART APP which is an integrated internet and mobile banking solution.

Bank Asia always put top priority whenever it finds any green financing opportunities such as renewable energy generation, carbon emission project, solar home system, CNG conversion project, biogas, managing different waste, treatment of liquid waste, urban building safety project, effluent treatment plant in brickfields etc. The bank is actively involved in green financing activities worth Tk.128.86 million and during 2021, the bank disbursed Tk. 1,505.42 million as green finance, Tk. 2,226.18 million in renewable energy projects, Tk. 7,164.05 million for liquid waste management and Tk. 614.70 under various environmentally friendly establishments. This will highly reduce the operating cost of the business through using huge solar power without any adverse effect on the environment. The bank conducted 111 trainings on green banking awareness to a total of 25,991 participants, customers and employees combined.

## **Corporate Social Responsibility – Promoting Equitable Society**

To contribute to the social, economic and environmental development, Bank Asia spent Tk. 247.45 million in several CSR activities. Some of those include investing Tk. 104.70 in various healthcare initiatives, providing higher education scholarship to students worth Tk. 22.30 as well providing blankets to cold struck people worth Tk. 48.85 million under our disaster management program.

## **Financial Inclusion across the nations- Banking for the Masses**

Bank Asia, the pioneer of Agent Banking operations, with the aid of advanced technologies and flexible Agent Banking module, has covered 64 districts with its 4,898 agent outlets and over 51,000+ micro merchants ensuring compatible security for the customers even in the most geographically dispersed poor segment. One of our latest initiatives was the introduction of Digital Post Office Banking in collaboration with Bangladesh Post Office. Under this system, users can get access to banking services from any of the 8,500 digital post offices spread across the country. Currently, there are 180,993 accounts under our post office banking network.

## **Focusing Agri-Economy – Sustainable Nation through Agricultural Development**

In the financial year of 2021, Bank Asia disbursed loans and advances of Tk. 3,869 million to 72,519 rural farmers to enhance sustainable growth through the agricultural sector. In the fiscal year (July-June), the bank achieved 102% against the target of Tk. 3,790 million as set by Bangladesh Bank. The bank distributed Tk. 341 million to 8,354 number of Tk. 10 A/c holders to improve their livelihood where they took part in income-generating activities for which the bank received refinance of Tk. 299 million from Bangladesh Bank. The bank arranged 25 training program for its employees to create awareness and skill development. Bank Asia’s Agri/Rural credit department is running various programs through Syngenta, Heifer, and World Fish.

## **Optimizing People Asset**

In a service based organization, the human resource is considered as the major asset, so we provide our employees ample opportunities for personal growth through comprehensive training and other development programs. In 2021, Bank Asia provided 42,816 Man hours of training on different operational and behavioural aspects for the development of human capital.

## **Award and Recognition**

Bank Asia believes in transparency in disclosing information to the stakeholders irrespective of different events. We are privileged to share that, Bank Asia has been granted ‘Gold Rank’ in Asia Sustainability Reporting Rating 2021 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for Sustainability Report 2020. This is noteworthy that we are achieving sustainability award every year under different category by NCSR.

To conclude my statement, I wish to convey my sincere gratitude and appreciation to all of our stakeholders who have been imperative to our success and Bank Asia’s vision towards making a sustainable future for Bangladesh.



**Md. Arfan Ali**  
President and Managing Director

# Report Parameter

Bank Asia is the pioneer in the banking industry to publish Sustainability Report as per GRI framework. Our prior two reports were based on GRI reporting framework G3/ G3.1 guidelines. But from the year 2014 to 2017 we have prepared our sustainability report based on GRI reporting framework G4 guidelines. From 2018 we are reporting on GRI reporting framework GRI Standards with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects including both positive and negative contribution. This report has been prepared in accordance with the GRI Standards: Core option.

## Reporting Scope

This report intends to touch upon all significant environmental, economic and social impacts resulting from Bank Asia's activities in the financial year 2021. This is our Ninth Sustainability Report and there is no significant changes regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report. The Sustainability Report will be prepared once in a year describing activities and achievements through-out the year.

## Boundary of the Report

The report boundary of the year 2021 covers only banks operation run by corporate office, its branches, SME service centers and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and two others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channeling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

## Feedback

We welcome any feedback on our sustainability reporting. For further information and comments, please contact Sustainability Reporting Team of the Bank led by Mr. Mohammad Ibrahim Khalil, FCA, Chief Financial Officer, Mr. Md. Shamim Hasnat, CSRS, Assistant Vice President, Group Finance; Mr. Mahub-Ul Anam Khan, CSRS, SEO, Group Finance and Ms. Nahid Tania Khan, CSRS, SEO, Group Finance. They may be reached through

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

## Triple Bottom Line

### PEOPLE

Bank Asia always plays a very dynamic role in contributing to the society through its CSR program, which are thoroughly illustrated in CSR section. In the context of value creation model for its employees, the bank has made footprints by achieving: Operating profit and Net profit per employee was Tk. 3.61 million and Tk. 1.06 million respectively during 2021. 42,816 man-hours training (both physically & virtually) have been provided to 5,115 employees in 2021 in home and abroad. Bank Asia works with a wide range of suppliers, vendors, agents and others. To create value the Bank works with them through collaboration by applying its own policy and practice for selecting these suppliers and others.

### PLANET

As one of the strategic focuses of Bank Asia, 'going green' movement includes efficient energy consumption, paperless office, financing renewable energy etc. Bank Asia's achievements in green initiatives are detailed out in other parts of the report. As greening of mind, 85.5 man hours of training provided to 57 staffs regarding green banking under foundation and other trainings course in 2021

### PROFIT

During 2021, Bank Asia generated operating profit of Tk. 9,193 million.

# Strategic Focus for Sustainability

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

## GOING GREEN IN THE FUTURE OF BANKING

One of the strategic priorities of Bank Asia is to promote financial inclusion for combating poverty which the Bank firmly believes to achieve by its deposit services, agricultural credit program, small enterprise financing for productive new off farm employment of 'missing middle', Solar home system projects with NGO-MFI partners, foreign remittance of poor migrant workers channeling through partner MFIs, Amar Bari Amar Khamar (ABAK) Project, Agent Banking channels, domestic remittance distribution through bank branches and agent banking outlets.

## PROMOTING FINANCIAL INCLUSION

## GIVING BACK

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

## CUSTOMER SATISFACTION

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs & creating brand ambassadors, personalized banking, online product innovation, measure and reduce customer efforts for greater value proposition.



# Corporate Profile

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

In 2001, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, Agent Banking, ABAK (Renamed EBK), Post Office Banking, Social Safety Net Program, Rural Finance, Digital banking program and many more specialized services with its core banking activities.

To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7 ATM service and many other e-products. Bank Asia maintains an environment of strong corporate governance that helps to maintain its excellent brand image; reflected by consistent financial performance for its stakeholders. To attain sustainability, we focus more on strategic priorities measured by quantitative and qualitative determinants. Besides maintaining a steady growth, Bank Asia always prioritized in the structural and moral development of the society. From the very beginning the bank has started its Corporate Social Responsibility (CSR) activities for the development of our country's unprivileged segments in the areas of education, health, environment, sports, arts & cultures and the likes.

## Nature of Ownership and Legal Form

Bank Asia Limited was formed as a public limited company under the Companies Act 1994, and governed by the Banking Companies Act 1991. The Bank obtained Certificate of Incorporation on September 28, 1999 and banking license on October 06, 1999. It went for public offering on September 23, 2003.

## Number of countries where the organization operates

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

## Banking Channel

Currently we have 129 branches, SME service centers & 7 sub-branches across the country spread over different zones that includes 121 branches, 4 SME agricultural branch and 4 SME service centers. Geographically 66 are placed in capital Dhaka, 39 in Chattogram, 7 in Sylhet zone, 6 in Khulna zone, 5 in Rajshahi, 3 in Rangpur, 2 in Barisal, and 1 in Mymensingh. All these branches and SME centers are efficiently supervised and monitored by Zonal heads who take care of their overall performance indicators on a regular basis. Due to the low operational cost as well as increasing popularity of agent banking operations, Bank Asia is emphasizing on adding new agent outlets. There are total 4,898 agent outlets in 64 districts. Agent banking network outreaches the customers through individuals, passport, institutions, UDC, Post office. Post Office Banking is new inclusion in the financial ecosystem. At present there are 920 where we have 3,895 on-boarded agents. Bank Asia has Automated Teller Machine (ATM) that provides banking services to its customers 24 hours a day, 7 days a week and 365 days a year. In our total 66% cash transactions of Bank Asia are done through its 198 own ATMs and more than 12,000+ shared ATMs all over the country. In terms of Internet banking, currently we have more than 229,526 active users.

## SCALE OF THE REPORTING ORGANIZATION

As of the end of 2021, our Bank's operating profit is Tk. 9,193 million and total assets are Tk. 438,293 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 15.72%.

## MEMBERSHIP WITH ASSOCIATIONS

- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Associations of Banks (BAB)
- Association of Bankers Bangladesh (ABB)
- The Institute of Bankers Bangladesh (IBB)
- The American Chamber of Commerce in Bangladesh (AMCHAM)
- Bangladesh Foreign Exchange Dealers Association (BAFEDA)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Money Market Dealers Association
- Metropolitan Chamber of Commerce and Industry
- Baridhara Cosmopolitan Club
- Islamic Banks Consultative Forum (IBCF)
- Central Shariah Board for Islamic Banks of Bangladesh (CSBIB)
- The Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain

Number of employees	2,547
Number of branches	129 (121 branches, 4 SME/Agri branches and 4 SME service centers), 7 sub-branches
Total operating income	Tk. 16,693 million
Total debt & equity	Tk. 410,937 million & Tk. 27,357 million
Number of ATMs	198 own ATMs and more than 12,000+ shared
Number of credit cards	121,869
Number of VISA debit cards	828,445

# Bank Asia's Service Network

## Branch Banking

Branches **129**

Sub branches **7**

SME Centers **4**

SME/Agri branches **4**

## Branchless Banking

Agent outlet **4,898**

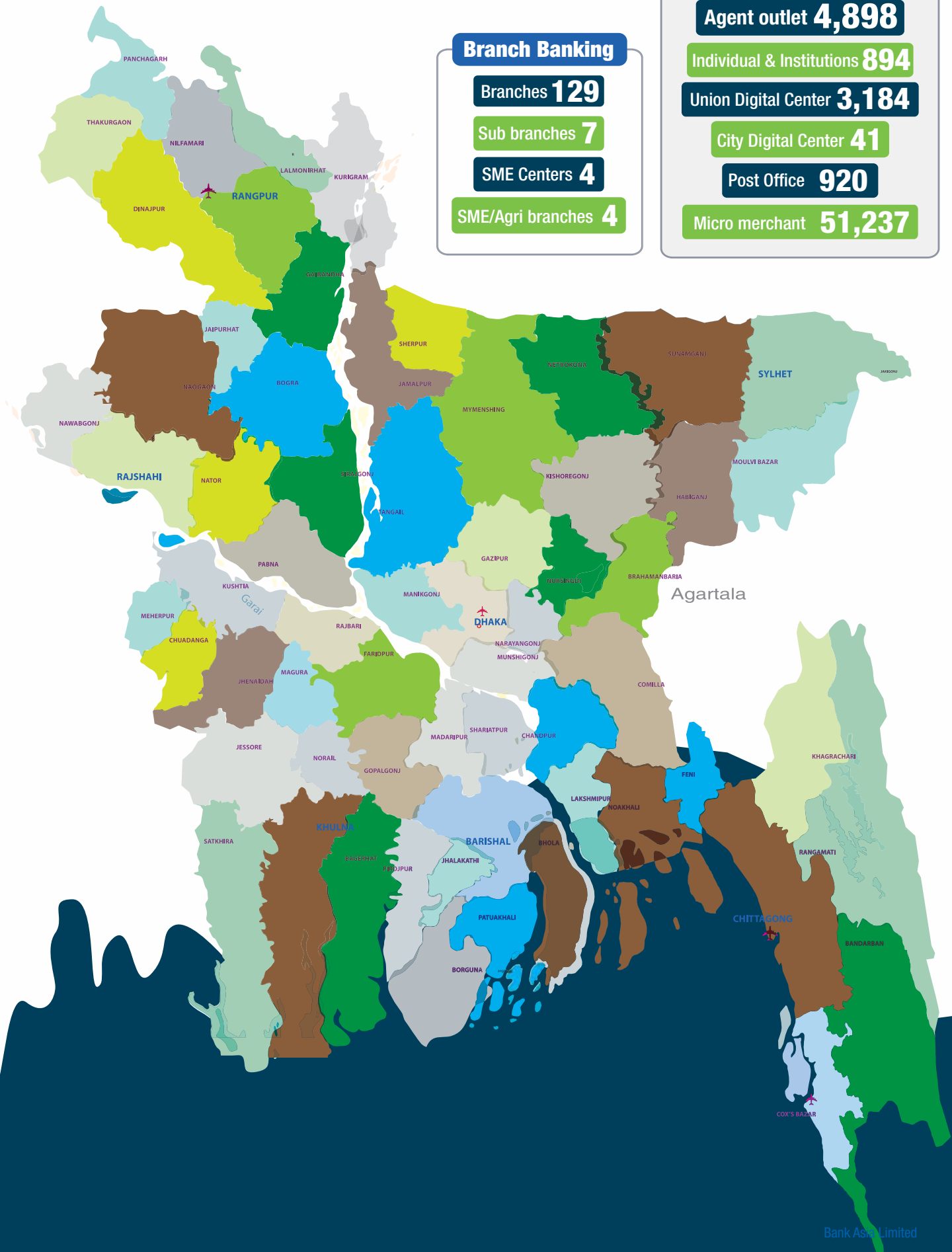
Individual & Institutions **894**

Union Digital Center **3,184**

City Digital Center **41**

Post Office **920**

Micro merchant **51,237**



# Primary Brands Products & Services

Since its inception, Bank Asia Limited has been able to maintain a very sound corporate brand image amongst its peer group of new generation private commercial banks in Bangladesh. Over the years, the corporate brand identity was strengthened mainly due to the superior excellency in customer relationship management and also innovating various technology driven unique banking services that catered the need of people from all socio-economic background.

The brand identity of Bank Asia Ltd emerged from an outstanding corporate banking establishment and escalated towards a broad extended sphere of audiences ranging from semi-urban to deep rural, to the remotest possible landscapes where people need banking, to achieve the noble goal of financial inclusion. Bank Asia Limited has pioneered

the idea of financial inclusion by providing banking to the unbanked with an intention of eradicating poverty by ensuring access to finance for all, which matches our brand slogan, "For A Better Tomorrow".

With this frame of mind, Bank Asia has championed brands like Agent Banking, Post-Office Banking, Micro Merchant etc. These strategic business units (SBU) are providing banking products and services almost identical with its corporate brand, however to an extended group of consumers who were completely untapped by the goodness of modern banking. To achieve both financial inclusion and customer satisfaction, the products & services portfolio of the bank consists of all of the banking needs of an individual, despite of their geographic, demographic or socio-economic class.

## Post Office Banking a new inclusion in financial ecosystem

Bangladesh Post Office has been serving the nation for more than 150 years. Digital Post office or Digital Dakghor is one among large number of digital initiatives. There are 8,500 Digital Post offices across the country to deliver different services.

Agent Banking is a very new but powerful and wide-ranged initiative in the journey of financial Inclusion in Bangladesh. Bank Asia pioneered this historical venture in January 2014 by piloting in 2013. In the span of a few years, this service spread in multi-dimensional ways, reduced gap of time and space and became attractive to rural masses. Government, Non-Government, Development Partners and Individual Entrepreneurs all agreed to come together to spread Agent Banking services to the doorstep of rural people across the country.

Bank Asia & Bangladesh Post office signed a memorandum of understanding to expand the financial services to the citizens delivered by both of those organization by appointing the Digital Post office entrepreneurs as the Bank Agents. Bank Asia & Bangladesh Post office are working together to include all in the financial network and to develop a new dimensional digital financial ecosystem. Bank Asia has formed a new department named "Post Office banking Department" for focusing on Digital Post Office (DPO) entrepreneurs & its business. With a vision to build a poverty-free Bangladesh, in the future, Bank Asia wishes to open a bank account for every able person of the country despite of their socio-economic class by expanding the agent network to a financial kiosk in every village of the country.

Post Office Banking is an extension of Agent Banking of Bank Asia. Digital Post Office (DPO) entrepreneurs are being the appointed as agent upon receiving approval from Bangladesh Bank.

### Vision & Mission

To bring low-cost, secured financial services at the doorstep of the unbanked people of Bangladesh as a part of financial inclusion for empowerment through Digital Post office.

The mission of Bank Asia & Bangladesh Post Office is to provide more protected financial inclusion by offering technology-driven solutions to the unbanked people living in rural and dispersed areas of Bangladesh.

Outlets | **920**  
Accounts | **108,993**  
On-Boarded Agents | **3,895**  
Deposits | Tk. **1,376** Million  
Advances | Tk. **51.93** million

Remittance Tk. **452** million  
No. of Remittance | **9,774**  
No. of MetLife Premium | **42,563**  
No. of POS Transactions | **2,445**  
No. of Passport Fee | **3,137**

# Digital Post office

A New Era of Banking Service



Bottala Bazar, Salikha, Magura

Bank Asia has introduced 'Digital Dakghar' based Banking services for the mass people of the country to ensure the rights of banking services. Now, people across the country can easily access necessary banking services from Digital Dakghar of Bangladesh Post Office

## Services offering through Post Office Banking

- Foreign Remittance
- Utility Bill Payment
- Passport Fee Collection
- SME Loan Processing
- Retail Loan Processing
- Agri Loan processing
- Debit/NFC Card Services
- Savings/Current/SND Account
- School Banking
- DPS
- Cash Deposit & Withdraw
- Fund Transfer
- Fund Transfer through EFTN & RTGS



# Products & Services



## RETAIL BANKING PRODUCTS

### Deposits

#### Low Cost/No Cost Deposit Accounts

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

#### Term Deposit (s)

Fixed Deposit Regular
-----------------------

#### Scheme Deposit (s)

Monthly Benefit Plus	Bhromon( Travellers)	Bank Asia Sanchay Plus
Anchol( Women)	Double Benefit Plus	Deposit Pension Scheme Plus
Nirvabona( Senior Citizens)	Triple Benefit Plus	Shonchoy E KotiPoti

#### School Banking Account

Duranta
---------



## Consumer Finance

<b>Auto Loan</b> <ul style="list-style-type: none"> <li>Shapner Bahan</li> </ul>	<b>Consumer Durable Loan</b>	<b>Loan for Professionals</b> <ul style="list-style-type: none"> <li>Shabolombi</li> </ul>
<b>House Finance</b> <ul style="list-style-type: none"> <li>Shapner Abash</li> <li>GrihaShaj</li> <li>Shapner Kuthir</li> <li>Shapner Nirman</li> <li>Nijer Bari</li> </ul>	<b>Unsecured Personal Loan</b> <ul style="list-style-type: none"> <li>Proyojon</li> <li>RMG-Proyojon</li> <li>Chuti</li> <li>Sheba</li> <li>Loan for Landlords</li> <li>Student Support Loan</li> <li>Wage Earner's Support</li> </ul>	<b>Loan for Senior Citizens</b> <ul style="list-style-type: none"> <li>Purnata</li> </ul>
Green Energy Loan	Bicycle loan	Water Supply and Sanitary loan (WSS)
Talent Learning and Earning	Motorcycle loan	



## CREDIT CARD

VISA Credit Platinum Card (with Priority Pass)	Master Silver Card	LankaBangla Card Cheque
VISA Credit Classic Card	VISA Credit Gold Card	Shadhin Card
Visa Signature Credit Card (with Priority Pass)	VISA Prepaid Hajj Card	Gift Card
VISA Credit Butterfly Card	Master Gold Card	Prepaid Travel Card
Virtual Card	Master Credit Titanium Card	

#### Islamic Credit Card

Salamah Platinum Card (with Priority Pass)	Salamah Gold Card	Salamah Classic Card
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## ISLAMIC BANKING PRODUCTS

### Deposits

Al Wadiah Current Account (AWCA)	Mudaraba Savings Account (MSA)	Mudaraba Special Notice Deposit Account (MSNDA)
Mudaraba Corporate Privilege Savings Account (MCPSA)	Smart Junior Saver (School Banking) Account	Mudaraba Savings Account (MSA) - Smart

## Deposits

Mudaraba Term Deposit Account (MTDA) for different tenure	Corporate Term Deposit Account (CTDA) for different tenure	Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)
Mudaraba Deposit Pension Scheme (MDPS) (3 to 12 Years tenure)	Mudaraba Hajj Savings Scheme (MHSS) (1 to 10 Years tenure)	Cash Waqf

## Investment Products

Bai Murabaha Muajjal (both Local and Post Import)	Murabaha Import Bills	Istisna'a – Export
Hire Purchase Shirkatul Melk (HPSM)	Quard against Accepted Bills	Post Export Finance -Foreign (PEF-f)
Musharaka	Quard against MTDR & Schemes	Musharakah Export Finance – Inland (MEF-i)

## Islamic SME Financing Products

SALAMAH Srishti	SALAMAH Subidha	SALAMAH Sofol
SALAMAH Somriddhi	SALAMAH Sondhi	SALAMAH Seba
SALAMAH Bahon	SALAMAH Suborno	Uttaran–Islamic For MSE Finance

## Islamic Agri Financing Products

Islamic-Cropping Support	Islamic-Poultry Support	Islamic-Equipment Support
Islamic-Dairy & Fattening Support	Islamic-Fishery Support	



## MICRO , SMALL , MEDIUM & AGRICULTURE BANKING PRODUCTS

### Deposits

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

### Micro & Small Enterprise Finance

#### Asset Product

<b>Shomadhan</b> —Over draft for Trading, Manufacturing, Service & Women Entrepreneur	<b>Bahon</b> —Commercial Vehicle Finance	<b>Sristi</b> —Collateral free Term loan for Manufacturing
<b>Shubidha</b> —Collateral free Term loan for Trading	<b>Uttaran</b> —For existing excellent CMSE loan borrowers.	<b>Shombridhi</b> —Term loan for Manufacturing
<b>Shondhi</b> —Term loan for Trading	<b>Shofol</b> —Collateral free Term loan for Service	<b>Goti</b> —Revolving Demand Loan
<b>Subarno</b> —Term loan for Women Entrepreneur	<b>Sheba</b> —Term loan for Service	<b>Nirontor</b> —SOD for Entrepreneurs
<b>Utshob</b> —Collateral free Seasonal loan	<b>Shombhabona</b> —Term loan for New Entrepreneur	

New product-“CGS (SP) Surakkha” - no/insufficient collateral under Credit Guarantee Scheme (CGS) to facilitate stimulus package for CMSE segment

#### Liability Product

Astha-SME Current Account



## Medium Enterprise Finance

#### Funded Products

Secured Over Draft (SOD)	Demand Loan (Workorder)	Lease Finance
Over Draft A/C	Forced Demand Loan against L/C	Over Draft – SP
SOD (Earnest Money)	Term Loan Industrial	House Building Loan – Commercial
Payment against Document (PAD) Cash	Term Loan Others	
Documentary Bills Purchased – LCY	House Building Loan – General	

### Non Funded Products

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

### Agricultural Finance

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

## CORPORATE BANKING

### Cash Management Products

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

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

### Funded Products

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

### Non-Funded Products

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

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

## OFF-SHORE BANKING UNIT (OBU) PRODUCTS

### On-Shore Import & Export Bill Discounting

UPAS Loan	Bill Purchase
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### Working Capital Finance

LTR	Packing Credit	Term Loan	Lease Finance
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## Trade Finance

Import / Export

## Loans & Advances to wholly foreign owned entities

LTR	Demand Loan	Term loan
Term loan to local entities	ECA loan to local entities	Nostro account services to other local banks

## AGENT BANKING

### Products

Current Deposit Account	Term Deposit Scheme (TDS)	SME Loan
Savings Bank Account	Remote Banking (ABAK)	Retail Loan
Short Notice Deposit Account	10 Tk. Account	Islamic Loan
School Banking Solution <ul style="list-style-type: none"> <li>Smart Junior Saver</li> <li>School Banking Account</li> <li>School Fee Collection</li> <li>Payroll Banking for Teachers</li> </ul>	Current Account (Astha)	Debit Card
Deposit Pension Scheme (DPS)	Agri Loan	Near Field Communicator Card

### Services

Account Opening	Passport Fee Collection	E-Commerce Service
Deposit and Withdrawal from Account	SME Loan Processing	E-Ticketing Service
Fund Transfer within Bank and to any Bank in Bangladesh	Agricultural Loan Processing	Digital Health Care Service
Inward Foreign Remittance Payment	Retail Loan Processing	Insurance Product Service in life and health category
Utility Bill Payment	Repayment of Loan Installment	Micro-Merchant Digital Payment Apps
Balance Inquiry	Disbursement and Payment of Social Safety Net	Cheque Book
Account Statement (Mini)	Salary Disbursement Solution	Bank POS
Insurance Premium Collection	A-Card for Farmers	RMG POS Service
Fund Transfer to MFS (bkash)	Fish Card for Farmers	

## TREASURY PRODUCTS

### Money Market, Fixed Income & Capital Market

Call Money	LCY/FCY Swap	Repo/ALS (Assured Liquidity Support)
Notice money	Fixed Income & Capital Market investment	Reverse Repo
LCY/FCY Term	Investment (GSEC) service for customers	Interest Rate Swaps

### Foreign Exchange

Spot Foreign Exchange	Foreign Exchange Option	Cross Currency Swaps
Forward Foreign Exchange	Forex Swaps	

## CAPITAL MARKET SERVICES

### Money Market, Fixed Income & Capital Market

Brokerage Services	Daily Market Update and News Summary	Margin Loan
Research services	Online Trading	CDBL Services
Agent Banking	Wide Branch Network	Panel Broking
Attractive Commission Offering	Institutional Trade	



# Stakeholders' Engagement

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

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

As a value driven financial brand Bank Asia try to maintain transparency in providing both financial and non-financial data activities of the bank. Bank Asia prioritizes stakeholders' issues based on materiality mapping determining the level of relevance and significance on economic, environmental, social and financial impacts.



## Aligned with SDG

Stakeholders	Ways of inclusion	Their priorities	Our response
<b>Customers</b>   	<ul style="list-style-type: none"> <li>Market research and product innovation</li> <li>Customer Service Enhancement Program</li> <li>Customer Relationship Management</li> <li>Direct Customer feedback</li> <li>Different channels, Branches, Agent outlets, Call Centre, Priority Centre, ATM Booth, Internet Banking &amp; others</li> </ul>	<ul style="list-style-type: none"> <li>Quality Service Delivery</li> <li>Good returns from deposits</li> <li>Preferential pricing, charges and commission</li> <li>Privacy and Information</li> <li>Security Dispute Resolution</li> <li>Product Information, Affordability and Convenience</li> <li>Product variation according to market demand</li> <li>Strict Shariah compliance in Islamic products and services</li> </ul>	<ul style="list-style-type: none"> <li>Proper Actions are taken of customer complaints if any service goes against the customer service policy of the bank</li> <li>Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship</li> <li>E-products like internet banking, mobile apps, SMS banking, EGP service, E-commerce, E-payment solution, ALCO sits every month to decide pricing and rates based on market analyses</li> <li>All network nodes are run by online core banking system (CBS)</li> <li>First day in every month is being observed as 'Customer Service Day' where Corporate Office executives met with customers in branch premises</li> <li>Encourage clients to use cards as contactless modality in Covid19 pandemic</li> </ul>
<b>Employees</b>     	<ul style="list-style-type: none"> <li>Business conferences, teleconferences, video conference etc.</li> <li>Training, workshops and orientation program, Internal meeting, Group emails, Intranet circulation,</li> <li>Team building through cross-cutting working groups</li> </ul>	<ul style="list-style-type: none"> <li>Regular training &amp; Performance development</li> <li>Periodical salary review to adjust with cost of living index</li> <li>Proper job description setting as per individual skill</li> <li>Performance driven career progression</li> <li>Ensure hygienic and congenial workplace</li> <li>Group Health Insurance</li> <li>Quarantine Leave Policy</li> <li>Sick Leave Policy</li> <li>Transport facilities for female employees</li> <li>Sports Tournament</li> <li>Cleaning Day</li> <li>Debating Club</li> </ul>	<ul style="list-style-type: none"> <li>42,816 man hours of training to 5,115 participants in 2021 also Virtual training with employees to raise their awareness on Covid-19 and prevention measures</li> <li>Tk. 13,225,548 received as insurance claim</li> <li>Salary package adjusted in line with market competitiveness and inflation</li> <li>Yearly performance Bonus and festival bonus for employee motivation</li> <li>All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise</li> <li>Well set KPIs for performance and inherent quality analysis</li> <li>Pick and drop facilities has been provided through 13 vehicles</li> <li>Formulation of 'Female anti-harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner</li> <li>Social Distancing maintained by ensuring home-office rotation wise work</li> <li>'First Saturday' of every alternate months has been observing as 'Cleaning Day' where all employees of the branches&amp; Corporate Office actively participate to clean the premises.</li> <li>Established COVID isolation centre to ensure healthcare facilities</li> <li>GYM in corporate office and BAITD</li> <li>Child Care Center facilities</li> <li>Introduced Sick Leave policy</li> </ul>
<b>Subsidiaries</b>   	<ul style="list-style-type: none"> <li>Policy formulation</li> <li>Agreed upon strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>Goals and Strategic focuses are based on local environment analysis &amp; regulatory purview</li> </ul>	<ul style="list-style-type: none"> <li>Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries</li> </ul>

Aligned with SDG

Stakeholders	Ways of inclusion	Their priorities	Our response
<b>Shareholders/ investors</b>  	<ul style="list-style-type: none"> <li>● AGM, EGM, Annual &amp; Semi annual report</li> <li>● Corporate disclosures</li> <li>● Price Sensitive Information (PSI)</li> <li>● Quarterly financial report</li> </ul>	<ul style="list-style-type: none"> <li>○ Sustainable growth</li> <li>○ Sound governance and risk management performances</li> <li>○ Business ethics</li> <li>○ Assets quality</li> </ul>	<ul style="list-style-type: none"> <li>○ Maintained attractive plough back ratio</li> <li>○ Timely repayment of debt with stated return</li> <li>○ Each queries of the investors meet up through our share department efficiently and fairly</li> <li>○ Established risk management culture</li> <li>○ Transparency &amp; integrity in financial reporting</li> </ul>
<b>Board and Management</b> 	<ul style="list-style-type: none"> <li>● Decisions based on financial and business delegation of different levels</li> <li>● Major decisions must be placed to board for approval</li> </ul>	<ul style="list-style-type: none"> <li>○ Governance principles, policies &amp; procedures formulation</li> <li>○ Strategic focus &amp; value creation</li> <li>○ Strategic business planning</li> </ul>	<ul style="list-style-type: none"> <li>○ At least one board meeting in every month, frequent executive committee meeting, audit committee meeting</li> <li>○ Board members meet management on various occasions like annual &amp; semi-annual business conferences, different remarkable day celebration</li> </ul>
<b>Government &amp; regulatory Authority</b>  	<ul style="list-style-type: none"> <li>● Surveillance by Bangladesh Bank</li> <li>● Meetings</li> <li>● Directives and circulars</li> <li>● Strict ethics and compliance with applicable laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>○ Proper compliance with laws &amp; regulations</li> <li>○ Timely reporting as per requirement</li> <li>○ Timely payment of right amount income tax and VAT</li> </ul>	<ul style="list-style-type: none"> <li>○ We ensure proper compliance and timely reporting to government bodies and regulators as per requirement</li> <li>○ Contributed Tk. 5,493 million to National Exchequer which significantly contributed to Government's revenue collection</li> <li>○ Regularly reports to the Central Bank, BSEC, tax and VAT authorities</li> </ul>
<b>Local Communities</b>          	<ul style="list-style-type: none"> <li>● Promoting financial inclusion both banked and unbanked people</li> <li>● CSR activities</li> <li>● Financing in environmental friendly projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Provide banking facility to geographically dispersed poor segment of the society</li> <li>○ Benefit economy by poverty reduction through banking services to rural poor people by ABAK Project</li> <li>○ Compensation for adverse direct or indirect impact for bank's activities</li> <li>○ Support to under privileged people through Social Safety Net Program</li> <li>● Bank Asia Foundation (BAF) formation</li> </ul>	<ul style="list-style-type: none"> <li>○ Strongly consider environmental and social impact and restrain from adverse impact upon society</li> <li>○ Conducted large scale CSR activities of Tk. 247.45 million through the Foundation's operation</li> <li>○ Significant contribution to education, health, disaster management, Art &amp; culture, environmental and Sports sector</li> <li>○ Healthcare Aid of Tk. 104.70 million disbursed</li> <li>○ Tk. 22.30 Million provided as part of Bank Asia Scholarship program</li> <li>○ Tk. 48.85 Million worth of blankets distributed to cold struck people</li> </ul>
<b>Business Partners</b>  	<p>Procurement management, training and communication</p>	<ul style="list-style-type: none"> <li>○ Fair trade</li> <li>○ Fair enlistment</li> <li>○ Sustainable and stable growth of the bank</li> </ul>	<ul style="list-style-type: none"> <li>○ Free from any bias or coercion from influencing quarters</li> <li>○ Ensure fair play and competition to award work order</li> <li>○ Timely payment to vendors</li> </ul>

# Material Aspects and Boundaries

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

## Regulatory compliance Certificate

**CREDIT RATING AGENCY OF BANGLADESH LIMITED** 

Ref: AGL (D1)/RCM/210623/2021- 22562

24 June 2021

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

Subject: Credit Rating - Bank Asia Ltd.

Dear Sir,

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

Particulars	Ratings
Long Term	AA <sub>1</sub>
Short Term	ST-2
Outlook	Stable

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

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

Yours Sincerely,  
  
Harisul Haq  
Managing Director



Nawana-Dh Tower, Level-15, Plot-66, Panthapath, Tejgaon, Dhaka-1215. E-mail: info@crab.com.bd. Web: www.crab.com.bd. www.creditrating.com  
☎ +88-02-55013678, 55013679, 55013681, 55013682, 55013683 (Fax) 55013684

 **Suraiya Parveen & Associates**  
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

**Report to the Shareholders of  
Bank Asia Limited on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Bank Asia Limited for the year ended on 31<sup>st</sup> December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admn/00 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as these standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Dhaka, Dated  
March 28, 2022



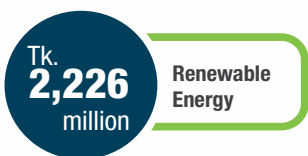
For Suraiya Parveen & Associates  
Chartered Secretaries  
  
Suraiya Parveen, FCS  
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka-1000  
Cell : 01911 421 998, 01713 110 408  
E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com



# Environmental Performance

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



## ENERGY

### Energy Savings

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

- More than 30% electricity is saved every year using the day light inside corporate office;
- Energy savings bulbs being used in the office
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation

### Carbon offset projects

- We disbursed Tk. 6,052.88 million to 96,331 rural farmers where approving Tk.812.79 million to 16,299 farmers through Online Credit Approval System (OCAS).



Sharishabari Solar plant financed by Bank Asia Limited

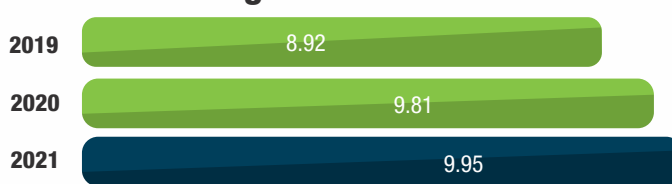


**Green Transformation Fund**  
Euro 4.60 Million in 2021

### Reducing Energy & Resource Consumption

- New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as paper saved 380,000 pages and 70,000 courier service delivery cost.
- The Green Banking initiatives taken by Cards Division such as E-Statement, SMS Banking, E-Mail Correspondence, etc. during 2021 amounted towards net savings worth Tk. 9.948 million

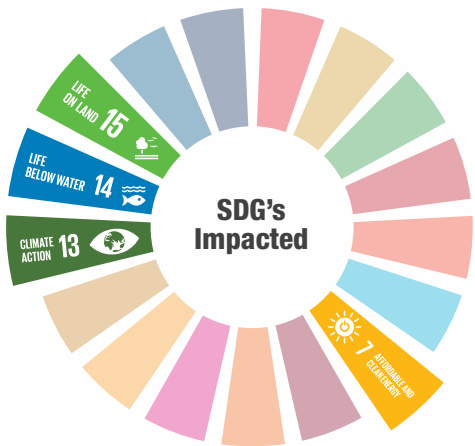
### Net Savings million Taka



### Financing Renewable Energy

- In 2021, we have disbursed an amount of Tk.1,505.42 million in Renewable Energy under Green Finance. This will highly reduce operating cost of the concerned business entities through using renewable energy without any adverse effect on the environment.
- Solar panels already installed in 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME Service Centre, Bank Asia Bhaban & Nimtola Branch.

- 7 Bank Asia's Corporate Office designed to utilize maximum usage of natural lights which reduces energy consumption substantially compared to other conventional building
- 13 For a sustainable & green economy, Bank Asia's involvement in environment friendly investment
- 14 Bank Asia's investment for liquid waste management project and waste water processing plant
- 15 Conducting larger scale of CSR activities contributing towards quality of life of the society at large without compromising an ecological condition



## WATER USAGES

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

## WASTE MANAGEMENT

The process involved in dealing with the waste generated by day to day banking activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers.

Being a financial institution Bank Asia does not deal with any hazardous waste.

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

## Financing Liquid Waste Management

- In 2021, Bank Asia has disbursed an amount of Tk. 278.37 million in Liquid Waste Management and as of December the outstanding was Tk. 7,164.05 million. This includes Central ETP, Biological ETP, Combination of Chemical & Biological ETP etc. We also financed various projects under Establishment/Green Building, which helps to reduce environmental effect.



*Effluent Treatment Plant of Space sweaters financed by Bank Asia Limited*

## GreenHouse GAS EMISSION

### Saving CO2 emission

- For saving money, time & CO2 Bank Asia implemented Video Conferencing System between Head Office and branches in order to attend meetings. BAITD (Bank Asia Institute of Training & Development) also provide 657 virtual training to the employees using ZOOM, Cisco Webex & True Conf. platforms to raise their awareness on Covid-19 and prevention measures.

## REDUCING CARBON FOOTPRINT

- The total outstanding amount of Renewable Energy, different liquid waste management project Environment Friendly Brick Production and Green/Environment Friendly Establishments were as follow as on December 31, 2021:

### Refinance Scheme

- Bank Asia has participated an agreement with Regulatory Bank as a participant in the refinance scheme for Green Product / Initiatives practicing with these appreciated initiatives in Bio- Gas and Green Industries projects.



*Spectra Solar Park financed by Bank Asia Limited*

### INITIATIVE TO REDUCE THE BANK'S ADVERSE IMPACT ON ENVIRONMENT

- Bank Asia does not finance any tobacco related business, weapons & munitions, Gambling, casinos, pornography (goods/stores/web-based), alcoholic beverage and all offices of the bank are declared smoking free zone. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers through Environmental & Social Due Diligence (ESDD) checklists.

### Sustainable Finance Unit and its initiatives

On view of making Bank Asia more green, Sustainable Finance Unit has been restructured and included more members to promote green initiatives within the bank.

Initiatives to Green Banking

In 2021, Bank Asia approves retail & CMSE loan upto Tk.5 million through digital platforms without involvement of any paper based activities. Besides, Training Institute of Bank Asia has provided trainings on Green Banking under Foundation training course & other training related to Green banking to 57 employees of 85.5 man-hours. All of the trainings are held online for cost efficiency and COVID-19 purpose.

### Reinforcing and Strengthening ESRM guideline

- Bank Asia has been taking initiative to strengthen and fortify the current ESRM guideline and implement the proposed ESRM guideline of Bangladesh Bank. The functions of ESRM guidelines are:
- Provides a robust, auto generated, quantitative risk rating system to reduce the subjectivity of a qualitative risk assessment method;
- Bigger focus on social and climatic risks which are becoming relevant and crucial for Bangladesh;
- The organizational roles and responsibility defined in the ESRM Guidelines are built upon the principles of integration of E&S risks into the bank or FI's overall credit policy. It clearly delineates the responsibility of different functions of the bank in terms of E&S risk assessment and the decision-making process based upon E&S risk rating.

### Sustainability Report & Rating

- Since 2012, Bank Asia has published Sustainability Report and achieved Gold Rank- Best Sustainability Report in Asia Sustainability Reporting Rating 2020 - 16th SRA 2021 by NCSR (National Center for Sustainability Reporting) & ICSP (Institute of Certified Sustainability Practitioners)
- In 2021, Bank Asia was rated among the Top 10 Banks in Sustainability Rating for 2020 conducted by Bangladesh Bank. It was a tremendous achievement for the organization.

### Online Banking

- Online banking system is a great way to reduce wastage of paper.
- Bank Asia account holder is facilitating e-commerce transaction such as e-ticket purchasing of bus, train, airways, cinemas & movies, mobile flexiload, hotel booking, bill payment such as hospital bill payment, advertisement bill payment, passport fees payment, WASA, DESA, qubee bill payment, computer accessories & service related payment, e-shopping etc. by the debit/ credit card of Bank Asia with less expense & in faster time from any time anywhere.
- We have also integrated Internet banking system to NPBS on first phase and through this connectivity our customers can transfer fund from their Account to Inter-Bank Accounts and Debit & Credit Cards real time and vice versa.
- In our banking system recently 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking.

### COMPLIANCE

During 2021, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.



# Bank Asia: A Story of Fulfilling Dreams

## **Fulfillment of Noor Nahar's Dream**

Noor Nahar, originally from Bhola District, is working as a housemaid in Chattagram. She had a very strained relationship with her husband, which caused her to feel unsecured regarding her financial situation. With her ultimate dream of owning a piece of land she could call her own, Noor Nahar would regularly send money to her mother which she would keep buried under her bed wrapped in a polythene bag. After her death, Noor Nahar discovered she had managed to save quite a significant amount of money over the years with her mother's help. However, she felt the necessity to save her money through alternative means. Monir, an officer of Bank Asia, assisted her in opening an FDR. He assured her that through opening of this financial instrument, Noor Nahar would be able to fulfill her lifelong cherished dream of buying her own piece of land.

Noor Nahar's story is one among thousands of other small savers who have been playing an important role in the national economy. Every agent banking customer have a unique story to tell of their own, and Bank Asia has been moving forward with a dream spread financial services to the rural mass with a promise to fulfill their dreams.

## **Big Fish in small ponds: Selling Dreams**

Nibedita Biswas, an input retailer, with the aid of Bank Asia Limited and its partner The Right Kind oversees the loan application fill-up process of her six farmer customers. Even though the pandemic caused business to temporarily halt, the project staff defied all those challenges and facilitated loans for struggling farmers at a time when they were in desperate need of money.

Usually, Nibedita has to sell a majority of her input products on a 30/90-day credit period because half of her customers generally do not have money at hand. This gives rise to a multitude of problems including having to chase the customers for repayment, not receiving the full credit amount, and being pressurized to find the funds to re-stock her shop. As part of the Bangladesh Aquaculture Activity (BAA) project implemented by Bank Asia Limited in collaboration with The Right Kind, she received financial product and guidance. The business model of the project relies on a 'retailer-referral' method where the likes of Nibedita recommend their best customers needing loan support based on which Bank Asia Limited provides collateral-free microloans up to BDT 40,000. This is a loan transferred straight to the farmers' accounts, which they can use for transactions while buying input (feed, medicine) from the retailers' shops. Although the loan is exclusively for farmers, because of Nibedita's referrals, this entire system works as a customer-loyalty scheme and helps her attract even more customers.

With grant support from Bangladesh Aquaculture Activity project, managed by WorldFish, Bank Asia could pay special attention to aquaculture farmers for the first time. Spanning over three districts in the Feed the Future Zone of Influence, more than 440 farmers have received microloans of up to Tk. 1.61 crores as of end of January 2021.

It has truly been a fulfilling and empowering initiative for fish farmers, especially women who are more likely to approach fellow peers like Nibedita in order to purchase inputs and apply for financing.

## **New lifeline for Mrs. Shahana Begum:**

Mr. Ali Afsar has been living in Venice, Italy, for the last 7 years. He is a worker and regularly sends remittance money back home to his family. His wife, Mrs. Shahana Begum, three children and mother live in Adampur village, Austogram Upazila, Kishoreganj. Adampur is encircled by a river.

"I came to Italy for work to support my family", said Mr. Afsar. "I do this, so they can have a future". Mr. Afsar earns around 1200 euro a month and sends about 650 euro back to his family.

The money which expatriates send to home – known as remittance – is a vital conduit that supports their families - such as helping to meet education fees, buying foods and clothes, purchasing medicine for his old mother, savings and giving others relatives/ neighbors as donation.

Mrs. Shahana Begum used to travel 20 km from her home to go to Habiganj, to collect the remittance sent by her husband. "I had to regularly travel such a long way. I had to spend money on trawler (engine boat) and CNG fare, and the arduous journey used to take me about 6 hours to make." She further said, "I sometimes had to take the help of others to act as a guide as well as for security reasons. Thus, I had to spend nearly Tk. 800-900 from each remittance withdrawal behind transportation and lunch."

Her hardships finally came to an end when Mr. Ahad Ali started operation of Bank Asia Agent Outlet at Adampur Bazar from 15 March 2017.

Shahana said she was now very happy with Bank Asia's service at their village. She can withdraw remittance within the shortest possible time and have time to do other works in her residence as well as guiding her children for building their future as envisioned by her husband.

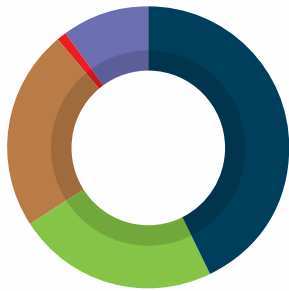
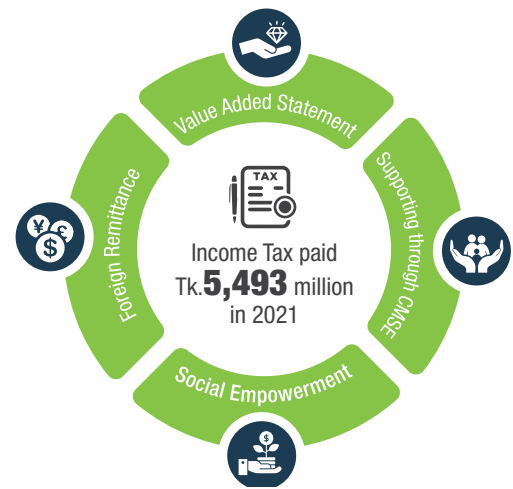
Mr Afsar commented, "Now we feel more enthusiastic and much happier about sending remittance back to my family via Bank Asia's agent outlet and other remittance holders have also expressed the same. I believe this to be the safest option for my wife as it reduced the risk of the journey she had to make."

Adampur Bazar agent of Bank Asia provides 20-25 remittances to people daily which is certain to make the lives of the local people better.



# Economic Performance

Value Added Statement shows the depicts wealth created by an organization & how is that wealth distributed among different stakeholders. In the year 2021 bank's net value addition was Tk. 11,868 million; 43% was distributed to employees as salaries, 30% to shareholders as dividend & reserve, 17% to government as income tax and rest of the amount used for business expansion and growth.

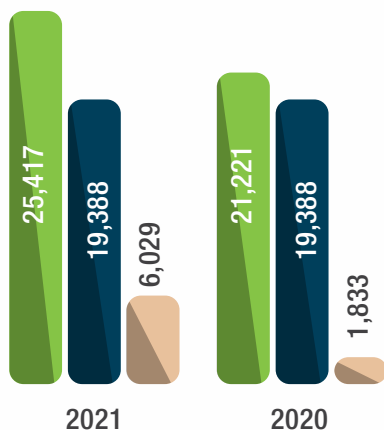


## Value Added Statement 2021

- To employees as salaries **43%**
- To Government as Income Tax **30%**
- To providers of capital **17%**
- Retained profit **1%**
- Depreciation **9%**

## Market Value Added

- Market Value of Equity
- Book Value of Equity
- Market Value Added



Million Taka

Items	2021	2020
Income from banking services	29,694	28,105
Less: Cost of services & supplies	15,433	(17,629)
Value added by banking service	14,261	10,476
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(2,393)	(2,113)
<b>Total</b>	<b>11,868</b>	<b>8,363</b>

Million Taka

Distribution of value addition	2021		2020	
	Amount	%	Amount	%
To employees as salaries	3,890	43%	3,556	43%
To providers of capital as dividend & reserve	2,585	30%	1,957	30%
To Government as income tax	2,700		1,922	23%
<b>To expansion &amp; growth</b>				
Retained profit	78	1%	78	-6%
Depreciation	878	9%	850	10%
Deferred Taxation	-	-	-	-
	<b>956</b>		<b>928</b>	
<b>Total Value Addition</b>	<b>10,131</b>	<b>100%</b>	<b>8,363</b>	<b>100%</b>

## Market Value Added Statement

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders. During the year 2021, total market value of the bank was Tk. 25,417 million & total book value of equity is Tk. 19,387.72 million i.e. addition of market value was Tk. 6,029.28 million.

Particulars	No. of shares (in million)	Share price (in taka)	Taka (in million)
Market Value	1,166	21.8	25,417
Book Value	881.26	22	19,388
Market Value Added			6,029

By creating employment, Social Safety NetProgram, Agent banking & other supporting activities for rural credit empowerment Bank Asia tries to reduce poverty & inequalities for ensuring sustainable economic growth



### Economic Value Addition During The Year

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

Particulars	2021	2020	2019
<b>Invested fund by shareholders</b>			
Shareholders equity	27,357	27,381	24,745
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	17,482	14,790	13,616
Total invested fund by shareholders	44,838	42,171	38,361
<b>Average invested fund by the shareholders [A]</b>	43,505	40,266	36,139
<b>Earnings for the year</b>			
Profit after taxation	2,707	2,036	1,961
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	4,786	2,113	5,402
Less: written off during the year	2,907	301	2,716
<b>Earnings for the year [B]</b>	4,586	3,848	4,646
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium[C]	13%	13%	13%
<b>Cost of average equity [D= A x C]</b>	5,656	5,235	4,698
<b>Economic Value Added [B-D]</b>	(1,070)	(1,386.57)	(52)

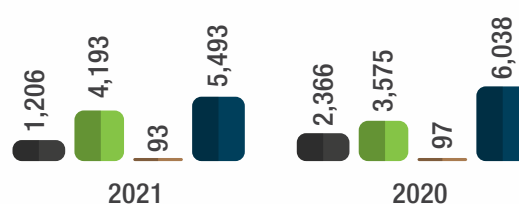
### Contribution to National Exchequer

As a corporate entity, Bank Asia pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2021, the Bank contributed Tk. 5,272 million to national exchequer.

Particulars	2021	2020
Income tax payment on bank's earnings	1,206	2,366
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	4,193	3,575
Income tax payment by the employees	93	97
<b>Total Payment</b>	<b>5,493</b>	<b>6,038</b>

### Contribution to National Exchequer

- Income tax payment on bank's earnings
- Income tax, Vat, Excise duty deducted at source from various payment & services by the bank
- Income tax payment by the employees
- Total payment



### Supporting Activities Through CMSE

Bank Asia SME has stepped into the territories where no Bank or FIs of Bangladesh have reached so far.

In 2021, with 4 SME Service Centers & 129 branches in urban & rural areas Bank Asia strongly focused on cottage & micro enterprise financing, cluster financing, grooming-up new entrepreneurship development, promoting women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to underserved people. Besides, we have been organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts in order to increase the loan portfolio and get

## Economic Performance

more people under the reach of credit in manufacturing industries, service oriented business. This year, CMSME disbursement amount was Tk. 27,264.24 million & portfolio stood at Tk. 36,624.64 million compared to previous year's Tk. 10,533 million with a growth of 247.71%

### Initiatives in the year of 2021

- The SE & SPL Department of the Bank has launched 2 new products titled "Goti" - revolving demand loan to meet working capital requirement and "Nirontor" - Secured Overdraft facility against cash collateral to meet short term cash flow requirement for entrepreneurs under CMSE segment.
- Introduced Agent Centric Business Model for smooth CMSE loan disbursement through Channel Banking.
- Signed Agreement with SME Foundation regarding government's New Stimulus Package aiming to ensure credit facilities at low interest rate to the eligible and potential SME entrepreneurs affected due to COVID-19 around the country.
- Participated in Cheque distribution program among entrepreneurs of CMSMEs under New Stimulus Package of SME Foundation at Ministry of Industry.
- Organized 19 trainings for officials and entrepreneurs in 2021.
- Participated in "9th National SME Product Fair-2021" organized by SME Foundation.



National SME Fair 2021 organized by SME Foundation

### Investment for Social Empowering

#### Empowering communities through AGRI/Rural credit

In our drive to bring the low income group under our ever expanding financial inclusion umbrella, Bank Asia has always tried to focus on disbursing Agricultural/Rural credit which is one of the most influential macroeconomic driving sectors of our economy. In 2021, Bank Asia managed to distribute Tk. 6,052.88 million among 96,331 farmers as part of our agriculture/rural credit scheme.

### FINANCIAL INCLUSION

#### Agent Banking

Bank Asia pioneering in Agent Banking service in Bangladesh has gained significant progress within eight years of inception in terms of number of agents, accounts and deposits. Around 4.92 million unbanked people have already been included under our Agent Banking platform. The Bank has implemented 4,898 Agent outlets in 64 districts in most geographically dispersed poor segment of the society.

After overcoming the unprecedented challenges caused by the pandemic, the Bank undertook several risk mitigation measures going into 2021. Some of these measures include online communication tools for business meetings, implementation of eKYC for account opening, alternative verification tool for different payments in conjunction to bio-metric systems, virtual training and virtually inaugurating outlets, arranging meetings and interview sessions with partner, etc. Based on these actions, in 2021 we successfully managed to increase our number of agent accounts by 36% compared to the previous year and the deposit amount stood at Tk. 33,875 million which was increase of 20% in comparison to 2020.

### Post Office Banking

With a vision to expand network and ensure service reach to grass root level bank has built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government. From now on people will get Bank Asia service from Digital Post e-Centre across the country. The Post Office Banking division currently has 920 outlets with 3,895 agents onboarded. Currently there are 108,993 active accounts with deposits and advances standing at Tk. 1,376 million and Tk. 51.93 million, respectively.

### ABAK (Amar Bari Amar Khamar) & Social Safety Net Program

Bank Asia Limited is the pioneer in digital financial inclusion in Bangladesh by implementing "Amar Bari Amar Khamar" (ABAK) previously EBK a government project for the poor, ultra-poor and



Fishery Project financed by Bank Asia

landless people of Bangladesh focusing on Poverty eradication and reducing poverty level to 10% within 2021. Bank Asia is now operating ABAK Banking services for Phase III to 31 districts having 222 Upazillas and 1,200,000 beneficiaries where the operation has spread over 2,200 unions. Bank Asia provides online banking services through this ABAK project to unbanked people with good reputation in the above districts in Bangladesh. Over the time we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow and Disabled beneficiaries. Under our social safety net program, we have managed bring 1,403,072 beneficiaries in 2021 spread over 17 districts and 65 Upazilas.

### Micro Merchant

Micro Merchant is another forward milestone for Financial Inclusion of Bank Asia and 2021 has been a milestone year for us. We have newly onboarded 39,906 new micro merchants for a total of 51,237. Total number of transactions in our micro merchant channel stood at 3.33 million worth Tk. 5,501 million. Bank Asia has received "Bangladesh

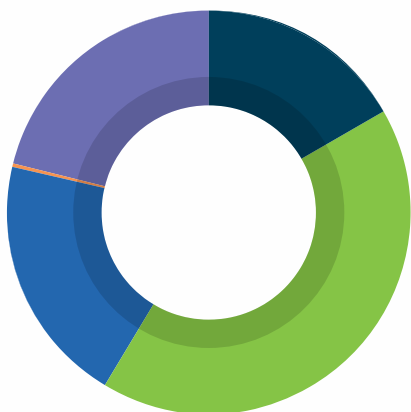
Innovation Award 2021” in the Banking category from Bangladesh Brand Forum (BBF) for outstanding efforts for digital payment through Micro Merchant channel.



Providing service from Micro Merchant

### Community Supportive Investment

Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In 2021, Bank Asia spent an amount of Tk. 247.45 million for the overall betterment of the nation. The Bank’s stakeholders were immensely benefitted by way of its community based social programs; education support where total donation was Tk.42.00 million (16.98%), health support Tk.104.70 million (42.31%), disaster management Tk.48.85 million (19.74%), art & culture Tk. 1.00 million (0.40%) and others Tk.50.90 million (20.57%).



### Community Investment 2021

Million Taka

Education **42** | **17%**

Health **105** | **42%**

Disaster Management **49** | **20%**

Art & Culture **1** | **0.4%**

Others **51** | **21%**

### Foreign Remittance

In 2021, the wage remittance inflow for the year ended at USD 1,515 million with a growth of 30% against country growth 2%.

Bank Asia is the pioneer and prominent in Financial Inclusion through introducing Agent Banking Model that helps us to grow in cross border remittance business. Despite the Covid-19 pandemic, we’ve registered 30% growth over 2020. We’ve ranked 5th position among banks of the country and contribute 7% of the country’s wage remittance inflow.

### Online Payment Gateway Services(OPGS)

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like ‘Payza’ and ‘Payoneer’ to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2021, we have done 4,74,642 transactions of Tk. 155.6 million. In 2021, Bank Asia participated as Platinum Sponsor in the BASIS Outsourcing Award where IT exporters in different categories were awarded including District Wise, Female Category, Entrepreneurs, Start-up, etc.

### Financial Assistance from Government

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

### Compliance

Bank Asia is very much conscious about legal and regulatory compliances. The bank reports regularly to the central bank, the Bangladesh Securities and Exchange Commission, tax & VAT authorities on required compliance issues. During 2021, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh.



# Financial Inclusion at a glance

With the experience from ABAK operation and Agent Banking, Bank Asia has become capable enough to provide services to all Government Social Safety Net Programs. Over the time, we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow and Disabled beneficiaries.

## Services covered under this program:

- Old aged allowances
- Disable allowances
- Widow allowance
- Maternity & Lactating mother allowance
- Wages of road maintenance workers
- VGD allowances
- Food security allowances (Cash payments)
- Disable Education Stipend allowance
- UNDP safety net payment
- Rohingya caregiver payment
- National Payment service with Ministry of Youth.

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

Particulars	ABAK	Social Safety net	UDC (Digital Center) Agent Banking	Women's Affairs Programs	Jubo Unnayan Project	EGPP	ORPHAN ROHINGYA CHILD, UNICEF	UNICEF, ORPHAN ROHINGYA CHILD	UNDP
District	31	17	57	55	7	19	1	54	47
Upazilas	222	65	399	301	7	33	2	335	183
UDC	230	653	3,224	1949	37	128	-	2264	981
Beneficiaries	1,200,000	14,03,072	3,554,892	293,940	4,406	24,965	4,000	765,224	116,785
Deposit / Disburse (Million Tk.)	4,700.44	1,929	12,355	720	28.37	5.45	179	281.5	41.7

Over the time, we have made the relationship with beday & transgender Community through opening Bank Accounts with the help of Social Welfare Department under Ministry of Social Welfare and providing services where 10,38,072+ beneficiaries are getting banking service from their own union. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and 76 unions for disbursing the daily woman worker wages payment for 3000+ beneficiaries from their union. Cash for work is another prestigious program for Bank Asia which is running by Ministry of Disaster, with around 14+ Unions covering around 4500+ beneficiaries.

Moreover, SHOUHARDOH -III is a project of CARE Bangladesh operating in 8 districts (Gaibandha, Kurigram, Sunamganj, Habiganj, Kishoreganj, Netrokona, Sirajganj, Jamalpur) of Bangladesh. Bank Asia is providing online cash management support in this project. Main objective of this project is financial inclusion in rural areas. There are about 168,000 beneficiaries in this project. Also providing service to 2,93,940 lactating mother beneficiary & 4,406 beneficiaries in National Payment Service which is increasing day by day.

So all over the country already 53,79,559+ beneficiaries are getting the banking services from Financial Inclusion Department of Bank Asia limited.



ABAK beneficiary backyard meeting with Village Development Association at Gazipur.





Financial Inclusion Department providing Social Safety Net payment through Micro Merchant channel.



Beneficiary receiving services from Union Digital Center at Rajbari, Faridpur.



Customer withdraw money from Micro Merchant Point at Munshiganj, Dhaka.



Disable beneficiary of Social Safety Net Program taking Disability allowance from Union Digital Center

# Sustainable HR Development



## EMPLOYEE PROFILE

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

## SALARY POLICY

We target a fair human resources management by using a performance based system. Our salary policy is same in all branches and service points for the beginner level. In addition, to drive further development of individual skill, increment is given based on performance yardstick. There is no incident of discrimination in terms of remuneration provided to male and female employees.

## BENEFITS TO EMPLOYEES

Every employee is paid salary on monthly basis, which is a combination of basic salary, fringe benefits and other benefits disbursed on 25th of each month or previous working day if 25th is holiday. Considering the health safety of the employees due to the unprecedented outbreak of COVID-19 pandemic, PMD has amended Quarantine Leave Policy and introduced Sick Leave Policy for the employees of the Bank. Bank Asia's benefit schemes are as follows:

Fringe Benefit Schemes	Other Benefit Schemes
<ul style="list-style-type: none"> <li>● House rent allowance</li> <li>● Conveyance allowance</li> <li>● Medical allowance</li> <li>● Entertainment allowance</li> <li>● House maintenance allowance</li> <li>● Utilities allowance</li> <li>● Car maintenance allowance charge</li> <li>● Risk allowance</li> </ul>	<ul style="list-style-type: none"> <li>● Group Health Insurance</li> <li>● Benevolent</li> <li>● Leave fare assistance</li> <li>● Furniture allowance</li> <li>● House Building Loan (HBL)</li> <li>● Car loan</li> <li>● Provident fund loan</li> <li>● Mobile phone allowance (talk time)</li> <li>● Mobile handset allowance</li> <li>● Ex-gratia payment</li> </ul>
End Service Benefit Plans	Minimum Notice Period Regarding Operational Changes
Bank Asia provides the following benefit plans to its employees on retirement according to individuals' entitlement <ul style="list-style-type: none"> <li>● Provident fund</li> <li>● Gratuity</li> <li>● Superannuation</li> <li>● Leave encashment</li> </ul>	Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees. Minimum notice period before changing department is 1-30 days as per situation or demand of concerned branch/ department.

## New Employees

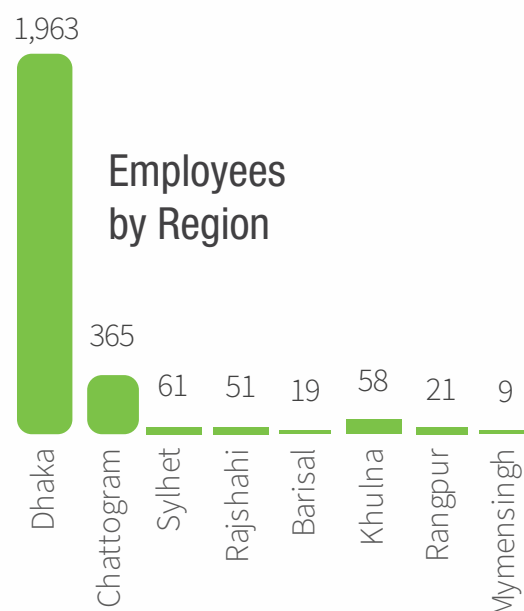
155 new employees were recruited during 2021 where 36% for branches & 64% for Corporate Office to ensure effective and timely support.

## Employees by Diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees 2,544 dominated in diversity composition and 3 indigenous.

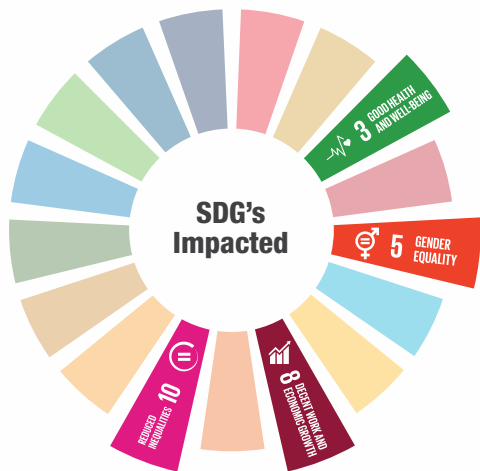
## Employees by Region

Bank's employees are mainly spread over Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 77.07% in 2021 for corporate office and branches in Dhaka city. We follow fair hiring process which demonstrates no discrimination in locality, religion of employees in this process.



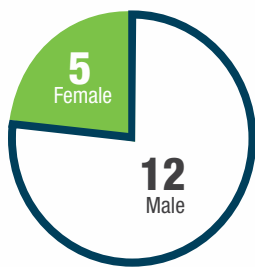
## Gender Positioning of Employees

Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels



- 3** To ensure safe & healthy workplace & overall well-being of our employees, various initiatives have been undertaken
- 5 - 10** Fair hiring process & no discrimination irrespective of locality, gender or ethnicity of employees
- 8** To improve professional efficiency Bank Asia puts highest importance on training & workshop

### Gender Positioning of Directors



### Employees by Employment Hierarchy



### Gender positioning by

**1,979**

Employment level

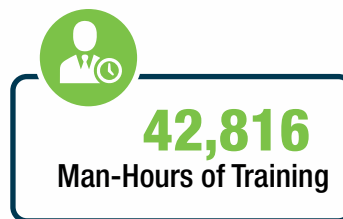


**568**

2.51%

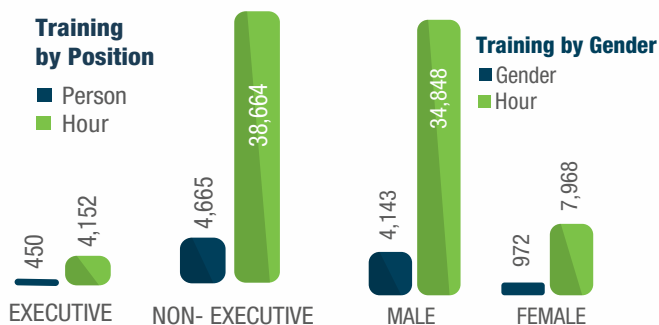
Turnover Rate

0.82%



### LEARNING & DEVELOPMENT

As "Efficiency" is our strength Bank Asia continuously provide training to maintain the highest level of operational efficiency, customer focus, and people orientation to employees. Because of Covid19 pandemic we provide 657 virtual training to employees for increasing their knowledge, develop skill and bring change in attitude at individual, task & organizational level.



### Bank Asia and Green Banking

- Bank has organized 4 foundation training courses under (Bangladesh bank, BIBM, Foreign Training, Training by other institutes) each 6 weeks long for entry level employees to improve knowledge base and proficiency in banking. Training Institute of Bank Asia has provided 6 trainings on Green Banking under Foundation training course & other training related to Green banking to 256 employees.
- A number of training and workshop was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, financial inclusion, CSR and Green Banking
- Through OCAS (Online Credit Approval System) Diganta software 23,500 credit proposals worth Tk. 14,450 million have been approved as of 31st December 2021.
- Electronic sanction archive system has been developed for 6 departments; namely: CRM, CMSE, I.B.D., SAMD, CFC & Agricultural wing.
- Implemented Artificial Intelligence Workforce (AIW) bot for verifying NID of customers



## Sustainable HR Development

### Training by Different Institutes

Particulars	2021	
	Nos.	Hours
In House Training	146	38856
Bangladesh Bank	05	568
BIBM	31	1952
Overseas/Foreign Training	03	160
Training by other Institutes	23	1280
Total	208	42,816

### Anti-Money Laundering Training

Bank Asia aims to complying Central Bank's comprehensive guidelines on Trade based Money laundering in each trade transaction & working on awareness & expertise of all concerned officers/ executives and relationship officer/Relationship manager as to identify & manage money laundering risk. Bank Asia is committed to preventing money laundering and terrorist financing. Anti-Money Laundering Department (AML), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 100% of total employees (Branch/Corporate Office) obtained AML & CFT related training

### Breast Cancer Awareness Program

Bank Asia has arranged a virtual Breast Cancer awareness program titled 'Myths of Breast Cancer' for all female employees of the bank on the occasion of Breast Cancer Awareness Month 2021. The program was held on 23 October 2021 in collaboration with Cytecancer Hospital with the support of MediAider Ltd.



### OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT

All the branches, SME service centers and SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces and adequately equipped with fire-fighting equipment and fire drills. The COVID-19 infected employees have been provided all out support. The emergency support team of the Bank took care of the infected employees by providing proper doctor's advice, foods, emergency medicine, oxygen and ambulance facilities. A team of logistics and support services department of the bank is specially entrusted to visit regularly to monitor cleanliness, safety measures and other amenities remains ensured in all outlets. If found any deviation, take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.

### Maternity Leave

As per bank's policy, every female employee is entitled to get 6 months' maternity leave with regular salary and allowances. During 2021, 66 female employees availed 180 days each with a total of 11,880 days. An employee can avail this leave not more than two occasions during the entire period of service.

### Paternal Leave

As per bank's policy, any employee who has been in the continuous service of the bank is entitled to get 5 working days' paternal leave from the date of joining. An employee can avail this leave not more than two occasions during the entire period of service.

### Child Care Center Facilities

Bank Asia, in collaboration with 20 other private commercial banks, has established a child day care center named "Pushpita" with a total space area of 5,666 sq. ft. There are 9 nannies, 7 teachers, 1 supervisor, 1 child care co coordinator and 1 cleaner for overall maintenance of the center. Parents have the opportunity to watch their babies through their device from anywhere, any time through Live CCTV footage.

### Cleaning Day

The administration chose to watch 'CLEANING DAY' on the 'FIRST SATURDAY' of each alternative month where all workers of the branch and the Corporate Office effectively take an interest. On the 'CLEANING DAY', every one of the employees turns up at their particular Branch/Department and engages themselves in cleaning the premises including all office gear and fixtures.

## EMPLOYEE PERFORMANCE EVALUATION

Bank Asia established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/ or qualitative performance vis-à-vis set target of a given year. To evaluate the performance of Bank Asia's employees KPI is used in the following manner: We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors are introduced. The benefits of using KPI are the followings:

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

## CULTURAL EVENTS AND AMUSEMENT

### Celebration of Pohela Falgun 1427

Bank Asia has celebrated the first day of Spring of Bengali calendar 1427 in a festive manner. Employees enjoyed some different varieties of Pitha in the colorful event organized at Bank's corporate & branch offices simultaneously.



### International Women's Day

"Overcoming Hundreds of Barriers, Women are Moving Forward" - with this slogan, Bank Asia celebrates International Women's Day 2021 in a festive manner on 8 March 2021. The leading female employees from different arenas of the bank shared their stories of journey towards a successful career. Honorable Guests cut cake with the female employees of the bank after delivering their motivational speech.



**Bank Asia eLearning**

To pursue the endeavor to become a digitized and learning organization, Bank Asia has developed an online based learning platform namely “Interactive Learning Management System (ILMS)” traditionally known as “Bank Asia eLearning system”. It allows all the staffs, agents & agents’ staffs i.e. Customer Service Officer (CSO) of the agent outlets to strengthen their knowledge through study and take tests 24x7 from anywhere and on any device. This self-learning system is enriched with different lectures, quizzes and certificate courses on General Banking, Agent Banking, Islamic Banking, International Banking, Risk Management, Products & Services, Automation & Digital Banking, Business English for the Bankers and Soft Skills Development.

Entry & Junior level employees are now required to complete a minimum number of courses and participate in quick test within a calendar year. Some courses are mandatory for a certain group of employees. The courses & exams taken by an employee and related performance are considered as a part of his/her Key Performance Indicator (KPI).

Presently, as of December 31, 2021, this eLearning system was enriched with more than 161 topics, 203 lectures, 2,635 active participants. By the year 2022, Bank Asia eLearning aims to enrich this self-study system with more lectures & mandatory quick tests.

**Statistics as of Dec 31, 2021**

Indicators	Numbers
No. of Active Participant	2,635
Total No. of Course Enrollment	7,709
Total No. of Course Content Download	38,430
No. of Quick Test Exam Participation	39,992
Total No. of Lecture Available	203

**Celebrating International Father’s Day**

To appreciate the sacrifice and struggle of father, Bank Asia organized a program through digital platform on the occasion of Father’s Day 2021. Best employees from different departments/branches shared memories of their father on their road to success. There was recitation of poem with best regards to fathers. The bank has recognized the fathers of the best employees from all the departments & branches in this occasion.

**Transport Facilities**

At present 13 vehicles used for pick and drop facility specially for female employees of Bank Asia in Dhaka and Chittagong region where majority of the pool vehicles have been converted into CNG driven.

**Human Rights, Child Labor and Other Issues**

Bank Asia does not tolerate child, forced or compulsory labor. In 2021, no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

**Grievance Redressal Policy**

For building awareness regarding human rights among the employees in the bank, Bank Asia formulates

- Female anti-harassment policy
- Grievance handling policy

**POLICY, PRACTICES, AND PROPORTION OF SPENDING ON SUPPLIERS**

Bank Asia works with a wide range of suppliers and maintains good relationship with them. Our chain of suppliers consists of the following parties:

- Construction contractor
- Graphics and interior designers
- Advertisement agency

- Newspaper
- Printing maintenance
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator

**Practices related to Customer Satisfaction**

Customers are at the core of our business operations and it is imperative that we pay attention to providing the best customer experience possible. This year we conducted a survey on our customer’s “Net Promoter Score” which is a measure of how willing customers are to promote our organization to others. This was a follow up study of a survey conducted in 2018 under the same title. In the 2021 survey, we saw our net promoter score (NPS) increase to 29, which is considered “Very Good” from the baseline study’s score of 22 which was rated as “Good”. The percentage of satisfied customers increased to 71% from the baseline study’s 67%, whereas the percentage of dissatisfied customers decreased to 11% which was 12% in 2018.

**Statement on Compliance**

In the year 2021, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding use of product and services, information about product and services, marketing, communications, advertising, promotion. No incidents of fines/penalties have been recorded this year concerning the above mentioned issues.

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



# Bank Asia Foundation

Being a responsible corporate citizen, investing in activities for the betterment of society has been at the forefront of what we do. As such, Bank Asia invested Tk. 247.45 million in 2021 behind various societally beneficial activities.

Bank Asia Foundation (BAF) was inaugurated in 2017 with the aim of performing various CSR activities, especially investment in the health sector. With the goal, BAF set up a modern 250 bed Hospital at Malkhanagar, Sirajdikhan, Munshigonj and Medical College in 723 decimal land (donated by Mr. A. Rouf Chowdhury, Chairman of Bank Asia and BAF).

The hospital includes a modern Diagnostic Centre, a model Pharmacy and an OPD where healthcare services were provided & served 14,862 patients in 2021. The proposed 50 bed hospital (indoor service) of Bank Asia-Ma Amiran Hospital and Diagnostic Centre is being set up in the first and second floors of the existing three storied building with a total area of 26,000 sft.

Higher education scholarship to unprivileged and meritorious students has been the focal point of our CSR activities. Through BAF, the bank provided scholarship to 417 students worth Tk. 22.30 million to assist them in pursuing their educational endeavors towards a brighter future for themselves and their family in 2021. The activities of the BAF, amongst others, are as follows:

1. Providing treatment facilities through hospitals, clinics, medical & eye camps;
2. Giving scholarship to the well deserving students;
3. Distributions of blankets & warm cloths among the needy people;
4. Providing monetary & other support for the relief of affected by calamities such as food, fire, famine, cyclone & other natural calamities.
5. Promoting educational, scientific, religious & social activities/organizations
6. Other similar charitable activities



*Services provided by Bank Asia-Ma Amiran Hospital and Medical College*



*Outdoor unit of Bank Asia-Ma Amiran Hospital and Medical College*

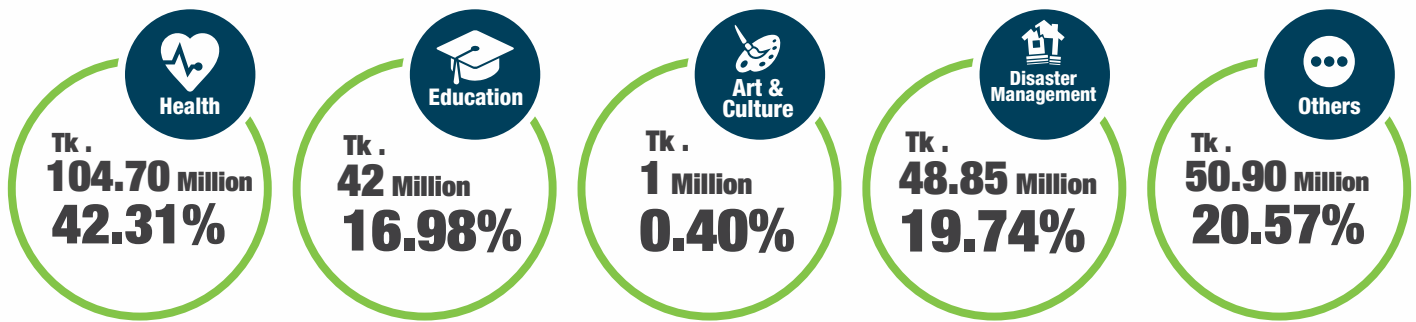


# Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) refers to self-regulatory mechanism whereby a bank ensures its active compliance with the spirit of the law, ethical standards and national or international norms. Bank Asia following the Bangladesh Bank principles, prioritizes in social and environmental values which will benefit the people of the country.



## Donation for Societal Improvement by CSR in matrix



Bank Asia donated blanket to Prime Minister Office

PM's Relief & Welfare Fund for prevention from COVID crisis  
Tk. 50.00 Million

Bank Asia donated for prevention of COVID-19 crisis & treatment of patients as well.

**Health** **Tk. 104.70 Million**

Establishing Hospital  
Tk. 53.49 Million

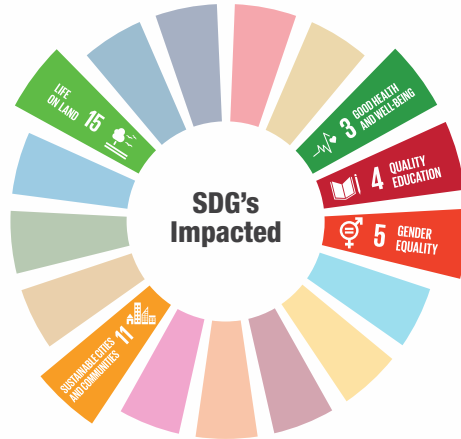
establishment of 2 hospitals (Azhar Fatema Medical College, Bhola & MA Amiran Hospital, Malkhanagar, Sirajdikhan, Munshigonj) and to meet different medical needs of Ganashasthya Kendra, Dhanmondi.

Provide financial assistance for Curative treatment of seven individual patients

Curative treatment of patients  
Tk. 1.21 million

**11** **15**

To provide better access to educational opportunities for those in needs towards enhancing their employability and to ensure inclusive & balanced society Bank Asia provides educational support to the society.



**3**

Through CSR activities Bank Asia tries to foster healthy communities towards enhancing well-being & productivity of the country.

**4 - 5**

To provide better access to educational opportunities for those in needs towards enhancing their employability and to ensure inclusive & balanced society Bank Asia provides educational support to the society.

**Higher Studies Scholarship  
Tk. 22.30 Million**

Bank Asia provided direct scholarship to 417 students for helping these students in pursuing their studies in the educational institutions.



**Tk . 42 Million**

**Construction of different institutions  
Tk. 8.84 Million**

Installation of a passenger lift to Motijheel Model School & College and Institute of Business Administration (IBA), Dhaka University, and construction of a building includes a training institute of DB, DMP

Contribution for purchasing desktop computer for Khulna Public College and braille & other training materials for BDDT & VTCB

**Purchasing desktops, braille & other training materials  
Tk. 10.86 million**



Bank Asia has donated Tk. 50 Lac to Dhaka Metropolitan Police (DMP) to support the extension building construction project of its Detective Branch (DB)

## Corporate Social Responsibility (CSR)



**Tk . 1.00 Million**

Bank Asia sponsored in conducting Golden Jubilee Bangladesh Concert at Maddison Square Garden, New York to commemorate the 50th Independence of Bangladesh



**Tk . 48.85 Million**

Bank Asia Donated more than 150,000 blankets distributed among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities



**Tk . 50.90 Million**

Donation to Bangabandhu Memorial Trust  
**Tk. 50 Million**

Donated to Bangabandhu Memorial Trust in memories of our Father of Nation Bangabandhu Sheikh Mujibur Rahman

Contributed to Child Day Care Center and financial help to the family of our deceased messengers

Others  
**Tk. 0.90 million**



Cover opening program of Sustainability Report of 2020

## Two Years Comparative analysis

Particulars	2021	2020	Growth
Total Assets	438,293	408,717	7.24%
Deposits	317,782	303,028	4.87%
Loans & Advances	262,267	244,642	7.20%
Import	225,789	141,289	59.81%
Export	141,496	108,549	30.35%
Inward Remittance	128,441	98,911	29.86%
Operating Profit	9,193	6,071	51.42%
Profit after Tax	2,707	2,036	32.94%
Shareholder's equity	27,357	27,381	-0.09%
Classified loan ratio	5.14%	3.24%	-1.37%
Earnings Per Share(Taka)	2.32	1.75	57.00%
Net Asset Value Per Share(Taka)	23.46	23.48	11.81%
Return on Equity	9.89%	7.81%	
Return on Asstes	0.64%	0.53%	

## Credit Rating

Rating	2021	2020
Long term	AA2	AA2
Short term	ST-2	ST-2
Import	225,789	141,289

Rated by Credit Rating Agency of Bangladesh Ltd. (CRAB) on June 30,2021 & will remain valid up to June 30,2022



# Customer Satisfaction Survey

Customers being the lifeline of our business operations, it is imperative that we pay close attention to how well we are able to serve them and how satisfied they are with the service.

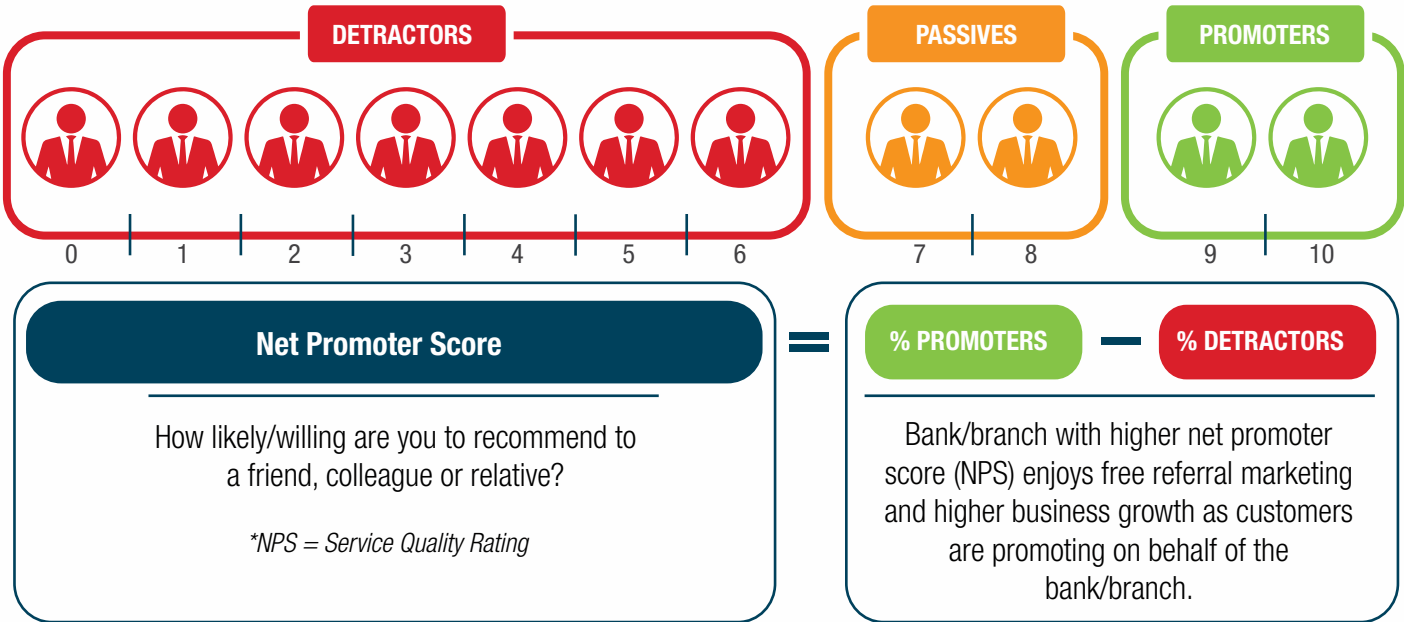
For this purpose, a follow up to a 2018 study on customer satisfaction was conducted to see the areas we have been able to develop and where we still have room to improve.

**Research Objective**

- Measure Customer Service Quality (CSQ)
- Identify strength, weaknesses & discomfort of CSQ
- Suggest action points to improve CSQ



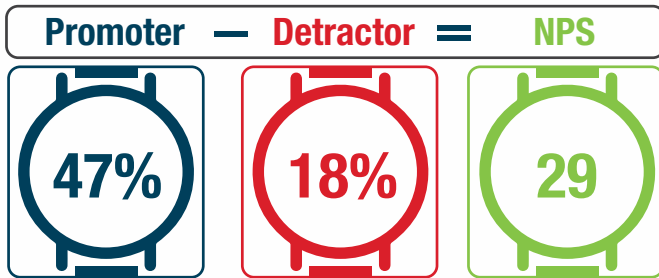
## Net Promoter Score (NPS) & Its Utilities



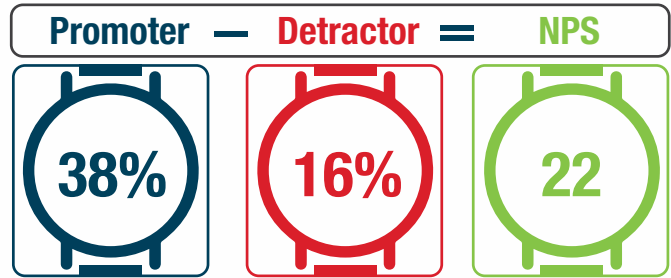
**NPS rating method:** NPS ≥ 50 = excellent, 25 ≥ NPS < 50 = Very Good, 10 ≥ NPS < 25 = Moderate, 0 ≥ NPS < 10 = Poor, NPS < 0 = very poor

## NPS: Service rating improved from “Good” to “Very Good”

### Follow-up



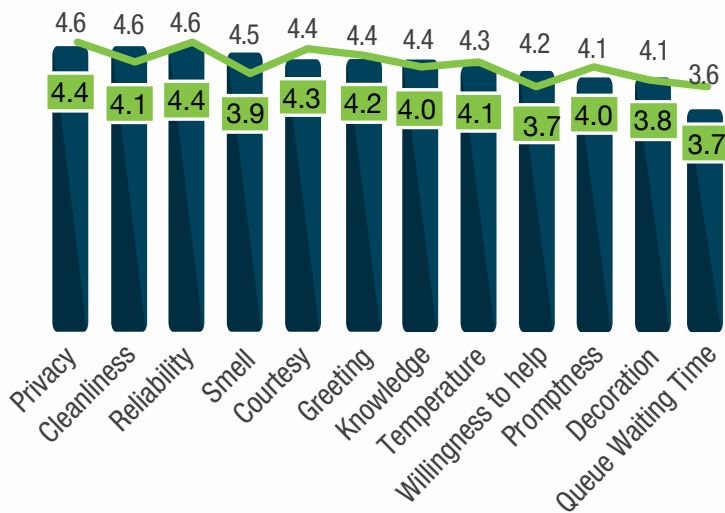
### Baseline



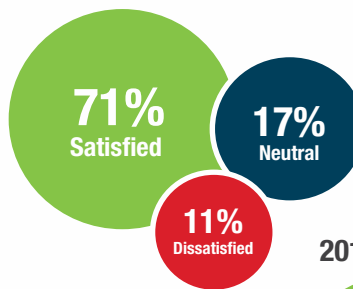
## Service Quality

\*Score out of 5

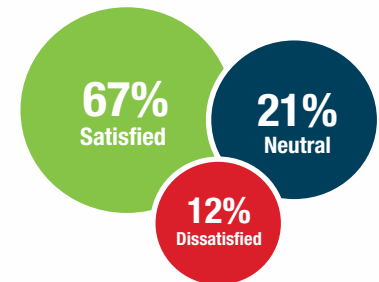
Follow-up Score  
Baseline Score



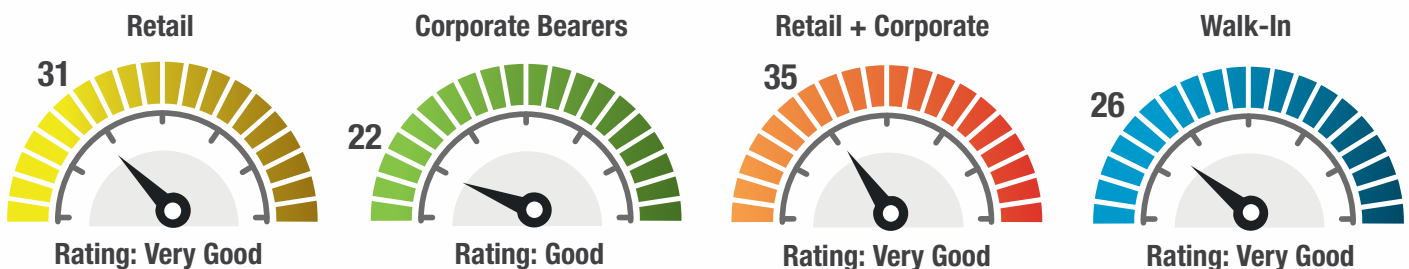
### 2021: Follow-up Study



### 2018: Baseline Study



## Segment wise NPS



## Key Findings

Service has improved from “Good” to “Very Good” mainly owing to factors such as increasing customer visits and calls, providing uninterrupted banking service during the covid-19 pandemic, continuous individual coaching and guidance as well as emphasis on customer service quality during the Sunday meetings

# Market Performance

Financial Calendar	Announced On
Audited Consolidated result for the year ended 31 December 2020	March 18, 2021
Unaudited Result for the first quarter ended 31 March 2021	April 27, 2021
Unaudited Result for the second quarter and half year ended 30 June 2021	July 29, 2021
Unaudited Result for the third quarter ended 30 September 2021	October 31, 2021

Distribution of Dividend	Details
(Cash% - Stock%)	10% Cash
Announcement Date	March 18, 2021
Record Date	April 29, 2021 (AGM)
Distribution Date	April 08, 2021
Notice of 21 <sup>st</sup> Annual General Meeting	May 06, 2021
22 <sup>nd</sup> Annual General Meeting	April 07, 2021
	April 29, 2021

## Stock Detailed

Particulars	DSE	CSE
Stock Symbol	BANKASIA	BANKASIA
Company ID	11127	22022
Listing Year	2004	2004
Market Category	A	A
Electronic Share	Yes	Yes
<b>Total Number of Shares</b>	<b>11,65,906,860</b>	<b>11,65,906,860</b>

DSE Trading Days (2021)	240
Year End Closing Price (December 30, 2021)	21.80

## Availability of Information about BANK ASIA

Annual Integrated Report 2021 and other information about Bank Asia may be viewed on Bank's Website:

[www.bankasia-bd.com](http://www.bankasia-bd.com)

## Corporate Office

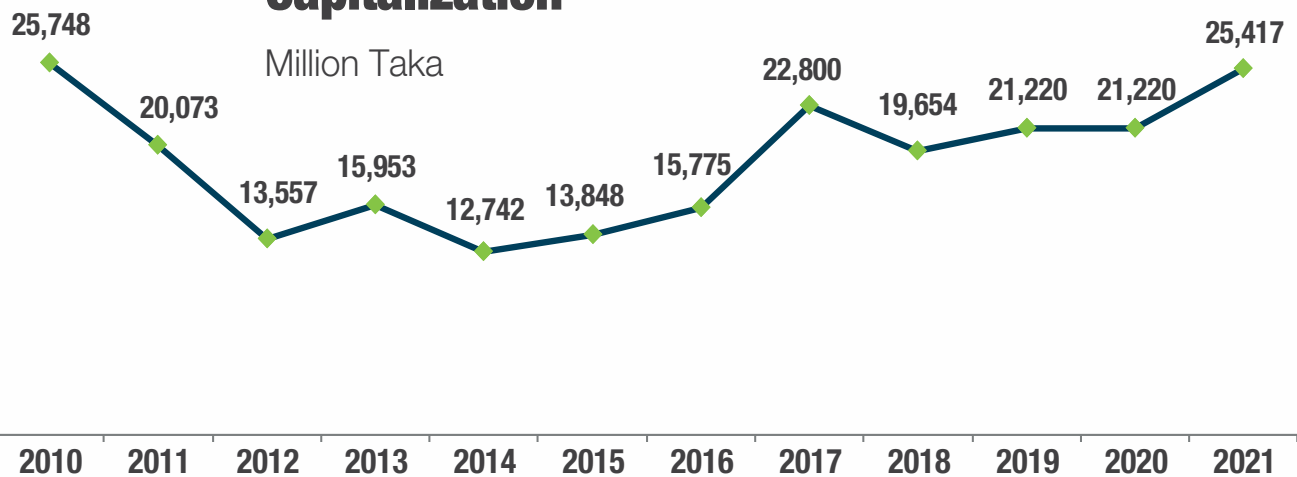
Bank Asia Tower (2nd Floor)  
32 & 34 Kazi Nazrul Islam Avenue,  
Karwan Bazar, Dhaka-1215  
Phone: +8809617001100, Ext: 1213,1215  
Fax: +8855013976  
E-mail: [bankasia@bankasia-bd.com](mailto:bankasia@bankasia-bd.com)

Bangladesh capital market reached to new height in one half years with a new commission which was formed in 2020. The participation of buoyant investors was on rise day by day considering favorable market environment. Despite the deterioration of the pandemic, institutional investors' funds have continued to flow to the stock market. People has become now optimistic about the stock market because of some prudent measures initiated by BSEC. Besides, the low interest rate in the banking sector, additional liquidity injection by the central bank, and the government's proactive role, favorable economic condition drew extra mileage.

The Market in 2021 witnessed some records in a row. The benchmark index- DSEX created new peak to 7,410 on October 10, 2021 since its inauguration of this DSEX in 2013. This year market return was 25.08%. Considering the bottom in the last year, DSEX was at 3,603 on March 18, 2020, the market index surged by 88% to 6,757. The turnover in current year the daily turnover reached to new records to about Tk. 30,000 million after 2010. The daily avg. turnover in 2021 was Tk. 14,749 million, it is 162% higher than 2020. The market cap reached the highest mark to Tk. 5,863,190 million. The market cap increased by 31% to Tk. 5,421,964 million from Tk. 4,482,301 million. The turnover of the stock market has increased consistently along with the market capitalization. Market P/E was 16.29 compared to 16.53 last year. Along with the bull 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 353.79 million, grew by 604%, in 2021 against BDT 52 million in 2020. Number of total active clients reached at 11,626 in the end of 2021, which was 9,985 in December 2020.

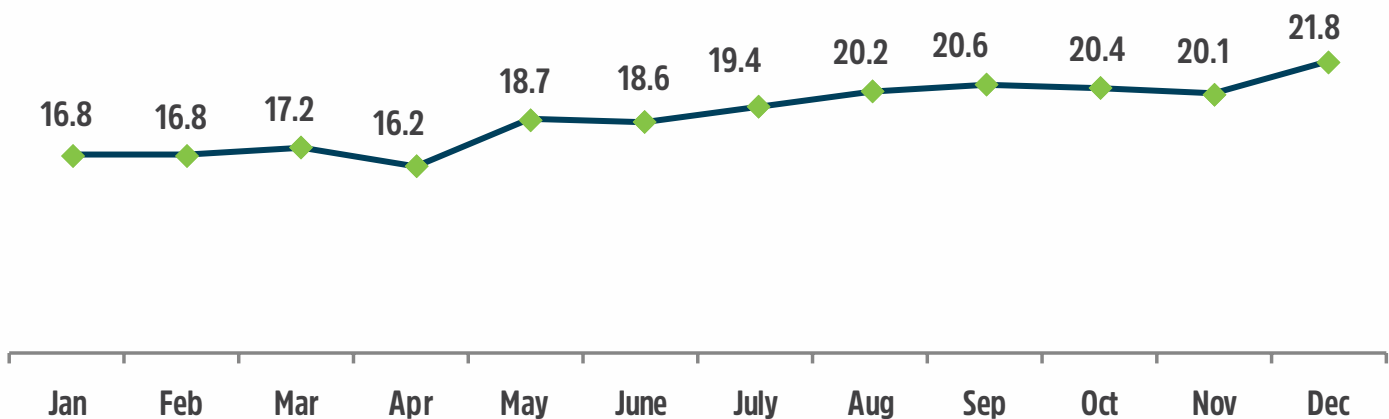
Margin loan outstanding stood at Tk. 4,244.36 million in December 2021, which was Tk. 4,810.79 million in December 2020.

## Market Capitalization

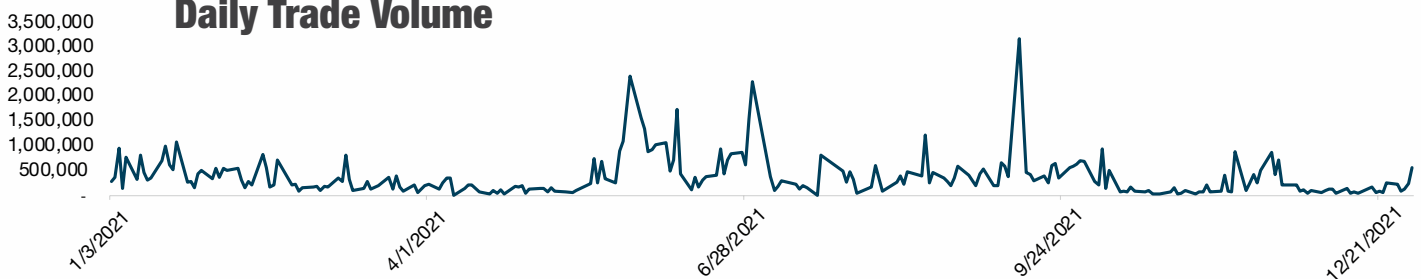


## Market price of Share 2021

Month End Price



## Daily Trade Volume

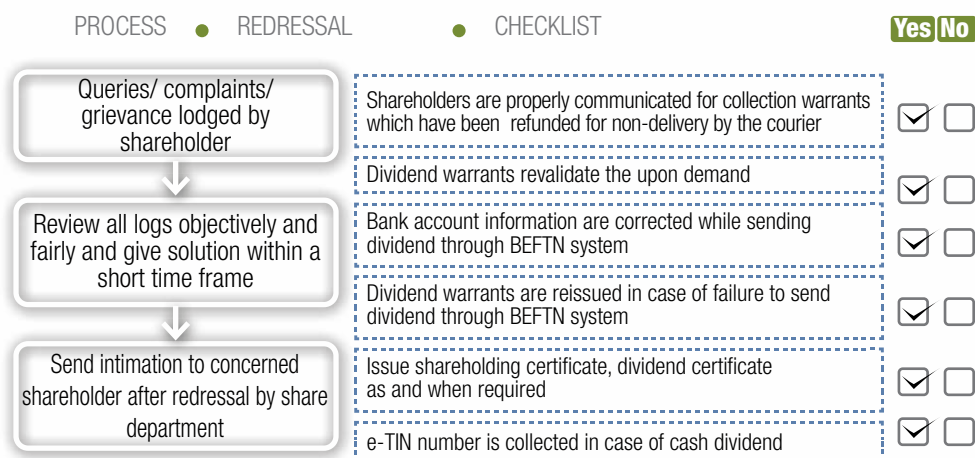




# Stakeholders Relationship/ Grievance Redressal

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

Bank Asia strongly believes in equitable treatment to every shareholder. We resolve any shareholders' complaint on a priority basis and have committed to serve the appropriate mechanism to address the shareholders' grievance within the time frame stipulated by the Bank.



## REDRESSAL PROCESS OF BANK ASIA LIMITED

- Complaints raised by the investors/ shareholders must be dealt with courtesy and in a timely manner
- Complaints are treated and solved efficiently and treated fairly
- Communicate to the shareholders for collection of the dividend warrants which have been refunded for non-delivery by the courier
- Revalidate the dividend warrants upon demand
- Correction of bank account information while sending dividend through BEFTN system
- Re issue of dividend warrants, in case of failure to send dividend through BEFTN system

- Issue shareholding certificate, dividend certificate as and when required
- E-mail or letter must be send to all the investor who have submitted written complaints
- Request for e-TIN number in case of cash dividend

## Redressal Statistics 2021

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> <li>● Demat 499,920 shares;</li> <li>● 34,765,678 bonus shares credit among the shareholders from suspense account</li> <li>● Re-issue 1,072 dividend warrants for the year 2020 (which were returned from BEFTN)</li> <li>● Issuance of 60 shareholdings certificate for income tax purpose;</li> </ul>	<ul style="list-style-type: none"> <li>● Demat confirmed all the shares timely;</li> <li>● Credit all the shares as requested;</li> <li>● 1,072 duplicate fractional dividend warrants for the year 2020 issued</li> <li>● 60 shareholdings certificate were issued;</li> </ul>

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

## REDRESSAL POLICY



### SHAREHOLDER'S PERSPECTIVE

Bank Asia redressal system covers the following issues

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

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



### CUSTOMERS' PERSPECTIVE

Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). Like investors we also address up our customers queries and complaints through our corresponding department, division or unit. All the complaints are centrally handled by BOD (Branch Operation Department). In 2021, the Bank received 94 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within 5 days (approx.) in which some complaints were met up within 24 hours. We have already introduced Branch level customer service & complaint management desk (BLCS & CMB) introduced at all branches of the bank. Moreover the year 2021 declared as the Year of Employee Welfare



### EMPLOYEES' PERSPECTIVE

Employees are the main resource of the Bank, the human capital. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment we have separate Grievance Handling Policy and Female Anti- Harassment Policy. Our People Management Division takes necessary measures to redress if any adverse situation arises. In 2021, we didn't receive any significant complain related to our employees.

### Redressal point for Shareholders

Bank Asia Limited  
Corporate Office  
Bank Asia Tower, Level: 02  
32 & 34, Kazi Nazrul Islam Avenue  
Karwan Bazar, Dhaka  
Phone: +8809617001100 | EXT: 1213-1215



# Corporate Governance Report

The table below gives an overview of the locations of our Corporate Governance statement

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## Corporate Governance

Corporate Governance refers to the relations between the management of a company and its Board of Directors, shareholders and other stakeholders. Corporate Governance also provides a framework for setting out a company's objectives and the means for achieving these and for tracking its performance.

Source: OECD



# Report on the Activities of the Audit Committee



## Report on the Activities of the Audit Committee

Audit Committee (the 'Committee') is the prime sub-committee of the Board of Directors (the 'Board') of Bank Asia Limited. The purpose of the committee is to assist the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the Bank's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit function; (iii) the annual independent audit of the Bank's financial statements, engagement of independent auditors and evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Bank with regards to legal and regulatory requirements; (v) the implementation and effectiveness of the Bank's disclosure controls and procedures; (vi) the evaluation of enterprise risk issues and (vii) the fulfillment of the other responsibilities set out by the regulators and the Board.

## Composition of Audit Committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44<sup>th</sup> meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives.

The present Audit Committee of the Board is comprised of five Members of the Board of Directors including three Independent Directors having one Independent Director as Chairman in accordance with the Notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013.

The present Audit Committee was reconstituted by the Board in its 453<sup>rd</sup> meeting held on April 29, 2021 consisting of the following members:

Names	Status with the Board	Status with the Audit Committee
Mr. Dilwar H Choudhury	Independent Director	Chairman
Mr. Mohd. Safwan Choudhury	Vice Chairman	Member
Mr. Ashrafal Haq Chowdhury	Independent Director	Member
Major General Mohammad Matiur Rahman (retd.)	Director	Member
Mr. M. A. Baqui Khalily	Independent Director	Member

The Company Secretary acts as Secretary of the Committee. The Head of Audit, although being a part of Internal Control & Compliance administratively, reports directly to the Chairman, Audit Committee of the Board (ACB) and will be responsible to the ACB. The Head of Internal Control & Compliance (ICC) of the Bank concurrently reports to the Chairman, Board Audit Committee and the President & Managing Director of the Bank.

## Access to the Committee

On any matter within the Committee's Charter, the Head of Internal Control & Compliance and Head of Audit have direct access to the Audit Committee.

## Roles & Responsibility of Board Audit Committee

The roles and responsibilities of Audit Committee have been defined in line with the relevant provisions of Corporate Governance Guidelines/ Notification issued by Bangladesh Bank and BSEC, two paramount regulators for the Bank, and other best practices of governance. The following functions are common recurring activities for the Audit Committee of the Bank in carrying out its responsibilities in addition to any other responsibilities which may be assigned from time to time by the Board:

### a) Internal Control

- Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Review the management's actions in computerization of the Bank and its applications and Management Information System (MIS).
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been embraced by the management.
- With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor and control risk.
- Review Management Letters issued by the statutory auditors.

### b) Financial Reporting

- The Audit Committee checks whether the financial statements reflect complete and accurate information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Bangladesh Bank;
- Discuss with the management and external auditors to review the financial statements before finalization.
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review statements of significant related party transactions submitted by the management.
- Review the management's discussion and analysis before disclosing in the annual report.

### c) Internal Audit

- Monitor/evaluate whether internal audit functions are truly independent.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.

## Report on the Activities of the Audit Committee

- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

### d) External Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the bank's external auditors.
- Oversee the relationship with the external auditors including:
- Approval of their remuneration, i.e. fees for audit or non-audit services.
- Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
- Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business).
- Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their views and any issues arising from the audit.
- Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.

### e) Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board have been duly complied with.

### f) Other responsibilities

- Submit a comprehensive compliance report to the Board on a quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
- External and internal auditors shall submit their related assessment report, if the committee solicits;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

### Reporting to the Board

The Audit Committee regularly reports its activities to the Board of Directors following each meeting. The Audit Committee report immediately to the Board of Directors in case of any of the following findings are observed:

- Report on conflict of interests;
- Suspected or presumed fraud or irregularity or material defect in the Bank's internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which shall be disclosed to Board immediately.

### Reporting to the Authorities:

Report anything which has material impact on the financial condition and results of operation.

### Meetings of the Audit Committee

A total of 09 (Nine) Audit Committee Meetings were held during the year 2021 against minimum 04 (Four) meetings as per regulatory requirement. Meeting dates are as follows:

Sl. No.	Meeting	Date of Meeting
1.	214 <sup>th</sup> Audit Committee Meeting	28 January, 2021
2.	215 <sup>th</sup> Audit Committee Meeting	18 March, 2021
3.	216 <sup>th</sup> Audit Committee Meeting	27 April, 2021
4.	217 <sup>th</sup> Audit Committee Meeting	23 June, 2021
5.	218 <sup>th</sup> Audit Committee Meeting	29 July, 2021
6.	219 <sup>th</sup> Audit Committee Meeting	26 August, 2021
7.	220 <sup>th</sup> Audit Committee Meeting	27 September, 2021
8.	221 <sup>st</sup> Audit Committee Meeting	10 October, 2021
9.	222 <sup>nd</sup> Audit Committee Meeting	31 December, 2021

### Major issues reviewed by the Audit Committee during 2021

In addition to regular concerns such as review of existing risks & mitigation measures, compliance culture of management, monitoring internal audit function and financial statements, Audit Committee gave special focus on timely return, findings and recommendations of External & Bangladesh Bank auditors etc. In the year 2021, the Audit Committee reviewed and discussed the following issues, amongst others:

- Annual financial statements of the Bank for the year ended 31 December 2020 as certified by the External Auditors before submission to the Board for consideration.
- Summary of Audit and Inspection reports on the Branches, Divisions and Departments of the Bank.
- AML/CFT Issues of Audit and Inspection reports on the Branches.
- Annual Risk Based Audit Plan.
- Management Letter of the Bank submitted by the external auditor for the year ended 31 December 2020.
- Un-audited quarterly and half-yearly financial statements of the Bank.
- Bangladesh Bank comprehensive and Core risk inspection report and the recommendations made therein.
- Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank.
- The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in their reports.
- Draft Annual Integrated Report of the Bank.
- Annual Integrated Health Report of the Bank.

- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- On-site & Off-site Monitoring Reports.
- Irregularities/Lapses in the Quarterly Loan Documentation Checklist (LDCL) including compliance status.
- Shortcoming/Deviation in the Quarterly Operations Report (QOR) including compliance status.
- Half-yearly Self-Assessment of Anti-Fraud Internal Controls including implementation status.
- Status of recovery of classified loans and necessary guidelines provided to the management to reduce Non-Performing Loan (NPL).
- Submission of Audit Committee's decision and implementation status on Audit Observations to the Board of Directors (BOD) of the Bank.
- Appointment of Auditors.
- The overall effectiveness of Internal Control Policy, Practice and Procedure of the Bank.

The minutes of the Audit Committee Meetings with observations and recommendations were circulated among the members of the committee and to the Board of Directors of the Bank for information.

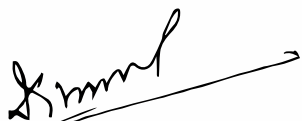
#### **The Audit Committee further affirmed that:**

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board are duly complied with.
- Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
- The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.
- The good governance is in place in the Bank.

#### **Acknowledgement**

The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee. The Committee is also grateful to both Bangladesh Bank and to the Bangladesh Securities and Exchange Commission for the direction and guidance, which facilitated due discharge of its duties and responsibilities.

On behalf of the Audit Committee,



**Dilwar H Choudhury**

Chairman

Audit Committee of the Board



## Statements of Directors' responsibility to establish appropriate System of Internal Control

Strengthening and streamlining internal control system has significant importance and governance to attain short-term business objectives and long-term sustainability. During the year, market liquidity was tighter, interest rate was lower, private credit demand was high, and the challenge of ensuring effective internal audit and control system were even greater.

The board is cautious on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/ investment portfolio. The board review quarterly the reports submitted by its audit committee regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

The Directors acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations. They annually review the qualification, expertise and resources, and independence of the external auditors and the effectiveness of audit process and recommendation on re-appointment.

Directors confirm that the Board, through its committees, has reviewed the effectiveness of the bank's systems of internal control for the year ended 31 December, 2021. This process involved a confirmation that a system of internal control in accordance with best financial reporting practice was in place throughout the financial year and up to the date of signing of these financial statements. It also involved an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and bank's risk management functions and the extent to which various significant challenges are understood and are being addressed.

On Behalf of the Board of Directors,

  
A Rouf Chowdhury  
Chairman

## Statement of Directors' on Adequacy of the System of Internal Control

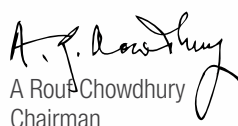
The Board of Directors follows some definite rules and regulations as stated in The Banking Companies Act 1991 (amended up to 2018). Therefore, the directors tried their level best to maintain sound corporate governance and performed their responsibilities. Broad business strategy, significant policies for internal control system and risk management have been taken properly and risk based internal audit has been accomplished as per 'section 15 Kha & 15 Ga of the Bank Company Act 1991 (amended up to 2018)' for ensuring that the bank is appropriately and effectively managed and controlled.

The Board has supervised the policies and various parts of businesses to construct an effective internal control system which is essential for sustainable growth maintaining efficient conduct of business. They have also reviewed the adequacy and completeness of accounting records, well preparation of financial information, and efficient management of risk, strengthening bank's assets and overall internal control process.

By forming the audit committee, the Board of Directors monitors the functional and effectiveness of internal control system. All the conditions depicted in the Banking Companies Act 1991 (amended up to 2018), guideline issued by Bangladesh Bank and corporate governance guidelines issued by Bangladesh Securities and Exchange Commission have been properly maintained at the time of preparing the Audit Committee. The principal activity of the Audit committee was to review the internal control system as well as managing the core risk of the bank. The process for monitoring compliances with laws and regulations and codes of business ethics have been properly reviewed by the committee.

The Audit Committee has observed the arrangements for increasing the internal control features to the prevalent management information system (MIS). They have also reviewed the corrective initiatives undertaken by management corresponding to fraud-forgery and deficiencies in internal control identified. All the compliance reports have been properly presented before the board of directors and regulators in a timely manner and all other regulatory functions about internal control system of the bank have been executed explicitly.

On Behalf of the Board of Directors,

  
A Rouf Chowdhury  
Chairman

# RESPONSIBILITY STATEMENT OF MD AND CFO

Name of the company: **Bank Asia Limited**

Declaration by MD and CFO

March 18, 2022

The Board of Directors

Bank Asia Tower

32 & 34, Kazi Nazrul Islam Avenue

Kawran Bazar, Dhaka-1215

Subject: Declaration on Financial Statements for the year ended on December 31, 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bank Asia Limited for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

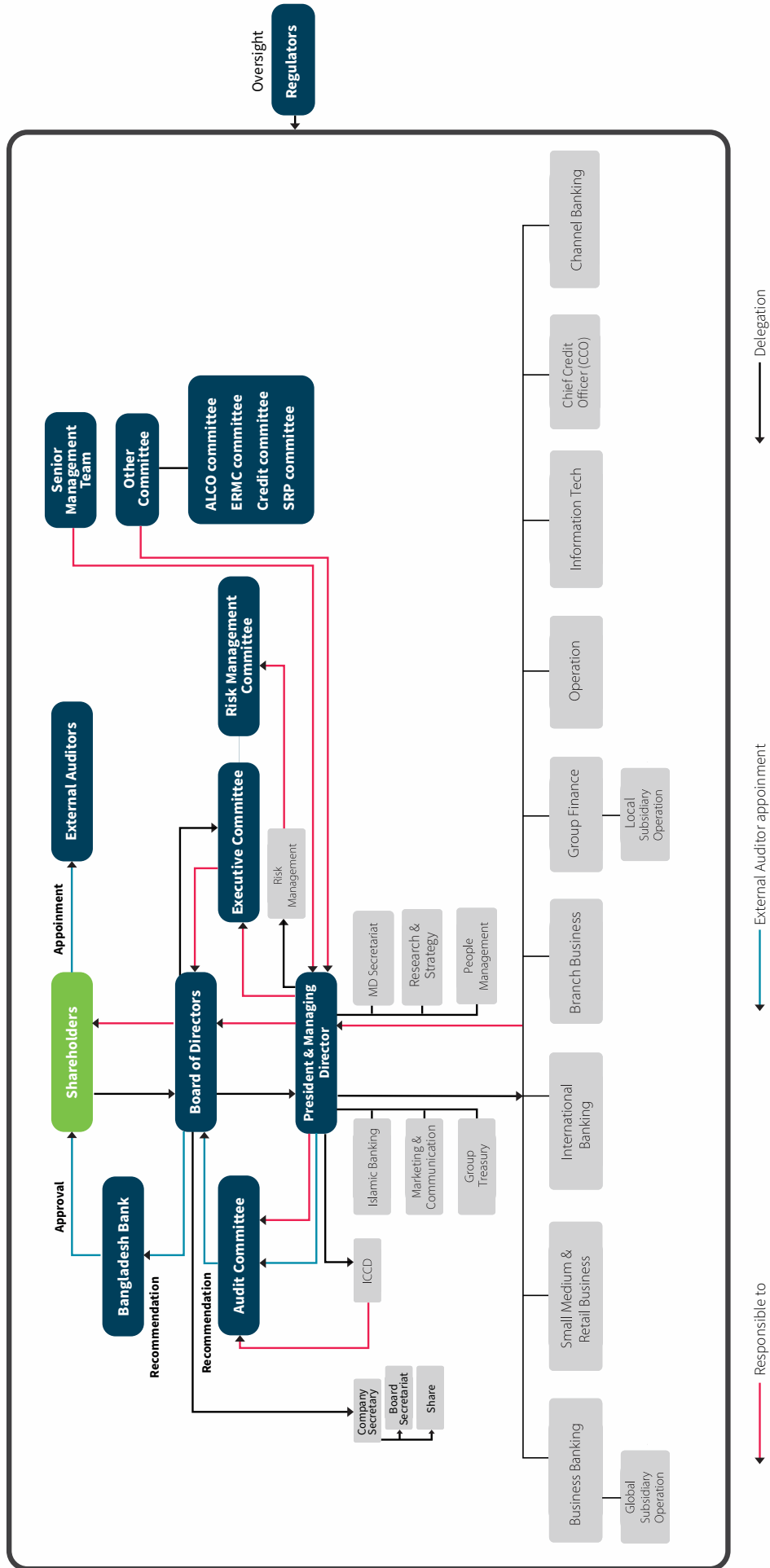


Md. Arfan Ali  
President and Managing Director



Mohammad Ibrahim Khalil, FCA  
Chief Financial Officer

# Banking Governance Structure of Bank Asia



*As an organization, we are committed to observing high standards of corporate governance, which is fundamental to the creation, protection and enhancement of our long-term value. The Board works with Management to ensure that good corporate governance principles are observed at all levels of the Bank.*

### CORPORATE GOVERNANCE FRAMEWORK IN BANK ASIA

Bank Asia is strongly committed to ensuring that its systems, procedures and practices reflect a high standard of Corporate Governance. It has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long-term and sustainable value, as well as fostering a culture that values ethical behavior, integrity and respect to protect shareholders' and other stakeholders' interests at all times. For Bank Asia, it is also important to maintain a leading governance practices in the highly regulated industry in which the Bank operates and this is essential for the long-term sustainability of the Bank's



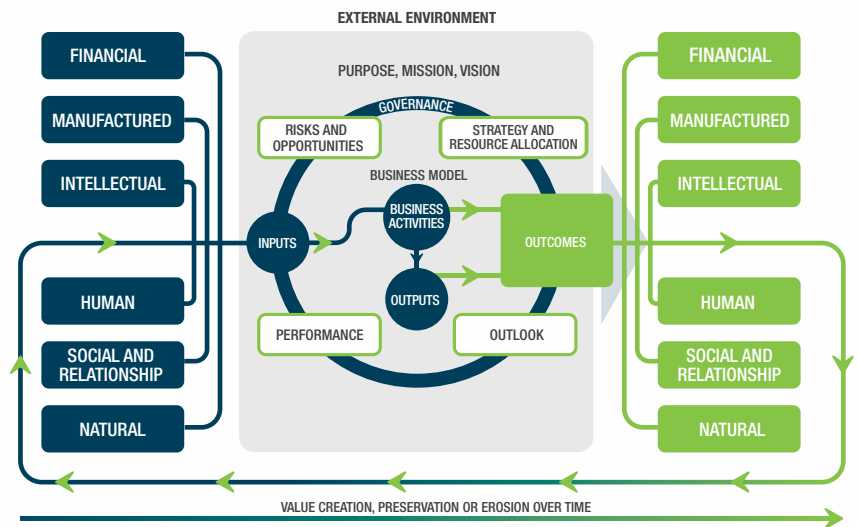
businesses. In this respect, the Board Committees assist the Board to fulfil its governance role effectively.

Bank Asia believes that governance can have the highest impact on the efficiency, effectiveness and value creation ability of deployed strategies and approaches. Therefore, Bank go beyond management structures, policies and processes, and make governance an integral part of the organizational culture.

Bank Asia always gives its utmost efforts to comply corporate governance practices with all the aspects of the revised Corporate Governance Code (CGC) BSEC/CMRRC/2006-158/207/Admin/80, dated June 3, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), listing regulations and directives of DSE and CSE and all aspects of Bangladesh Banks directives.

### VALUE CREATION BY PRACTICING CORPORATE GOVERNANCE

Good Corporate Governance builds trust and predictability as well as generating comfort to investors. Applying the principles of corporate governance has become a pre-requisite to gaining shareholder confidence and unleashing shareholder value. Since inception, Bank Asia practicing good corporate governance practice to maximize the value of its stakeholders.



By following good governance practices Bank Asia has been able to create values for all stakeholders of the Bank.

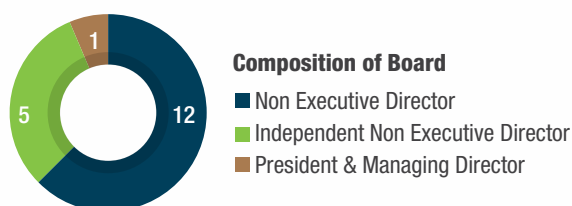
	Build and maintain good governance framework for value creation and ensuring sustainable business growth	<p>Good Governance Practices result a solid growth in all aspect of business operations of the bank</p> <ul style="list-style-type: none"> <li>Loans and Advances growth 7.34%</li> <li>Deposit growth 5%</li> <li>Strong capital base</li> <li>Good credit rating (both short term and long term)</li> </ul>
	Follow openness & transparency in communication with stakeholders	<ul style="list-style-type: none"> <li>Transparent communication</li> <li>Providing both financial and non-financial data on regular basis</li> <li>Best presented Annual Report in 2020</li> </ul>
	Focus on technologically advanced banking system	<ul style="list-style-type: none"> <li>Introducing Agent Centric business model</li> <li>Digital Account opening</li> <li>Digital lending and robotic payment automation</li> </ul>
	Enhance operational risk management	<ul style="list-style-type: none"> <li>Strong internal business process Platform</li> <li>Meticulously follow SOP in all aspect of business operation.</li> </ul>



## CORPORATE GOVERNANCE

### 1. BOARD OF DIRECTORS, CHAIRMAN AND CEO:

The Board's primary responsibility is to promote the long-term success of the Bank and deliver sustainable shareholder value. The Board has ultimate responsibility for the management, direction, governance and performance of the company, and leads and oversees the Bank's business. The Board plays a critical role in ensuring that the tone for the Bank's culture and values is set from the top. The Board is also responsible for ensuring appropriate resources are in place to achieve its strategy and deliver sustainable performance. Through authorities delegated to its Committees, the Board directs and reviews Bank's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. The Board is collectively accountable to the Bank's shareholders for the proper conduct and success of the business. The Board of Bank Asia comprises of 18 (eighteen) Directors as of December 31, 2021 including the President & Managing Director.



The Composition of the Board of Directors is as follows:

- Twelve Non - Executive Director;
- Five Independent Non-Executive Director
- One Executive Director i.e. President & Managing Director

The present size and composition remains well-balanced and it's made up with professionals with a wide range of knowledge and experience in business, operations and finance to set direction of a large and expanding bank. The profiles of all Board members, comprising of their qualification, experience are disclosed in **Page no. 20-33** of this Annual Integrated Report.

#### 1.1 Bank Asia's policy on appointment of Directors

Bank Asia complied with pertinent guidelines of Bangladesh Bank circulars, rules and regulations of the Companies Act 1994 (amended up to 2020), Bank Companies Act 1991 (amended up to 2018), Bangladesh Securities and Exchange Commission (BSEC) Notifications, Guidelines of Bangladesh Bank and Memorandum & Articles of Association of the Bank.

New Directors are appointed by Bank Asia with the emphasis on the mix of knowledge, skills, experience and perception. The Directors are elected by the shareholders in AGM and all appointment of the Board is subjected to the approval of Bangladesh Bank. Bank Asia's Board is always committed to ensuring diversity and inclusiveness in its

composition and deliberations, embracing the proposition that having a diverse Board would have a positive, value relevant impact on the Bank. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational Background.

In case of nomination, removal, causal vacancy and alternate Directors, Bank Asia follows all relevant rules and regulations. The Bank's non-executive Directors are independent of management and free from day to day business of the bank. Directors are accountable to the shareholders for the Bank's performance and governance.

#### 1.1.1 Roles and responsibilities of Board of Directors

The business and affairs of the Bank are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organization and significant policies of Bank Asia. The Board also sets the Bank's core values, adopts proper standards to ensure that Bank operates with integrity, and complies with the relevant rules and regulations.

Key responsibilities in summary are:

- Providing strategic direction, entrepreneurial leadership and guidance;
- Approving business plans and annual budgets;
- Ensuring that financial statements are true and fair;
- Monitoring financial performance;
- Determining capital/debt structure;
- Setting dividend objectives and declaring dividends;
- Approving major acquisitions and divestments, strategic investments, joint ventures and alliances;
- Reviewing risk management framework and system, risk culture and conduct;
- Overseeing the performance of Management;
- Setting company values and standards;
- Establishing a board diversity policy;
- Succession Planning for Board and Management;
- Formulating strategies, determining the environmental, social and governance (ESG) factors and overseeing the management and monitoring of the ESG factors that are material to the business

#### 1.1.2 Code of Conduct for the Board of Directors

The Board of Directors follows a code of conduct which was adopted to provide guidance to directors to perform their duty in an honest, responsible and business-like manner and within the scope of their authority, has said for in the laws of country as well as memorandum and articles of association of the Bank.

## Size and membership of Board Committees as of December 31, 2021

		Board Executive Committee	Board Audit Committee	Board Risk Management Committee
Committee Composition*			Minimum three members and maximum 5 members	
		Maximum Seven members	All members are Non-executive Directors	Maximum Five members
		All members are Non - executive Directors	Majority of members are Independent Directors	All members are Non - executive Directors
		Chair determined by the Board	Chair is Independent Director, who is not the Board Chairman	Chair determined by the Board
<b>Mr. A. Rouf Chowdhury</b>	Chairman of the BOD, Non-executive Director	✓		
<b>Mr. Mohd. Safwan Choudhury</b>	Vice Chairman, Non-executive Director		✓	
<b>Mr. Romo Rouf Chowdhury</b>	Vice Chairman, Non-executive Director	✓		✓
<b>Mr. Rume A Hossain</b>	Non-executive Director	<b>Chair</b> ✓		✓
<b>Mr. M. A. Baqui Khalily</b>	Non - Executive, Independent Director		✓	<b>Chair</b> ✓
<b>Ms. Hosneara Sinha</b>	Non-executive Director			
<b>Ms. Naheed Akhter Sinha</b>	Non-executive Director			
<b>Ms. Romana Rouf Chowdhury</b>	Non-executive Director	✓		✓
<b>Mr. Ashrafal Haq Chowdhury</b>	Non-executive, Independent Director		✓	
<b>Mr. Dilwar H Choudhury</b>	Non-executive Director		<b>Chair</b> ✓	
<b>Major General Mohammad Matiur Rahman (retd.)</b>	Non-executive Director		✓	
<b>Mr. Enam Chowdhury</b>	Non-executive, Independent Director	✓		✓
<b>Ms. Farhana Haq</b>	Non-executive Director			
<b>Mr. Md. Abul Quasem</b>	Non-executive, Independent Director	✓		
<b>Mr. Helal Ahmed Chowdhury</b>	Non-executive Director	✓		
<b>Ms. Tania Nusrat Zaman</b>	Non-executive Director			
<b>Mr. Nafees Khundker</b>	Non-executive Director			
<b>Md. Arfan Ali</b>	Managing Director, Ex - Officio			

\* Composition requirements for each Committee are set out in the relevant Committee Charter.

## CORPORATE GOVERNANCE

### 1.1.3 Retirement and Re-election of Directors

According to clause 128, and 129 of the Articles of Association of the Bank, 5 (five) directors retired before the 22<sup>nd</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> April, 2021 and all of the retiring directors was eligible for re-election as director. In addition, two Independent Directors appointment was also approved by shareholders in the 22<sup>nd</sup> Annual General Meeting (AGM).

Sl.	Name of Directors	Mode of Change
1.	Mr. Rume A. Hossain	Retired and Re-elected
2.	Ms. Farhana Haq	Retired and Re-elected
3.	Ms. Naheed Akhter Sinha	Retired and Re-elected
4.	Ms. Romana Rouf Chowdhury	Retired and Re-elected
5.	Ms. Tania Nusrat Zaman	Retired and Re-elected
6.	Mr. Enam Chowdhury	Retired and Re-elected

In addition, some other changes in directorship recently were as follows:

Sl.	Name of Directors	Date of Change	Remarks
1.	Mr. Nafees Khundker	31.08.2021	Joined as a Director & obtained Bangladesh Bank approved on 31.08.2021.

### 1.1.4 Directors' Remuneration

Directors are not entitled to any remuneration other than attending the meeting of the Board and its committees. As per Bangladesh Bank guidelines, Director of Bank Asia Limited is entitled to receive Tk. 8,000 for attending each meeting of Board and its committee.

### 1.2 Adequate representation of non – executive directors

As per guideline of Bangladesh Bank, Bank Asia maintain adequate representation of non-executive directors in the Board. The Managing Director is the only Executive Director in the Board of Directors of the Bank. All other Directors are non-executive directors.

### 1.3 Independence of independent directors and their adequate representation

Bank Asia complies with applicable requirements regarding independence of the Board according to laws and regulations as well as according to the Corporate Governance Code by BSEC. The Board considers all of the members elected by the shareholders, apart from independent director of the Bank according to the Code.

Bank Asia has 5 (five) Independent Directors in the Board. They are: Mr. Ashrafal Haq Chowdhury, Telecom & Corporate Leader, two renowned retired bankers - Mr. Helal Ahmed Chowdhury, Mr. Dilwar H Choudhury and Mr. Md. Abul Quasem, a retired central banker and Mr. M. A. Baqui Khalily, is a renowned academician of the country and professor of a university, The Independent Directors are also member of the sub-committees of the Board. Two of them are members of the Executive Committee and one of them is a member of the Risk Management Committee and three of them are members of the Audit Committee.

### 1.4 Different position of the Chairman and the Chief Executive Officer

The functional responsibilities of the Chairman of the Board and of the President and Managing Director are kept separate and independent of each other. The Chairman of the Bank is elected by the directors of the Bank and the President and Managing Director is being appointed by the Board of Directors subject to receiving permission from Bangladesh Bank.

### 1.5 Roles and responsibilities of the Chairman

The Board elects one of the Non-Executive Directors as Chairman. Our Chairman is Mr. A Rouf Chowdhury, who became Chairman on 14 December 2011.

#### Roles of the Chairman

- Managing and leading Board Meeting to ensure robust decision making
- Building a high performance Board
- Ensuring the Board's focus on key tasks
- Engaging the Board in assessing and improving its performance
- Overseeing board succession

- Supporting the CEO & Managing Director

#### Responsibilities of the Chairman

- Ensure that all Board Committees are properly structured, composed and operated
- Ensuring appropriate steps are taken to provide effective communication with stakeholders' views are communicated to the Board as a whole
- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance
- Being the public face by acting as a spokesperson for the Board

### 1.5.2 Independence of Independent Directors

Bank Asia complied with relevant guidelines of Bangladesh Bank circulars, rules and regulations of the Bank Companies Act, 1991 (amended up to 2018) and guidelines of Bangladesh Securities and Exchange Commission regarding composition of its board of directors. While appointing new directors Bank Asia emphasizes the mix of knowledge, skills, experience and perception. The directors are elected by the shareholders in AGM. In case of nomination, removal, causal vacancy and alternate directors, Bank Asia follows all relevant rules and regulations. The Bank's non-executive directors are independent of management and free from day to day business of the bank.

### 1.6 Annual Appraisal of Board performance

The Board undertakes ongoing self-assessment as well as commissioning an annual performance review by an independent consultant. The review process conducted in 2020 included an assessment of the performance of the Board, the Board Committees and each Director, with outputs collected, analyzed and presented to the Board. The Board discussed the results and agreed follow up action on matters relating to Board composition, process and priorities. The Chairman also discusses the results with individual Directors and Board Committee Chairs. The full Board (excluding the Chairman) reviews the results of the performance review of the Chairman and results are then privately discussed by the Chairman of the Board Risk & Compliance Committee with the Chairman.

### 1.7 Annual Evaluation of the CEO by the Board

While reappointing CEO, an evaluation report approved by the Board of Directors is submitted to Bangladesh Bank by the chairman of the Board. Besides, the Board of Bank Asia Limited annually evaluates Key Performance Indicators (KPIs) of CEO i.e. profitability, yearly budget achievement,

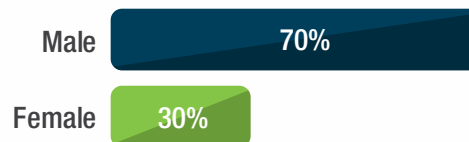
dividend ratio, return on equity, return on assets, earnings per share, CAMELS ratings, credit rating, classified loan ratio, risk management etc. The performance of the CEO is also evaluated by the Board based on Bank's operational results mainly in the achievement of operational budgets.

### 1.8 Succession Plan

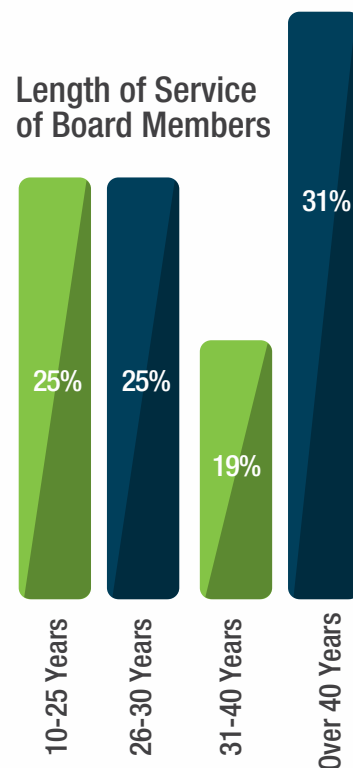
Bank Asia believes that the membership and composition of the Board should be reassessed from time to time so succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skillset of its members would be well suited to meet the demands of the ever-changing financial industry.



### Gender Diversity of Board Members



### Length of Service of Board Members



### 1.9 Directors' Training

Training in specific aspects of the bank's businesses is provided to Directors when requested and regularly as part of site visits. Directors are briefed on issues at Board and Committee meetings, for example, receiving briefings on cyber risks, and relevant commercial, legal and regulatory developments. All Directors have full and timely access to relevant information ahead of each meeting and are able to contact members of management for further information, as required. In accordance with best practice, the Chairman considers and addresses the development needs of the Board as a whole, if any, and ensures that each Director updates their individual skills, knowledge and expertise.

If required, external training courses may be provided at the company's expense.

### 1.10 Knowledge and expertise in Finance and Accounting

Bank Asia's Board of Directors comprises of members who have wide knowledge and experience in the field of finance, accounting, economics, management, marketing and business administration. By that, it is ensured that they have the ability to interpret the decisions of bank's management in a prudent manner.

### 1.11 Board meeting

The Board normally meets on a monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on adhoc basis to consider urgent matters. Bank Asia as per requirement of BSEC conduct Board Meetings and record the minutes of the meetings as well as keep the required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).



In addition, the Board reviews the strategic matters of the Bank in every Board meeting, conducts a half year review of Bank's strategy and approves



## CORPORATE GOVERNANCE

Bank's overall strategic direction on an annual basis. The Board also conducts workshops on specific subjects relevant to our business throughout the year. Board meetings are characterized by robust exchanges of views with Directors bringing their experience and independent judgment to bear on the issues and decisions at hand. Non-executive Directors regularly meet without management present, so that they can discuss issues appropriate to such a forum. In all other respects, senior executives are invited, where considered appropriate, to participate in Board meetings and are also available to be contacted by Directors between meetings.

### 1.11.1 Number of Board meeting

The Board had 25 (Twenty five) scheduled meetings for the financial year ended 31 December 2021, with additional meetings held as required. The number of meetings of the Board and its committees held during the accounting year and the attendance of the Directors at those meeting are disclosed in **page no. 262-263** of this Annual Integrated Report 2021.

### 1.11.2 Key Activities performed by Board in 2021

The Board meets on a monthly basis and meetings are scheduled well in advance (before the commencement of each financial year) to enable members to plan ahead. When required, the Board will meet on an ad hoc basis to deliberate urgent matters.



During FY 2021, the Board met twenty five (25) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Bank's strategies particularly in pandemic period of COVID -19. Among the topics and strategies that were reviewed, deliberated and approved by the Board during FY 2021 were as follows:



### 1.12 Directors Report on Financial Statement and Corporate Governance

Board of Directors of the Bank requires to prepare financial statements for accounting year. Moreover, the Board of the Bank need to include an additional statements or disclosures in the Directors' report prepared under section 184 of the Companies Act, 1994 (Act no. XVIII of 1994). A separate statement of Director Responsibility for financial reporting and corporate governance is given in **page no. 242** of this Annual Integrated Report 2021.

### 1.13 Board Committee

To ensure a better performance of its functions through a suitable decision-making process, the Bank Asia's Board of Directors as per the guidelines of regulators has established specific Committees that assist it in matters falling within their remit, with a coordinated working system among them.

These Committees are essential to ensure the correct discharge of the management oversight and control functions of the Board, on the basis of a system that guarantees full independence from the executive level, and therefore strengthening the checks & balances structure of Bank Asia's Corporate Governance System.

The Board of Directors has set up three specific Committees with broad and relevant functions: the Executive Committee, the Audit Committee and the Risk Management Committee. These Committees have a clear allocation of functions, both in the Regulations of the Board of Directors and, where applicable, in their specific Regulations, and have the necessary resources for their operation, free access to the Bank's Senior Management.

### 1.13.1 Audit Committee

The audit committee of the Board of Bank Asia was first constituted in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 Audit Committee must consists of at least 3 (three) members with 1(one) Independent Director. All the members of Audit Committee should be selected from Directors and the Chairman must be an Independent Director.

Bank Asia's Audit Committee consists of 5 (five) members. All of them are non-executive directors from whom 3 of them are Independent Directors and the Company Secretary of the bank is the secretary of the Audit Committee. Mr. Dilwar H Choudhury, the Chairman of the audit committee is an Independent Director and all the members are knowledgeable in financial industry and have long experience in banking industry. More information about members of Audit Committee is available in the Director's Profile [page no. 20-33](#) of this AIR 2021.

### 1.13.2 Executive Committee

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

### 1.13.3 Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee supervises whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, measured and adequate systems are in place to minimize such risks. Currently, 5 (five) members are in the Risk Management Committee. They set risk appetite; formulate risk identification & control policy, recommend changes to the risk management framework. They also monitor the internal capital adequacy assessment process along with the effectiveness of the risk management framework, policies and standards. The Risk Management Committee assists the Board in relation to the oversight of risk including the risk appetite and risk management strategy.

### 1.13.4 Management Committee

Under the leadership of the President and Managing Director, the Bank Asia has executive management responsibility for the steering of the Bank and its business. It assumes overall responsibility for developing the Bank and business division strategies and the implementation of approved strategies.

- Senior Management Team (SMT)
- Supervisory Review Process (SRP) Committee
- Asset Liability Committee (ALCO)
- Credit Committee
- Policy Review Committee

### 1.14 CEO & Roles and Responsibilities of CEO

Bank's CEO is Mr. Md. Arfan Ali. The detail information of CEO is given in separate part of director's information under [page no. 33](#) of this AIR 2021.

The President and Managing Director is responsible for implementation of Board policies and overall Management of the Bank. He discharges his duties under the delegation of financial, business and administrative authority given to him by the Board.

The main responsibilities and authorities of the Managing Director are as follows:

- Undertakes the financial, business and administrative authorities when vested on him by the board and remains accountable for achievement of financial and other business targets by means of business plan, efficient implementation and prudent administrative and financial management.
- Ensures compliance of the Bank Company Act, 1991(amended up to 2018) and other relevant laws and regulations in performing routine functions of the bank; and remains accountable to report to Bangladesh Bank if any violation occurs.
- At the time of presenting any memorandum by the management in the Board Meeting or Board Committee Meeting, the CEO points out if there is any deviation from the Bank Company Act, 1991 (amended up to 2018) and other relevant laws and regulations.
- Recruitment and promotion of all staff of the bank except those in the two tiers below him rest on the CEO. He acts in such cases in accordance with the approved service rules of the Bank.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him that he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he nominates officers for training etc.

### 1.15 Role of Company Secretary

The Company Secretary of the Bank, who is appointed by the Board, provides advice and support to the Board, and is accountable to the Board, through the Chairman, for all matters relating to the proper functioning of the Board and its Committees. The Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with Board and Board Committee Charters and procedures.

## CORPORATE GOVERNANCE

### 1.16 Role of Chief Financial Officer (CFO)

A chief financial officer (CFO) is the senior executive responsible for managing the financial actions of a company. CFO oversee all the financial operations of the organization, including accounting, financial reporting, tax, business control. CFO manage all aspects of financial matters and decision making. Basically, the Chief Financial Officer directs a company's financial goals, objectives and budgets. He also advises the Board of Directors on the kind of actions to be adopted in upholding the high levels of financial control and reporting. Key responsibility and overall financial health of the Bank is separately disclosed in CFO's statement in [page no. 294-299](#) of Annual Integrated Report 2021.

### 1.17 Role of Head of Internal Audit and Compliance

The Head of Internal Audit and Compliance (HIAC) is responsible for Bank's strategic risk-based internal audit plan and managing the internal audit function in accordance with Bank's internal audit charter. Responsibilities include providing reasonable assurance on the effectiveness of the organization's risk management and the strength of internal controls. The position assesses organization-wide compliance with Bank's internal policies and procedures, laws and regulations, contractual terms and conditions. The Head of Internal Audit reports directly to the Audit Committee of Bank's Board of Directors.

### 1.18 Attendance of CEO, CFO, CS & HIAC in Board Meeting

The CEO, CS, CFO and HIAC of the Bank attend the meetings of Board of Directors. It is also provided that they are not attending the meeting which involve consideration of an agenda item relating to their personal matters. In addition, they are not entitled for any remuneration for attending such meetings of the Board of Directors.

### 1.19 Governance of Board of Directors of Subsidiary Company

In group concept, Bank Asia limited is parent company with having following three subsidiary companies

- Bank Asia Securities Limited, incorporated in Bangladesh – 99.99% owned
- BA Exchange Company (UK) Limited, incorporated in United Kingdom - 100% owned
- BA Express USA Inc., incorporated in United States of America (USA) - 100% owned

The board of the parent company is aware of the material risks and issues that might affect both the bank as a whole and its subsidiaries. It exercises adequate oversight over subsidiaries while respecting the independent legal and governance responsibilities that might apply to its subsidiary boards.

Composition of the Board of Directors of Three Subsidiaries of Bank Asia				
Sl	Name and Designation	Bank Asia Securities Limited (BASL)	BA Exchange Company (UK) Limited	BA Express USA Inc.
1.	Mr. A Rouf Chowdhury, Chairman of the Board	✓	✓	✓
2.	Mr. Rume A Hossain, Director			✓
4.	Ms. Romana Rouf Chowdhury, Director	✓		
5.	Mr. M. Sahjahan Mina, Director	✓		
6.	Mr. Md. Abul Quasem, Director	✓		
7.	Mr. Kazi Sanaul Hoque, Director			
8.	Mr. Md. Arfan Ali, Director	✓	✓	✓
9.	Mr. Md. Sazzad Hossain, Director	✓		
10.	Mr. Mohammad Ibrahim Khalil, FCA, Director	✓		
11.	Mr. ABM Kamrul Huda Azad Director		✓	

\*The Board of Directors of all the subsidiaries conducted their roles & responsibility in line with all relevant regulatory act or guidance

## 2. VISION/MISSION & STRATEGY

### 2.1 Vision/Mission Statement of Bank Asia Limited

The Board of Directors are approved bank's vision/mission statements and disclosed in Annual Report. The Board of Directors defined the Bank's vision, mission, and strategic objectives and strictly adhere to it. Strongly believing in the vision and mission, Bank Asia tries to uphold and embrace it in every possible business context.



#### Vision

To build a society where highest human dignity and human rights received the highest consideration along with reduction of poverty.



#### Mission

Bank Asia is committed to establish high quality service, high standard of integrity with technology driven innovative service.



#### Core Values

Bank Asia plays an intermediary role between economic development and conservation of the environment.

Bank's vision, mission, strategic objective depicted on [page no. 12](#) of this Annual Integrated Report 2021.

### 2.2 Business Objectives and areas of Business Focus

The Board of Directors of Bank Asia always set business objectives and areas for focus in consistent with market demand. Detail business objectives and areas of business focus depicted on [page no. 119](#) of this Annual Integrated Report.

### 2.3 Description of strategies to achieve the company's business objectives

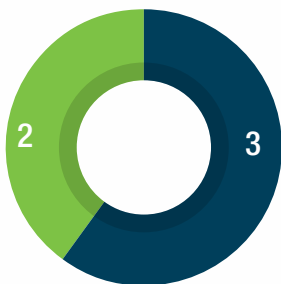
Bank Asia always formulate strategies and different action plan in the beginning of the year which are clearly aligned with banks mission, vision and business objectives. Detail strategies to achieve the bank's business objectives depicted on [page no. 128-131](#) of this Annual Integrated Report.

### 3. AUDIT COMMITTEES

Audit Committee of Bank Asia Limited is a sub-committee of the Board formed in compliance with Bangladesh Bank BRPD Circular no. 11 dated October 27, 2013 and related notifications and corporate governance code from BSEC.

#### 3.1 Appointment and Composition of Audit Committee

The audit committee of the Board of Bank Asia was established in January 2003 with



##### Composition of Audit Committee

- Total No. of Non Executive Independent Directors
- Total No. of Non Executive Directors

the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, Audit Committee must consists of at least 3 (three) members with 1(one) Independent Director. All the members of Audit Committee should be selected from Directors and the Chairman must be an Independent Director.

Bank Asia's Audit Committee consists of 5 (five) members. All of them are non-executive directors from whom 3 of them are Independent Directors and the Company Secretary of the bank is the secretary of the Audit Committee. Mr. Dilwar H Choudhury, the Chairman of the audit committee is an Independent Director and all the members are knowledgeable in financial industry and have long experience in banking industry. More information about members of Audit Committee is available in the Director's Profile Page.

#### 3.1.1 Chairman of the Audit Committee – an Independent Director

Mr. Dilwar H Choudhury, the Chairman of the Audit Committee is an Independent Non – Executive Director. He is a renowned banker and former Managing Director of IFIC Bank with having 4 decades of banking experience. More information about him is available in the Director's Profile [Page no. 29](#) in Annual Integrated Report 2021.

#### 3.1.2 Terms of Reference – Audit Committee

##### Financial Reporting

- Monitor the financial reporting process and ensure the integrity of the Bank's consolidated financial statements.
- Review the Bank's consolidated financial statements and any announcements relating to the Bank's financial performance prior to submission to the Board.
- Review the significant financial reporting issues and judgment to ensure the integrity of the statements

##### Internal Control

- Review the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, accounting policies and systems
- Approve changes to the Group Disclosure Policy

##### Internal Audit

- Review the adequacy and effectiveness of the Bank's internal audit function and processes, as well as ensure that Bank Audit is adequately resourced and set up to carry out its functions, including approving its budget.
- Oversee the Internal Audit.
- Review Bank Audit's plans, its effectiveness and the scope and results of audits.
- Approve the hiring, removal, resignation, evaluation and compensation of Head of Internal Audit.

##### External Audit

- Determine the criteria for selecting, monitoring and assessing the external auditor. Make recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor.
- Review the scope and results of the external audits and the independence and objectivity of the external auditor
- Review the assistance given by management to the external auditor

##### Related party transactions

Review all material related party transactions (including interested person transactions) and keep the Board informed of such transactions, and the findings and conclusions from its review

The Audit Committee has authority to investigate any matter within its terms of reference and has the full cooperation of and access to Management. It also has direct access to the internal and external auditors, who separately meet with the Audit Committee in the absence of Management at least once in every year. Besides formal meetings, the Audit Committee members meet among themselves and with the Finance team and the internal and external auditors as often as appropriate to be apprised of matters which are under review. Audit reports, findings and recommendations of the internal and external auditors are sent directly to the Audit Committee, independent of Management.

The Audit Committee reviews the quarterly and annual financial statements before recommending them to the Board for approval. In reviewing the financial statements, the Audit Committee assesses the accounting policies and practices applied and any judgment made that may have a significant impact on the financial statements.

#### 3.1.2.1 Key responsibilities of Audit Committee – as per Terms of reference

#### 3.1.3 Audit Committee comprises of Non-Executive Directors

All the members of the Audit Committee are Non – Executive Directors. No executive of Bank Asia is eligible to become a member of Audit Committee.



## CORPORATE GOVERNANCE

### 3.1.4 All members are suitably qualified and expertise in Finance and Accounting

All members of the audit committee are suitably qualified and all of them have expert knowledge of finance and accounting. All members of Audit Committee are very competent and come from a variety of educational backgrounds which brings a diversity and uniqueness in the committee.

### 3.1.5 Accessibility of Head of Internal Audit to the meeting of the Audit Committee

The Head of Internal Control and Compliance Mr. Aminul Islam Mintu, FCCA, ACA has direct access to the Audit Committee and he can raise any concern whenever required to Audit Committee.

### 3.1.6 Audit Committee meeting

The Audit Committee conducted 9 (Nine) meetings during the Year 2021. The attendance status of the meeting is given in **page no. 262** of the report .

The number of Directors required to constitute a quorum is two. Of them one shall be Independent Director and Company Secretary shall act as the secretary of the committee.

## 3.2 Objectives and Activities of Audit Committee

Audit Committee of the Board has following objectives:

- the integrity of the financial statements and financial reporting systems and matters relating risks;
- the external audit engagement, including the external auditor's qualifications, performance, independence and fees;
- performance of the internal audit function;
- financial reporting and compliance with prudential regulatory reporting. With reference to the Board Risk & Compliance Committee, this includes an oversight of regulatory and statutory reporting requirements; and
- procedures for the receipt, retention and treatment of financial complaints, including accounting, internal controls or auditing matters, and the confidential reporting by employees of concerns regarding accounting or auditing matters.

### 3.2.1 Internal controls are well conceived, properly administered and satisfactorily monitored

The effectiveness of internal controls is continuously reviewed by the Audit Committee to ensure that they are working adequately and effectively. Audit Committee regularly evaluates the adequacy and effectiveness of the Bank's internal control systems by reviewing the actions taken on lapses/ deficiencies identified in reports prepared by Internal Control and Compliance Division. The Audit Committee also reviews ICCD's recommendations and management responses to these recommendations to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

### 3.2.2 Role to ensure compliance with laws, regulation

Bank Asia puts its best effort to remain compliant according to all banking laws and regulations including the regulatory reporting in due course. Being compliant, Bank Asia focuses to ensure sustainable business in the banking industry.

### 3.2.3 Audit Committee's involvement in the review of external audit function

On the basis of the proposal of the Audit Committee, the board of directors recommended Hoda Vasi Chowdhury & Co. Chartered Accountants, a Chartered Accountant firm in Bangladesh to the shareholders in 22th AGM to appoint them as statutory external auditors of the company for 2021. As per BRPD circular, The external auditors have provided their written assurance to the Bank in respect of their independence for FY 2021. In respect of fees, the details of the statutory audit and audit fees incurred for FY 2021 are set out under Note 42 on **page 375** of the Financial Statements Annual Report 2021. To ensure full disclosure of matters, the external auditors are regularly invited to attend the Audit Committee meetings as well as general meetings of the Bank.

### 3.2.4 Selection of appropriate accounting policies

The Board is also assisted by the Audit Committee in overseeing the financial reporting process and the quality of the Bank's financial statements to ensure that the Board dispenses with its fiduciary responsibility to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Bank's financial position, financial performance, and prospects. The Audit Committee is also tasked to review the appropriateness of the accounting policies applied by the Bank as well as the changes in these policies. Based on the Audit Committee's recommendations, the Board also ensures that the Bank's financial statements prepared for each financial year sets out a true and fair view in accordance with Bangladesh Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1994 and Bank Company Act 1991 (amended up to 2018).

### 3.2.5 Audit Committee involvement in interim financial statements

To comply BSEC Corporate Governance Code dated June 3, 2018, Audit Committee review along the management, the quarterly and half yearly financial statements before submission to the Board for approval.

### 3.2.6 Review of reliability of the management information used for such computation

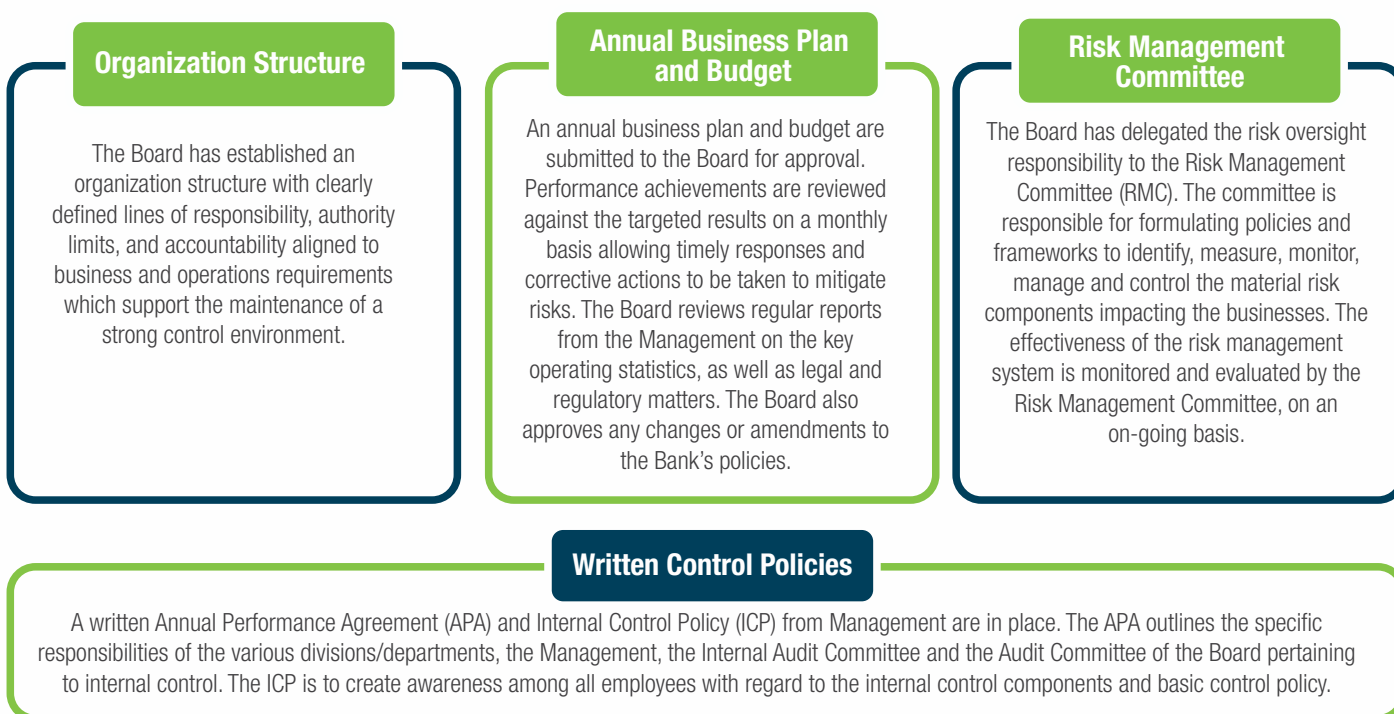
Audit Committee expressed its satisfaction to the Board on the reliability of management information used for preparation of Financial Statements. Based on the Internal Audit Function and Statutory Auditor Observation Audit Committee review the reliability of information used for preparing such computation.

## 4. INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Bank Asia is of the view that the systems of internal controls instituted throughout the Bank is sound and effective and provides a level of confidence. In the year 2021, there was no significant control failure or weakness that would result in any separate disclosure in the integrated report. The Board of Bank Asia ensures that the internal control system and risk management practices of the Bank are reviewed regularly to meet the changing and challenging operating environment.

#### 4.2 Key features of Internal Control system and the monitoring techniques

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:



#### 4.1 Statement of director's responsibility to establish appropriate system of Internal Controls

A strong internal control system can ensure the achievement of banks' goals and objectives with long term profitability. It also helps to comply with rules and regulation as well as policies and to minimize the financial and reputational losses.

The Directors of the Bank acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations. Bank Asia follows the Bank Company Act, 1991 (amended up to 2018) Section 15 (kha) & (ga) that gives the responsibility to the Board of Directors for establishing policies for the bank company, for risk management, internal controls and compliance for ensuring their implementation.

#### 4.3 Directors have reviewed the adequacy of the system of internal controls

Based on the internal controls established and maintained by the Bank, work performed by internal and external auditors, reviews performed by management and various Board Committees as well as with CEO and CFO assurance, the Board, with the concurrence of the Audit Committee, is of the opinion that the Bank's internal controls adequate and effective as at 31 December 2021 to address financial, operational, compliance risks and information technology risks which the Bank considers relevant and material to its operations. Details are in [page no 242](#)

#### 4.4 Identification of key risk Bank is exposed to both internally and externally

The Bank's Risk Inventory sets out the Bank's major risk categories and related subcategories to which the Bank's businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification and is the starting point in developing risk management strategies and processes. The Bank's major risk categories are: Strategic Risk; Credit Risk; Market Risk; Operational Risk; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Legal, Regulatory Compliance and Conduct Risk; and Reputational Risk.



## CORPORATE GOVERNANCE

### 4.4.1 Risk Culture

The Bank's risk culture starts with the "tone at the top" set by the Board, Chief Executive Officer (CEO), and the Senior Management Team (SMT), and is supported by its vision, purpose, and shared commitments. These governing objectives describe the behaviors that the Bank seeks to foster, among its employees, in building a culture where the only risks taken are those that can be understood and managed. The Bank's risk culture promotes accountability, learning from past experiences, and encourages open communication and transparency on all aspects of risk taking.

### 4.4.2 Risk Governance

The Risk Management Committee is the highest decision-making body in terms of risk management. Its main functions are to establish, approve and manage risk policies and master risk management plans, in order to manage risks inherent in the operations level.

has established and operates an advanced control system that comprehensively and systemically manages all possible risks. Board of Directors (BoD) of Bank Asia Limited has set in place the environment and systems to manage risks in accordance with guidelines set for business strategies, and delegates a portion of its risk management authority and responsibilities to the Risk Management Committee.

### 4.4.3 Risk Management

The Risk Management function, headed by the Chief Risk Officer (CRO), provides independent oversight of enterprise-wide risk management, risk governance, and control including the setting of risk strategy and policy to manage risk in alignment with the Bank's risk appetite and business strategy. Risk Management's primary objective is to support a comprehensive and proactive approach to risk management that promotes a strong risk culture. Risk Management works with the business segments and other corporate oversight functions to establish policies, standards, and limits that align with the Bank's risk appetite and monitors and reports on existing and emerging risks and compliance with the Bank's risk appetite.

1

#### The business units makeup the first line of defense

The business units ensure that transactions are correctly priced & that the assumed risks are managed throughout the life of the transactions.

2

#### The risk & compliance functions make up the second line of defense

These are the independent units from business operations. The risk function is responsible for identifying, measuring, monitoring & reporting risks.

3

#### Internal Audit is the third line of defense

Risk management is regularly reviewed and evaluate by Internal Audit to ensure that it is adequate and effective. Based on the evaluations of the third line of defense, the processes in the first & second lines of defense are continuously strengthened.

### 4.4.4 Cyber and Information Risk

Cyber and information risks are increasing in pace with rapid technological development and the increased use of data in the banking industry. These risks involve not only technology but people, processes, systems, culture and physical surroundings and their complex nature means they are more challenging to assess and mitigate than traditional operational risks. The bank invests continuously in its security, and regular technical security updates and upgrades of systems and platforms are prioritized in order to strengthen resilience. During the year focus was on further strengthening governance and the framework for cyber and information security risk management.

### 4.4.5 IT Governance

Information Technology Governance forms an integral part of the Bank Asia Corporate Governance. It deals primarily with optimizing the linkage between Strategic Direction and Information Systems Management of the Bank. In this regard, implementation of the organizational structure with well-defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for our shareholders while mitigating the risks associated with incorrect deployment and use of Information Technology.

### 4.5 Strategies adopted by Bank Asia to manage and mitigate the risks

Bank Asia always pursues the industry's highest level of asset soundness. To achieve this, Bank Asia always focus on strengthening crisis management ability in preparation for any spike of uncertainty in global financial markets and economic downside risks. Bank Asia plan to bolster weaknesses in certain sectors, while preemptively responding to the toughening of different regulations and other changes in the business environments at home and abroad. Bank Asia able to manage the growth of loan assets up to a level where stable capital adequacy can be maintained. We also pursue an adequate degree of profitability based on risk tolerance level, and manage exposures by size, industry and product, in order to reduce credit concentration risks and balance our loan portfolio. Asset soundness is managed through continued improvement of credit evaluation systems and loan screening process. In particular, high risk loans are managed through the identification of borrowers at potential risk based on a systematic credit risk assessment employing early-warning systems and regular or irregular auditing of borrowers' credit standing. However, details of the risk management strategies are described in [page No. 150-161](#) of this Annual Integrated Report 2021.

## 5. ETHICS AND COMPLIANCE

Corporate integrity, ethical conduct and accountability are fundamental to build trust between Bank Asia and different stakeholders. Bank Asia are always committed to maintain and uphold the highest standard of Corporate Governance integrity and ethics, which is embedded in the corporate culture of the Bank.

### 5.1 Disclosure of statement of Ethics and values

The Code provides a set of guiding principles to help us make the right decisions, ensuring as a Financial Institution Bank Asia uphold its reputation as a compliant Bank. As a member of the banking and finance industry, employees of Bank Asia are also committed to creating greater accountability, transparency and trust with customers and the broader community. With that in mind, the principles within the Code of Bank Asia also reflect the community's expectations, such as those outlined in the Banking and Finance Oath. The Code has the full support of the Board and

the Senior Management and all employees of the Bank take compliance with the Code very seriously. The complete Code of Conduct can be read on [page no. 13 & 15](#) of this Annual Integrated Report 2021.

## **5.2 Dissemination of the statement of ethics and Business Practice**

Bank Asia, as a custodian of public funds, has a responsibility to safeguard its integrity and credibility. Therefore, Bank Asia sets out clearly the code of ethics and conduct for its employees. The code stipulates the sound principles that will guide all employees in discharging their duties. It sets out the standards of good banking practice. For any new conduct related issues, Human Resources Division time to time circulate it to the employees of Bank Asia Limited.

### **5.2.1 Board's commitment to establishing high level of ethics and compliance**

Bank Asia's Board of Directors has always been committed to establishing a high level of ethics and compliance among all employees of the Bank. The Board of Directors always encourages management so that every employee maintains a high ethical standard. The Board of Bank Asia also acknowledges its responsibility for ensuring that the bank's business activities are conducted in accordance with the highest standard of ethics and compliance.

### **5.2.2 Business Ethics and Practices for Employees**

Bank Asia's employees have always been committed to uphold the highest standard of ethics and compliance according to the Bank's policy.

## **5.3 Board's commitment to establishing high level of ethics and compliance**

Bank Asia's Board of Directors has always been committed to establishing a high level of ethics and compliance among all employees of the Bank. Board of Directors always encouraged management so that every employee maintains a high ethical standard. The Board of Bank Asia also acknowledge its responsibility for ensuring that the bank's business activities are conducted in accordance with the highest standard of ethics and compliance.

## **5.4 Establishment of Anti-Fraud program and whistle Banking Policy**

### **5.4.1 Whistle- blowing policy**

The Bank has in place a whistle-blowing policy which encourages all staff and members to raise genuine concerns or suspicions about possible improprieties in accounting, auditing, financial reporting or any other fraudulent activities. Procedures for handling of feedback/complaints received from customers and independent investigations to be conducted have been established.

### **5.4.2 Establishment of effective anti-fraud program and controls**

The anti-fraud program helps Bank Asia to support its commitment to protecting revenue, reputation and other assets. Bank Asia established anti-fraud and anti-corruption program for the employee by conducting different trainings.

### **5.4.3 Accountability**

The Board provides shareholders with quarterly and annual financial results. In presenting these statements, the Board aims to provide shareholders with a balanced and understandable assessment of the Bank's performance and position with a commentary at the date of announcement of the competitive conditions within the industry in which it operates. The Management provides all directors periodically with accounts and detailed reports on the Bank's financial performance and related matters prior to each Board meeting. The directors may at any time seek further information from and discuss with the Management on the Bank's operations and performance. Compliance Department with direct reporting line to the Risk Management Committee is set up to ensure compliance with legislative and regulatory requirements. The Board believes in conducting itself in ways that will deliver maximum sustainable value to all shareholders.

### **5.4.4 Avoiding conflict of interest**

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

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

### **5.4.5 Related Party Transaction**

The Bank has in place policies and procedures governing related party transactions. The Board approves all related party transactions and ensures that these transactions with the Company are undertaken on an arm's length basis. The Audit Committee reviewed all material related party transactions and kept the Board informed of such transactions. During the year, the Company had collected deposits from its Directors and their related parties. No preferential treatment had been extended to the Directors and their related parties for these deposits. Details are given in [page no. 375](#) of this AIR 2021

### **5.4.6 Confidential Information**

Bank Asia is committed to making information about its operation available to the public. Though there are some price sensitive information are related with the operation of the Bank. Until an announcement in relation to such information is made, directors and all employees of the Bank must ensure that such information is kept strictly confidential.



## CORPORATE GOVERNANCE

### 5.4.7 Insider Trading

Insider trading is the trading of a public company's stock or other securities (such as bonds or stock options) by individuals with access to nonpublic information about the company. The reason insider trading is illegal is because it gives the insider an unfair advantage in the market, puts the interests of the insider above those to whom he or she owes a fiduciary duty, and allows an insider to artificially influence the value of a company's stocks. The Board member shall also not pass such information to someone who buy or sell securities. Accordingly, Bank Asia's Board designed the Code of Conduct for all the members of the Board and abide by the code of integrity and good governance in line with the National Integrity Strategy of Bangladesh.

### 5.5 Code of Conduct for Employees

Bank Asia believes in working and growing together to deliver utmost satisfaction to customers in terms of service by inducing fellow feeling in the workplace and upholding ethics and compliance. The detailed code of conduct of employees is illustrated in [page no. 13](#) of Integrated Annual Report 2021.

## 6. REMUNERATION COMMITTEE

### 6.1 Charter of Remuneration Committee

As per Bangladesh Bank BRPD Circular no. 11 dated October 27, 2013, every bank has to form three committees in addition to the Board of Directors i.e. 1 (one) executive committee, 1(one) audit committee and 1(one) risk management committee. The mentioned circular is also restricted to form any other permanent, temporary or sub- committee except the above mentioned three committees. As such, the Bank did not form any remuneration committee or other board committee on a permanent basis. Board has approved a policy for yearly remuneration increase for its staff and acknowledgement of performing employees. Accordingly, management has placed policy before the board on a regular basis.

### 6.2 Composition of Remuneration Committee

At Management level Managing Director, Head of Human Resources Division and Chief Financial Officer are charged with governance of compensation and remuneration. Usually they make to proposition to the Board which is then reviewed and validated by special policy committee of the Board. After incorporating their recommendations the compensation / remuneration decisions are approved by the Board. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance- based compensation by ensuring effective remuneration policy; procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels. Meeting regarding overseeing the remuneration related policy by the President and Managing Director, Senior Management, Head of Human Resources Division and Chief Financial Officer was held on need basis.

### 6.3 Key policies with regard to remuneration of directors, senior management and employees

#### 6.3.1 Key policies with regard to remuneration of directors

With reference from Bangladesh Bank Circular directors are only entitled to the remuneration for attending the meeting of the board and its sub-committee. For attending the Board Meeting, Audit Committee Meeting, Executive Committee Meeting and Risk Management Committee Meeting, the Directors receive an honorarium. Details of remuneration of directors are included in [page No. 370](#) of AIR 2021.

#### 6.3.2 Key policies with regard to remuneration of senior management and employees

The remuneration of senior management is market oriented in order to attract and motivate skilled employees. The total remuneration package to senior management includes basic pay, allowance, retirement benefits( Gratuity and Provident Fund) and other benefits as per bank's policy. Executives are also paid a yearly performance bonus determined based on the performance of the company and executive's personal area of responsibility and yearly established target.

### 6.4 Number of meeting of Remuneration Committee

For finalization of the salary and increment several meetings of the HR committee were held in 2021.

### 6.5 Remuneration of directors, chairman, chief executives and senior executives

#### 6.5.1 Chairman and directors

During 2021, the expenditures incurred related to directors were Tk. 4,040,000 for Directors' honorarium. Details are in [page no. 370](#)

#### 6.5.2 President and Managing Director

Total remuneration to President and Managing Director for the year 2021 is Tk. 20,401,265 and in the year 2020 it was Tk. 19,262,968. Details are in [page no. 370](#)

#### 6.5.3 Remuneration of Senior Executives

Bank Asia set remuneration policy and always update it accordingly. Remuneration for senior executives in market-based and competitive in order to attract, motivate and retain skilled and competent employees.

## 7. HUMAN CAPITAL

Bank Asia always believes any expenditure in training, development, health and support is an investment, not just an expense. Being a value driven organization, Bank Asia considers its employees as the most precious capital that play the vital role in materializing the mission, vision, goals and objectives of the bank.

### 7.1 Human Resource Policy

The Human Resource policy of Bank Asia serves as a baseline with clarity on the philosophy and principles for People Management and Development in Bank Asia. It incorporates key principles and philosophies that support Bank Asia's Mission and Vision. The Human Resource Policy consists of a set of policies and guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labor laws and employment regulations.

Detail of Human Resource related activities are included in [page no. 220-224](#) of this AIR 2021.

### 7.1.1 Talent Management

Bank Asia is a responsible employer that believes in the welfare of its employees and focuses on their career trajectory so it encourages its employees to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their roles effectively, including by participating in workshops held throughout the year, attending relevant site visits and undertaking relevant external education.

### 7.1.2 Succession Planning

For the recruitment and selection process of potential candidates, it is important to review Bank Asia's Talent Pool and secure the curricula vitae of prospective candidates discreetly from various internal and external sources to ensure that the Bank Asia always has a steady pool of talent for selection whenever there is a need to appoint employees. Relevant training and exposure is provided to its employees to prepare them for a higher role so that in-house employees are prioritized and included throughout the growth of the organization.

### 7.1.3 Performance Review

Bank Asia believes that the performance of its employees should be reassessed from time to time to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skillset of its employees would be well suited to meet the demands of the ever-changing financial industry. Some key metrics are in place to evaluate the performance of the employees which include: meeting financial target, increasing customer base, punctuality and presence etc.

### 7.1.4 HR initiative regarding Covid-19

Amidst the evolving situation of the COVID-19, Bank Asia takes initiatives to support the employees. Detail of human resource initiatives regarding Covid-19 are included in [page no. 43](#) of AIR 2021

## 7.2 Human Resource Accounting

Human Resource accounting is the process of recognizing the value of a company's investment to its employees and reporting the investments in the balance sheet which is currently accounted as a simple operational expense in the traditional accounting practices that dealt with only physical asset creation. Unlike this traditional concept, in HR accounting the investments made in human resources are viewed as a capital expenditure because of the benefits that can be enjoyed for a long period of time and measured in monetary terms. HR accounting provides valuable information to the investors who are interested to make long term investment in the company.

Bank Asia reported the total value of Human Capital to be Tk. 23,043 million in the year 2021 compared to Tk. 21,121 million in the year 2020 using Present Value of Future Earning Model (Lev &Schwartz) which discounts total benefits payable to employees with the assumption of minimum expected earnings from the year mentioned up to respective retirement.

### Balance Sheet including Human Capital

Million Tk.

Particulars	31-Dec-21	31-Dec-20
Total Asset (Conventional)	438,293	408,961
Human Asset (Individuals' value)	23,037	21,115
Value of investments	6	6
Total Asset including Human Asset	461,336	430,081
Capital & liabilities		
Total Liabilities (Conventional)	438,293	408,717
<b>Human Capital</b>	<b>23,043</b>	<b>21,121</b>
Total Capital & Liabilities including Human capital	461,336	429,838

## 7.3 Organizational Chart

Bank Asia's organizational chart outlines the internal structure of the Company. It emphasizes on the roles, responsibilities and relationships between individuals within the Company. It is used to illustrate the structure of Bank Asia as a whole as well as the Company segregated by divisions and departments

The organizational chart is shown on [page no. 19](#) of this annual integrated report.

## 8. Communication to Shareholders and Stakeholders

Bank Asia always acknowledges the importance of an effective, transparent and regular communication with its stakeholders, institutional investors to provide a clear picture of the Bank's performance and position. Bank Asia is always committed in maintaining high standards in the dissemination of relevant and material information to its all stakeholders.

### 8.1 Strategy to facilitate effective communication with shareholder and other stakeholders

#### 8.1.1 Communication through quarterly/annual report

Bank Asia's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with stakeholders. Quarterly unaudited financial results and the annual audited financial statements of the Bank are published in the newspaper and other electronic means to make communication with the stakeholders

#### 8.1.2 Communication through AGM

Bank Asia treats all shareholders fairly and equitably and discloses all material information relating to the Bank in a timely manner. The Bank encourages and supports shareholder attendance at general meetings and participation in decisions concerning key corporate changes, such as any amendment to the Bank's Constitution and the authority to issue ordinary shares. A notice of a general meeting, related information and a proxy form are sent to shareholders within the statutory timeline of at least 21 days before the meeting. The notice of meeting is also advertised in two widely-read newspapers. In addition, the notice and the proxy form are published on the Bank Asia's website.

## CORPORATE GOVERNANCE

### 8.1.3 Communication through Digital Platform

Bank's corporate website <https://www.bankasia-bd.com/>, facebook page provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information of the Bank. Bank also ensure on time disclosures as required by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC)

### 8.1.4 Communication through newspaper & TV media

Bank Asia Limited publishes its Price Sensitive Information(PSI), awareness campaigns, award giving ceremonies through newspaper and TV media.

## 8.2 Policy on ensuring participation of Shareholders in AGM

Bank Asia's AGM is another significant avenue of communication and dialogue with shareholders in general meeting. During AGM the Board as well as management present a comprehensive review of the bank's performance as well as current developments or update on the Bank.

The Bank strongly encourages and supports shareholder participation at its AGM. The Bank sends out the Notice at least 21 days before the AGM which provide ample time for shareholders to receive and review the Notice and reply with their attendance. The Bank holds the AGM at a central location with convenient access to public transportation. A registered shareholder who is unable to attend may choose to appoint one proxy to attend and vote on his behalf. As the authentication of shareholder identity information and the integrity of the information transmitted still remain a concern, the Bank has decided, for the time being, not to implement voting in absentia by mail, email or fax. Shareholders are allowed to speak in the AGM freely to give their valuable suggestions. Details are included in [page no. 71](#)

### 8.2.1 21<sup>st</sup> AGM of Bank Asia in COVID 19 Pandemic

On April 7, 2021 Bank Asia notify the shareholders that 22<sup>nd</sup> AGM will be held at Convention Hall, Bank Asia Tower, 32 & 34, Kazi Nazrul Islam Avenue, Karwanbazar, Dhaka as on April 29, 2021. In view of the Covid-19 pandemic, 22<sup>nd</sup> AGM were held by electronic means. Shareholders were invited to participate in the virtual 2021 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast (b) submitting questions in advance of the 21<sup>st</sup> AGM. The Chairman and President and Managing Director were present in person at the virtual 22<sup>nd</sup> AGM proceedings, while the rest of the Directors joined the AGM by way of video conference.

### 8.2.1 Uphold Shareholder Right

Bank Asia advocates fair and equitable treatment to all shareholders. All price-sensitive information is timely disclosed publicly. Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders and they are informed of the rules, including voting rights and procedure that governs such general meetings of shareholders. Shareholders are entitled to attend and vote at the AGM by person or proxy.

### 8.2.2 Redressed of Shareholders Complaints

Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, and dividend timely and other share related matter is resolved lawfully in time. Details are included in [page no. 234-235](#) of this AIR 2021.

## 9. ENVIRONMENT AND SOCIAL OBLIGATION

### 9.1 Policies and practices relating to social and environmental responsibility of Bank Asia Limited

Bank Asia is always committed to giving back to the society and advocating good environmental practices. Bank Asia carefully planned CSR activities to address the various needs of the community as well as to encourage employees to play an active role. General description of Bank's policies and practices relating to social and environmental responsibility of Bank Asia Limited are described in [page no. 226-228](#).

#### 9.1.1 Policies and Practices relating to Social Responsibility of Bank Asia Limited

Being a responsible corporate citizen, investing in activities for the betterment of society has been at the forefront of what we do. Bank Asia prioritizes social values which will benefit the people of the country. It consistently works for the disadvantaged population segments with support of healthcare, education, art and culture.

#### 9.1.2 Policies and Practices relating to Environmental Responsibility of Bank Asia Limited

For a safe, resilient and sustainable environment of the country in times of adversity and disaster towards enabling them to rebuild their lives and livelihoods, Bank Asia provides support to the society under disaster management and infrastructure development..

### 9.2 Bank Asia's Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices

Bank Asia as a socially committed organization has taken several initiatives related with social and environmental responsibilities. It plays an active role in making a sustainable and green economy. Bank Asia as a socially committed organization has taken several initiatives related with social and environmental responsibilities which are described in [page no. 210, 220 & 226](#) of this AIR 2021.

#### 9.2.1 Activities Undertaken on Social Responsibility

As a responsible corporate citizen we understand the need to invest in the society we operate in for bringing about challenges that impact lives in positive ways. Keeping this thing in mind, Bank Asia spent an overall Tk.162.39 million. Bank Asia donated-

- Tk.50 million to PM's Relief and Welfare Fund for Covid crisis
- Tk.104.70 million on health sector
- Tk.42 million on education sector
- Tk.1million on cultural sector

### 9.2.2 Activities Undertaken on Environmental Responsibility

In view of making Bank Asia more green, the Sustainable Finance Unit has restructured and included more members to promote green initiatives within the bank. It has worked toward more energy efficient operations throughout its network of banking centers, reducing costs and dramatically reducing its emissions, consumption, and waste in the process. In 2021, Bank Asia disbursed-

- Tk.2,226 million under renewable energy
- Tk.7,164 million under liquid waste management
- Tk.378 million on environment friendly brick production and
- Tk.615 million under environment friendly establishments

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



### 9.3 Sustainability Reporting

Bank Asia is the first Bank in Bangladesh which has the pride to publish GRI Certified Sustainability Report. Since 2012 Bank Asia has been publishing Sustainability Report as per GRI standard content index. Sustainability Reporting discloses how business impacts are the social, environmental and economic aspect of the surroundings. It also includes the aspect of Corporate Governance with importance.

Like the previous year, Bank Asia has published Sustainability Report and awarded 'Gold Rank' in Asia Sustainability Reporting Rating 2021 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for sustainability report 2019.

In 2021, Bank Asia published sustainability report 2020 by addressing a serious issue 'Medical Wastages'. Details of this report are available in Bank's website.

#### CERTIFICATE AND COMPLIANCE CHECKLIST

Certificate on compliance of Corporate Governance Certificate from professional accountant on compliance of corporate governance is exhibited in [page no. 209](#) of the Annual Integrated Report 2021.

#### BSEC compliance for Chief Executive Officer and Chief Financial Officer's Statements of Responsibilities

Chief Executive Officers and Chief Financial Officer Statement in line with BSEC notification is given in [page no. 243](#).

#### Status of compliance in line with Bangladesh Securities and Exchange Commission (BSEC) regulation

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969: (Report under Condition No. 7.00) is exhibited in a separate segment [page no. 269-278](#).

**Status of compliance in line with Bangladesh Bank regulation** Status of compliance in line with Bangladesh Bank regulation is given in [page no. 281-291](#).



Bank Asia is the WINNER of SAARC Anniversary Award for Corporate Governance Disclosures 2020 from South Asian Federation of Accountants (SAFA)



Three categories of award for Annual Integrated Report 2020



## CORPORATE GOVERNANCE

### Committee Meeting

#### Board meeting held in 2021

Statement of Board meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021 : 25

SI No.	Name	Total Board meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. A. Rouf Chowdhury	25	24	1	
2.	Mr. Mohd. Safwan Choudhury	25	18	7	
3.	Mr. Romo Rouf Chowdhury	25	-	25	
4.	Mr. Rume A Hossain	25	24	1	
5.	Mr. M. A. Baqui Khalily	25	22	3	
6.	Ms. Hosneara Sinha	25	-	25	
7.	Ms. Naheed Akhter Sinha	25	9	16	
8.	Ms. Romana Rouf Chowdhury	25	25	0	
9.	Mr. Ashraful Haq Chowdhury	25	22	3	
10.	Mr. Dilwar H Choudhury	25	25	0	
11.	Major General Mohammad Matiur Rahman (retd.)	25	25	0	
12.	Mr. Enam Chowdhury	25	21	4	
13.	Ms. Farhana Haq	25	-	25	
14.	Mr. Md. Abul Quasem	25	24	1	
15.	Mr. Helal Ahmed Chowdhury	25	20	5	
16.	Ms. Tania Nusrat Zaman	19	19	0	From 28.03.2021
17.	Mr. Nafees Khundker	7	6	1	From 31.08.2021

The Board has granted leave of absence against the absentee directors of the meeting.

#### Executive Committee (EC) meeting held in 2021

Statement of Executive Committee (EC) meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 49

SI No.	Name	Total EC meeting held	No. of meeting Attended	No. of meeting absent	Remarks
1.	Mr. Rume A Hossain	49	49	0	
2.	Mr. A Rouf Chowdhury	49	43	6	
3.	Mr. Romo Rouf Chowdhury	49	0	49	
4.	Ms. Romana Rouf Chowdhury	49	48	1	
5.	Mr. Enam Chowdhury	49	41	8	
6.	Mr. Md. Abul Quasem	49	49	0	
7.	Mr. Helal Ahmed Chowdhury	49	45	4	

The EC has granted leave of absence against the absentee directors of the meeting.

#### Audit Committee (AC) meeting held in 2021

Statement of Audit Committee meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 9

SI No.	Name	Total Audit meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. Dilwar H Choudhury	9	9	0	
2.	Mr. Mohd. Safwan Choudhury	9	8	1	
3.	Mr. Ashraful Haq Chowdhury	9	9	0	
4.	Major General Mohammad Matiur Rahman (retd.)	9	8	1	
5.	Mr. M. A. Baqui Khalily	9	9	0	

The Audit Committee has granted leave of absence against the absentee directors of the meeting.

## Risk Management Committee meeting held in 2021

Statement of Risk Management Committee meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 4

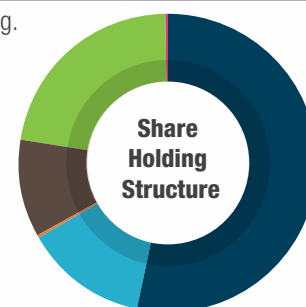
SI No.	Name	Total Board meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. M. A. Baqui Khalily	4	3	1	
2.	Mr. Romo Rouf Chowdhury	4	0	4	
3.	Mr. Rume A Hossain	4	4	0	
4.	Ms. Romana Rouf Chowdhury	4	4	0	
5.	Mr. Enam Chowdhury	4	4	0	

The Risk Management Committee has granted leave of absence against the absentee directors of the meeting.

## Shareholding Structure

At the end of the year 2021, the shareholding structure of Bank Asia Limited was as follows:

Category	No. of shareholders as on 31-12-2021	Total No. of shares as on 31-12-2021	% of total holdings as on 31-12-2021
Sponsors & Directors	27	624,484,380	53.56
General Public	7,206	154,104,666	13.22
Foreign Investments	1	2,426,906	0.21
Investment Companies	87	124,005,748	10.64
Institutions	211	259,562,631	22.26
Non Resident Bangladeshi	51	1,322,529	0.11
<b>Total</b>	<b>7,583</b>	<b>1,165,906,860</b>	<b>100.00</b>



Sponsor & Director **53.56%**  
 General Public **13.22%**  
 Foreign Investments **0.21%**  
 Investment Companies **10.64%**  
 Institutions **22.26%**  
 Non Resident Bangladeshi **0.11%**

## Classification of shareholders by holding as on 31.12.2021

Holding	No. of shareholders as on 31-12-2021	% of total holdings as on 31-12-2021	Shares
less than 5000	5,823	0.55	6,383,214
5000 to 50000	1,441	1.71	19,887,822
50001 to 100000	91	0.56	6,544,939
100001 to 200000	43	0.52	6,028,277
200001 to 300000	19	0.41	4,800,964
300001 to 400000	17	0.51	5,935,631
400001 to 500000	8	0.32	3,690,745
500001 to 1000000	44	2.79	32,470,799
1000001 to 10000000	67	20.65	240,746,072
over 10000000	30	72.00	839,418,397
<b>TOTAL</b>	<b>7,583</b>	<b>100.00</b>	<b>1,165,906,860</b>

## Pattern of Shareholding

Breakup of shareholding pattern as per clause 1.5 (xxi) of Bangladesh Securities and Exchange Commission notification no. SEC/CMRRC/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969, is as follows:

a) Parent/Subsidiary/Associated companies and other related parties (name wise details):

SI No.	Name of the Company	Shareholding Structure
1	Bank Asia Securities Limited	99.997% owned by Bank Asia
2	BA Exchange Company (UK) Limited	100% owned by Bank Asia
3	BA Express USA Inc.	100% owned by Bank Asia

## CORPORATE GOVERNANCE

b) Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and their spouse and minor children (name wise details):

Sl. No.	Name of The Directors	NO. OF SHARES HELD AS ON 31-12-2021
1	MR. A. ROUF CHOWDHURY AND HIS SPOUSE	23,750,148
2	MR. MOHD. SAFWAN CHOUDHURY (REPRESENTING PHULBARI TEA ESTATES LTD.)	45,666,246
3	MR. ROMO ROUF CHOWDHURY	23,323,746
4	MR. RUMEE A. HOSSAIN	36,216,554
5	MS. HOSNEARA SINHA AND HER SPOUSE	61,981,738
6	MS. NAHEED AKHTER SINHA AND HER SPOUSE	63,499,543
7	MS. ROMANA ROUF CHOWDHURY (REPRESENTING MAYA LIMITED)	41,679,196
8	MAJ. GEN. MOHAMMAD MATIUR RAHMAN, NDU. PSC (RETD.) (REPRESENTING SINHA FASHIONS LIMITED)	23,401,435
9	MS. FARHANA HAQ	58,230,519
10	MR. ENAM CHOWDHURY (REPRESENTING ZEST POLYMERS LIMITED)	25,959,122
11	MS. TANIA NUSRAT ZAMAN (REPRESENTING AMIRAN GENERATIONS LIMITED)	47,558,630
12	MR. NAFEES KHUNDKER AND HIS SPOUSE	48,103,618
13	MR. DILWAR H CHOUDHURY (INDEPENDENT DIRECTOR)	NIL
14	MR. ASHRAFUL HAQ CHOWDHURY (INDEPENDENT DIRECTOR)	NIL
15	MR. MD. ABUL QUASEM (INDEPENDENT DIRECTOR)	NIL
16	MR. M. A. BAQUI KHALILY (INDEPENDENT DIRECTOR)	NIL
17	MR. HELAL AHMED CHOWDHURY (INDEPENDENT DIRECTOR)	NIL
<b>Total</b>		<b>499,370,495</b>

### b.1) Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and their spouse

1	CHIEF EXECUTIVE OFFICER AND HIS SPOUSE	600,092
2	COMPANY SECRETARY	NIL
3	CHIEF FINANCIAL OFFICER	NIL
4	HEAD OF ICCD	NIL

### c) Executives

1	MR. MD. SAZZAD HOSSAIN	50,000
2	MR. MOHAMMAD ZIAUL HASAN MOLLA	23,000
3	MR. SHAFIUZZAMAN	NIL
4	MR. AREEF BILLAH ADIL CHOWDHURY	NIL
5	MR. TANFIZ HOSSAIN CHOWDHURY	NIL

Shareholders holding ten percent (10%) or more voting interest in the company: Nil

# BANK ASIA DIVIDEND DISTRIBUTION POLICY

Bank Asia Limited has formulated a dividend distribution policy in line with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

## DISTRIBUTION TIME

Bank Asia Limited shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval. Provided that interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

## CASH DIVIDEND

Cash dividend shall be distributed in the following manner and procedures, namely:-

- i) Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Bank Asia Limited, dedicated for this purpose;
- ii) Bank Asia Limited shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that Bank Asia Limited may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- iii) Bank Asia Limited, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to Bank Asia Limited for such claim;

- iv) Bank Asia Limited, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- v) Bank Asia Limited shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- vi) Bank Asia Limited, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
- vii) Bank Asia Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that Bank Asia Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of Bank Asia Limited as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

## STOCK DIVIDEND

Bank Asia Limited shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

Bank Asia Limited, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিস্‌পজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares:

Provided that Bank Asia Limited shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- a) Bank Asia Limited shall send at least 3 (three) reminders to the entitled shareholder;
- b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to Bank Asia Limited:  
Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- c) Bank Asia Limited shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);



## CORPORATE GOVERNANCE

- d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

### COMPLIANCE REPORT REGARDING DIVIDEND DISTRIBUTION

Bank Asia Limited shall submit a compliance report to the BSEC and the exchange(s) in a specified format at Annexure-A within 7 (seven) working days of completion of dividend distribution:

Provided that Bank Asia Limited shall publish the compliance report in its website.

### FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

Bank Asia Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

### TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED CASH DIVIDEND

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by Bank Asia Limited to the Fund as directed or prescribed by the BSEC:

Provided that Bank Asia Limited shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, Bank Asia Limited shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

### TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED STOCK DIVIDEND

If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned above:

Provided that Bank Asia Limited shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, Bank Asia Limited shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

### MAINTAINING DETAIL INFORMATION OF THE SHAREHOLDER FOR THE PURPOSE OF PROPER DISTRIBUTION OF CASH DIVIDEND OR STOCK DIVIDEND

Bank Asia Limited, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that Bank Asia Limited or its agent or the CDBL or its DP shall keep confidentiality of information:

Provided further that Bank Asia Limited shall collect detailed updated information on BO account, bank account, mobile number, email address and contact address of shareholder from the CDBL from time to time when needed for the purpose of proper distribution cash dividend or stock dividend and other compliances:

In case of holding paper shares, Bank Asia Limited shall update the information at least once in a year.

### DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report and official website.

#### Statement of Unclaimed Dividend & Right Shares

as on Dec. 31, 2021

##### Cash Dividend

SL. No.	Year	Amount in Tk.
1	CASH DIVIDEND FOR THE YEAR 2005	528,594.30
2	CASH DIVIDEND FOR THE YEAR 2014	1,632,195.10
3	CASH DIVIDEND FOR THE YEAR 2015	3,512,889.41
4	CASH DIVIDEND FOR THE YEAR 2018	2,950,357.26
5	CASH DIVIDEND FOR THE YEAR 2019	5,880,190.55
6	CASH DIVIDEND FOR THE YEAR 2020	11,153,575.20
TOTAL		25,657,801.82

##### Stock Dividend

SL. No	Year	No. of Shares
1	BANK ASIA LTD-BONUS-2006	536,890
2	BANK ASIA LTD-BONUS-2007	614,770
3	BANK ASIA LTD-BONUS-2008	808,780
4	BANK ASIA LTD-BONUS-2009	1,730,220
5	BANK ASIA LTD.-BONUS-2010	2,396,370
6	BANK ASIA LTD.-BONUS-2011	1,700,486
7	BANK ASIA LTD- BONUS-2012	1,038,124
8	BANK ASIA LTD-BONUS-2013	1,120,415
9	BANK ASIA LTD. BONUS-2014	1,234,619
10	BANK ASIA LTD. BONUS-2015	679,264
11	BANK ASIA LTD. BONUS-2016	1,712,252
12	BANK ASIA LTD. BONUS-2017	2,049,490
13	BANK ASIA LTD. BONUS-2018	907,001
14	BANK ASIA LTD. RIGHT-2011	56,010
TOTAL		16,584,691

# Dividend Distribution Compliance Report

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021  
Annexure-A

1	Name of the Issuer/Securities/Mutual Fund			
2	Particulars of Issuer DP			
3	Type of Dividend (Annual /Interim)	a) Annual <input type="checkbox"/> b) Interim <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
4	Whether audited or not for Interim Dividend	a) Audited <input type="checkbox"/> b) Unaudited <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
5	Date of recommendation of Dividend by the Board of Directors/Trustee: (Enclose copy of PSI)			
6	Whether Dividend recommended other than directors or sponsors or any other classes	a) Yes <input type="checkbox"/>	b) No <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)			
7	Record date for entitlement			
8	Rate of Dividend recommended by the Board of Directors/Trustee			
9	Dividend recommended-Type	a) Cash <input type="checkbox"/> b) Stock <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
10	Securities/mutual fund traded under which categories	(a) A <input type="checkbox"/> (b) B <input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL			
12	Date of approval of Dividend at AGM			
13	Rate of Dividend approved at ACM- details at Annexure, (if any change)			
14	Date of commencement of disbursement of Cash and Stock Dividend			
15	Mode of disbursement of Cash Dividend	a) BEFTN <input type="checkbox"/> b) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)	d) Dividend Warrant <input type="checkbox"/> e) Any other mode <input type="checkbox"/>		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]			
17	Paid-up-capital of the issuer-before corporate action/entitlement	TK-	<input type="checkbox"/>	<input type="checkbox"/>
18	Numbers of securities/shares outstanding-before corporate action/entitlement:			
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration			
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock.(nos)	Annexures

## CORPORATE GOVERNANCE

	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)			
23	Total unpaid/undistributed Dividend/accrued as on 1st day of Accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	e) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	1) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:			
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/ Nos			
27	Grand Total of unpaid/undistributed Dividend (22+26)			
	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance			
	More than 4 years; balance			
28	More than 5 years & above; balance			
	Total of unpaid/undistributed Dividend for previous years			
	(Supporting bank statements and balances of securities with the Depository)			
Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts				
with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

# Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation

For the year ended 31st December 2021

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

**(Report under Condition No. 9.00)**

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors.</b>			
<b>1(1)</b>	<b>Size of the Board of Directors</b>			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of Bank Asia Limited is comprised of 18 Directors including Managing Director.
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		05 out of 17 directors are appointed as Independent Director
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		Does not hold any share of the Company
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		The Independent Directors have declared their compliances.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF);	✓		-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		-
1(2)(c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual General Meeting (AGM);	✓		-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		-



## CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		-
<b>1(3)</b>	<b>Qualification of Independent Director (ID)</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association;	-	-	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least eductional background of bachelor degree in economics or commerce or bussiness or law;	✓		-
1(3)(b)(iv)	University Teacher who has eductional background in Economics or Commerce or Business Studies or Law;	✓		-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director shall have at least 10( ten) years of experiences in any field mentioned in clause (b);	✓		-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such deviation occurred
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such event arose

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
<b>1(5)</b>	<b>The Directors' Report to the Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		-
1(5)(ii)	The Segment-wise or product-wise performance;	✓		-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such event arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓		-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc;			No such matter to explain
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		-

## CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Company has declared 15% Cash dividend.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		-
1(5)(xxiii)(c)	Executives;	✓		-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓		-
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓		-
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		-
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			N/A
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company			N/A
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company,-</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		-
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		-
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		-
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		-
<b>3(2)</b>	<b>Requirement to attend Board of Director's Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		-
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			



## CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or in violation of the code of conduct for the company's Board or its member;	✓		-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-
<b>4.</b>	<b>Board of Director's Committee.-For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee.			N/A
<b>5.</b>	<b>Audit Committee.-</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		-
5(1)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		-
5(2)	Constitution of the Audit Committee	✓		-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		-
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten) years of such experience;	✓		-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		-
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		-
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓		-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		-
5(5)(b)	Monitor choice of accounting policies and principles;	✓		-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		-
5(5)(d)	Oversee hiring and performance of external auditors.	✓		-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		-
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		-
5.5(h)	Review the adequacy of internal audit function;	✓		-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering (RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	-	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose

## CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	-
<b>6. Nomination and remuneration Committee(NRC).-</b>				
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			As per Bangladesh Bank Circular No. BRPD (R-1) 717 / 2021-5064 dated June 16, 2021, for a bank company it is not required to form this.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All member of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of chairperson of the NRC, any member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder,s queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the ceiteria for determining qualifications, positive atteibutes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity,educational background and nationality;			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the ceiteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			



## CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
<b>7.</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	√		-
7 (1) (ii)	Financial information system design and implementation;	√		-
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	√		-
7 (1) (iv)	Broker –dealer services;	√		-
7 (1) (v)	Actuarial services;	√		-
7 (1) (vi)	Internal audit services or special audit services;	√		-
7 (1) (vii)	Any services that the Audit Committee determines;	√		-
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		-
7 (1) (ix)	Any other service that creates conflict of interest	√		-
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		-
<b>8.</b>	<b>Maintaining a website by the Company.-</b>			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		-
8(2)	The company shall keep the website functional from the date of listing.	√		-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		-
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 31st December 2020
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	-	√	Board recommended the Professional for due appointment by the Shareholders in Upcoming AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		-

## Compliance Checklist In Line With the Companies Act, 1994 (amended upto 2020)

The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-

Industry outlook and possible future developments in the industry	a	Discussed in the Directors' report page no. 69-105.
Segment-wise or product-wise performance	b	Discussed in the Directors' report
Risks and concerns	c	Discussed in a disclosure on Risk Based Capital under Pillar-3 of Basel- III, CRO's report and Risk Management Report.
A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	d	Discussed in Chief Financial Officer's report page no. 294-299.
Discussion on continuity of any Extra-Ordinary Gain or loss	e	The Bank did not make any extra-ordinary Gain or loss in 2021.
Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	f	Given in notes to the financial statements page no. 349
Utilization of proceeds from public issues, rights issues and/or through any others instruments	g	In 2021, the bank did not go for any public issues and right issues.
An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	h	The financial results of the bank was not deteriorated after the company went for Rights Offer.
If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	i	No significant variance occurred between quarterly financial performance and annual financial statements.
Remuneration to directors including independent directors	j	Discussed in the Corporate Governance Report page no. 236-291
The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its Operations, cash flows and changes in equity	k	Discussed in Chief Executive Officer and Chief Financial Officer's statement of Responsibilities.
Proper books of account of the issuer company have been maintained.	l	Discussed in Chief Executive Officer and Chief Financial Officer's statement of responsibilities. page no. 243.
Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	m	Discussed in notes to the financial statements page no. 319-334.
International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	n	Discussed in notes to the financial statements page no. 319-334.
The system of internal control is sound in design and has been effectively implemented and monitored	o	The system of internal control is sound in design and has been effectively implemented and monitored. A detailed discussion is given under internal control and compliance part of Directors report.

## CORPORATE GOVERNANCE

<p>There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed</p>	<p>p There are no significant doubts on the Bank's ability to continue as a going concern.</p>
<p>Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained</p>	<p>q 2021 was a year of continued delivery for the Bank, with successful strategy execution, enabling the bank to achieve strategic objectives set out in the year. This resulted in a solid financial performance, with continued business momentum and balance sheet growth. During the year 2021, the bank generated operating profit of Tk. 9,192.53 million with a growth of 51.42% and its net profit was Tk. 2,706.74 million, which registered 32.96% growth. Our net income grew 32.96% YoY to Tk. 2,706.74 million in 2021. This was mainly supported by our net fund based income growth of 1.26% YoY as net interest margin increased by 77 bps YoY to Tk. 5,639.88 million. This was happened due to lower cost of customer deposits which reduced 15% YoY. By improving bank's deposit mix, we offer loans at highly competitive rates without compromising profitability. The ratio of high cost, low cost and no cost deposit stood 43%:33%:24% which was 48%:29%:23% in the previous year. In addition, increase of Non-Interest income by 48.11%, better return from investment income of Tk. 6,848.33 million, comparatively better recovery from written-off loans of Tk. 287.43 million and better tax management were the major contributing factor of strong profitability. The Bank could also improve its ROA to 0.64% &amp; ROE to 9.89% which were 0.53% &amp; 7.81% in the previous year. Due to Bangladesh Bank circular regarding "loan classification" the Bank was able to restrict CL to 5.14% in 2021.</p>
<p>Key operating and financial data of at least preceding 5 (five) years shall be summarized</p>	<p>r Given in separate statement.</p>
<p>If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given</p>	<p>s The Bank has been declaring dividend every year.</p>
<p>The number of Board meetings held during the year and attendance by each director shall be disclosed</p>	<p>t Discussed in the Corporate Governance report and notes to the financial statements</p>
<p>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives; d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)</p>	<p>u Discussed in the Corporate Governance page no. 236-291. Report and notes to the financial statements page no. 319-334.</p>
<p>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the directorship and the membership of committees of the board</p>	<p>v Discussed in notes to the financial statements and Directors' Profile.</p>

# Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD)

circular no. 11 dated 27.10.2013)

SI No.	Particulars	Compliance Status
1	<p><b>FORMATION OF BOARD OF DIRECTORS</b></p> <p>The newly amended Section 15 of the Bank Company Act, 1991 (Amended upto 2013) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit &amp; proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc.</p>	Complied
1.1	<p><b>Appointment of New directors:</b></p> <p>Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:</p> <ul style="list-style-type: none"> <li>a) Personal information of the nominated person (Appendix-ka);</li> <li>b) Nominated person's declaration(Appendix-kha);</li> <li>c) 'Declaration for confidentiality' by the nominated person(Appendix-ga);</li> <li>d) In case of Independent director, the approval letter from Security and Exchange commission;</li> <li>e) In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha &amp; ga);</li> <li>f) CIB report of the nominated person;</li> <li>g) Updated list of the directors.</li> </ul>	Complied
1.2	<p><b>Vacation of office of Director:</b></p> <ul style="list-style-type: none"> <li>a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated.</li> <li>b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.</li> <li>c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.</li> </ul>	Complied

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SI No.	Particulars	Compliance Status
1.3	<p><b>Removal of Directors from office:</b> According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	N/A
1.4	<p><b>Appointment of Alternate Director</b> Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p> <ol style="list-style-type: none"> <li>Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.</li> <li>The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.</li> <li>Any loan defaulter or any person who is not eligible to become a director as per any rules &amp; regulation will not be appointed as an alternate director.</li> <li>As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.</li> <li>While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules &amp; regulations will also be applicable to the alternate director.</li> </ol>	N/A
2.	<p><b>DEPOSITOR DIRECTOR</b> As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	N/A
3.	<p><b>INFORMATION REGARDING DIRECTORS</b> Banks are advised to take the following steps regarding director information: Every bank should keep an updated list of bank directors,</p> <ol style="list-style-type: none"> <li>Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</li> <li>Banks should display a list of directors in the website and update it on a regular basis.</li> </ol>	Complied
4.	<p><b>RESPONSIBILITIES OF THE BOARD OF DIRECTORS</b></p>	
4.1	<p><b>Responsibilities and authorities of the board of directors:</b></p> <p><b>(a) Work-planning and strategic Management:</b></p> <ol style="list-style-type: none"> <li>shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.</li> <li>The board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times.</li> </ol>	Complied



SI No.	Particulars	Compliance Status
	<p><b>(b) Credit and risk management</b></p> <p>i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.</p> <p>ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.</p>	Complied
	<p><b>(c) Internal control management</b></p> <p>The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	Complied
	<p><b>(d) Human resources management and development</b></p> <p>i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer &amp; punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p> <p>ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programmes incorporated in its annual work plan.</p> <p>iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.</p>	Complied
	<p><b>(e) Financial management</b></p> <p>i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</p> <p>ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.</p> <p>iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied

## CORPORATE GOVERNANCE

SI No.	Particulars	Compliance Status
	<p><b>(f) Appointment of Chief Executive Officer (CEO)</b> In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.</p>	Complied
	<p><b>(g) Other responsibilities of the Board</b> The board should follow and comply with the responsibilities assigned by Bangladesh Bank.</p>	Complied
4.2	<p><b>Meeting of Board</b> Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.</p>	Complied
4.3	<p><b>Responsibilities of the chairman of the board of directors</b></p> <p>a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.</p> <p>b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.</p> <p>c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.</p>	Complied
5.	<p><b>FORMATION OF COMMITTEES FROM THE BOARD OF DIRECTORS</b> The adviser, whatever name called, shall advise the board of directors or the CEO on such issues only for which he is engaged in terms of the conditions of his appointment. He shall neither have access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the bank including financial, administrative or operational affairs.</p>	Complied
5.1	<p><b>Executive committee</b> Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.</p>	Complied
	<p><b>a) Organizational structure:</b></p> <p>i) Members of the committee will be nominated by the board of directors from themselves;</p> <p>ii) The executive committee will comprise of maximum 07 (seven) members;</p> <p>iii) Members may be appointed for a 03 (three)-year term of office;</p> <p>iv) Chairman of the Board of Directors can be the chairman of executive committee;</p> <p>v) Company secretary of the bank will be the secretary of the executive committee.</p>	Complied
	<p><b>b) Qualifications of the Members:</b></p> <p>i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</p> <p>ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee;</p> <p>iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.</p>	Complied

SI No.	Particulars	Compliance Status
	<p><b>c) Roles and Responsibilities of the Executive Committee:</b></p> <ul style="list-style-type: none"> <li>i) The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.</li> <li>ii) The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.</li> <li>iii) All decisions taken in the executive committee should be ratified in the next board meeting.</li> </ul>	Complied
	<p><b>d) Meetings</b></p> <ul style="list-style-type: none"> <li>i) The executive committee can sit any time as it may deem fit.</li> <li>ii) The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;</li> <li>iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>iv) All decisions/observations of the committee should be noted in minutes.</li> </ul>	Complied
5.2	<p><b>Audit Committee</b></p> <p>The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.</p>	Complied
	<p><b>a) Organizational structure:</b></p> <ul style="list-style-type: none"> <li>i) Members of the committee will be nominated by the board of directors from the directors;</li> <li>ii) The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director;</li> <li>iii) Audit committee will comprise with directors who are not executive committee members;</li> <li>iv) Members may be appointed for a 03 (three) year term of office;</li> <li>v) Company secretary of the bank will be the secretary of the audit committee.</li> </ul>	Complied
	<p><b>b) Qualifications of the Members:</b></p> <ul style="list-style-type: none"> <li>i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ;</li> <li>ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.</li> <li>iv) Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.</li> </ul>	Complied

## CORPORATE GOVERNANCE

SI No.	Particulars	Compliance Status
	<b>c) Roles and Responsibilities of the Audit Committee</b>	
	<i>(i) Internal Control:</i>	
	<ol style="list-style-type: none"> <li>Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;</li> <li>Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);</li> <li>Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;</li> <li>Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.</li> </ol>	Complied
	<i>(ii) Financial Reporting:</i>	
	<ol style="list-style-type: none"> <li>Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules &amp; regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;</li> <li>Discuss with management and the external auditors to review the financial statements before its finalization.</li> </ol>	Complied
	<i>(iii) Internal Audit:</i>	
	<ol style="list-style-type: none"> <li>Audit committee will monitor whether internal audit working independently from the management.</li> <li>Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;</li> <li>Examine the efficiency and effectiveness of internal audit function;</li> <li>Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.</li> </ol>	Complied
	<i>(iv) External Audit:</i>	
	<ol style="list-style-type: none"> <li>Review the performance of the external auditors and their audit reports;</li> <li>Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.</li> <li>Make recommendations to the board regarding the appointment of the external auditors.</li> </ol>	Complied
	<i>(v) Compliance with existing laws and Regulations:</i>	
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.	Complied
	<i>(vi) Other Responsibilities:</i>	
	<ol style="list-style-type: none"> <li>Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;</li> <li>External and internal auditors will submit their related assessment report, if the committee solicit;</li> <li>Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.</li> </ol>	Complied
	<b>d) Meetings</b>	
	<ol style="list-style-type: none"> <li>The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;</li> <li>The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;</li> <li>To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>All decisions/observations of the committee should be noted in minutes.</li> </ol>	Complied

SI No.	Particulars	Compliance Status
5.3	<p><b>Risk Management Committee</b></p> <p>To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.</p>	Complied
	<p><b>a) Organizational Structure</b></p> <ol style="list-style-type: none"> <li>1. Members of the committee will be nominated by the board of directors from themselves;</li> <li>2. The Risk Management Committee will comprise of maximum 05 (five) members;</li> <li>3. Members may be appointed for a 03 (three) year term of office;</li> <li>4. Company secretary of the bank will be the secretary of the Risk Management Committee.</li> </ol>	Complied
	<p><b>b) Qualifications of the Members</b></p> <ol style="list-style-type: none"> <li>1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</li> <li>2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.</li> </ol>	Complied
<b>c) Roles and Responsibilities of the Risk Management Committee</b>		
	<p><i>i) Risk identification &amp; control policy :</i></p> <p>Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies &amp; methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.</p>	Complied
	<p><i>ii) Construction of organizational structure:</i></p> <p>The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control &amp; compliance risk, money laundering risk, information &amp; communication risk including other risk related guidelines.</p>	Complied
	<p><i>iii) Analysis and approval of Risk Management policy:</i></p> <p>Risk management policies &amp; guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.</p>	Complied



## CORPORATE GOVERNANCE

SI No.	Particulars	Compliance Status
	<p><i>iv) Storage of data &amp; Reporting system:</i> Adequate record keeping &amp; reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions &amp; summary in a specific format &amp; inform the Board of Directors.</p>	Complied
	<p><i>v) Monitoring the implementation of overall Risk Management Policy:</i> Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.</p>	Complied
	<p><i>vi) Other responsibilities:</i></p> <ol style="list-style-type: none"> <li>1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;</li> <li>2. Comply instructions issued time to time by the controlling body;</li> <li>3. Internal &amp; external auditor will submit respective evaluation report whenever required by the committee.</li> </ol>	Complied
	<p><b>d) Meetings</b></p> <ol style="list-style-type: none"> <li>1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;</li> <li>2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;</li> <li>3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>4. All decisions/observations of the committee should be noted in minutes.</li> </ol>	Complied
6	<p><b>TRAINING FOR THE DIRECTORS</b> The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.</p>	Complied
	Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 18 dated 27.10.2013)	
A.	<b>Rules and regulations for appointing CEO</b>	
	<ol style="list-style-type: none"> <li>1. Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-             <ol style="list-style-type: none"> <li>a) He has not been convicted by any Criminal Court of Law;</li> <li>b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;</li> <li>c) He was not associated with any such company/organization, registration or license of which has been cancelled.</li> </ol> </li> </ol>	Complied
	<ol style="list-style-type: none"> <li>2. Experience and Suitability:             <ol style="list-style-type: none"> <li>a) For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank.</li> <li>b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.</li> <li>c) In respect of service, the concerned person should have excellent record of performance.</li> <li>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;</li> <li>e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive.</li> </ol> </li> </ol>	Complied

SI No.	Particulars	Compliance Status
3.	<p>Transparency and Financial Integrity: Before appointment as chief executive, satisfaction should be ensured to the effects that:</p> <p>a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;</p> <p>b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;</p> <p>c) He is not a tax defaulter;</p> <p>d) He has never been adjudicated an insolvent.</p>	Complied
4.	Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5.	Tenure: The tenure of the chief executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.	Complied
6.	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:-</p> <p>a) In fixing the salary and allowances of the chief executive, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b) Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c) Without improving the bank's major economic indicator like- CAMELS annual salary increment will not be payable.</p> <p>d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive.</p> <p>e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f) The bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.</p>	Complied
7.	Incentive Bonus: Subject to the payment of incentive bonuses to all staffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.	Complied
8.	Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	Complied
9.	Evaluation Report: While reappointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.	Complied
10.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended upto 2013). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.	Complied

## CORPORATE GOVERNANCE

SI No.	Particulars	Compliance Status
11.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.	Complied
B.	<p><b>Responsibilities and authorities of the CEO</b></p> <p>The CEO of the bank, whatever name called, shall discharge the responsibilities and affect the authorities as follows:</p> <p>a) In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.</p> <p>b) The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank.</p> <p>c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.</p> <p>d) The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.</p> <p>e) The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.</p> <p>f) The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc.</p>	Complied
Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 19 dated 27.10.2013)		
A	<b>Appointment of Advisor</b>	
1.	<p>Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:</p> <p>a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;</p> <p>b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;</p> <p>c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;</p> <p>d) A person who is working in any bank or financial institution or who has business interest in that bank will not be considered eligible for appointment to the post of advisor;</p> <p>e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court.</p>	N/A
2.	Responsibilities: The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.	N/A
3.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	N/A
4.	Remuneration and other facilities: The post of advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	N/A

SI No.	Particulars	Compliance Status
5.	Tenure: The tenure of the advisor shall be maximum 1(one) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A
6.	Appointment of Ex-officials: For good governance any former director, chief executive or any official will not be eligible to become an advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.	N/A
<b>B</b>	<b>Appointment of Consultant</b>	
1.	Terms of Reference: Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2.	Responsibilities: The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	Complied
3.	Appointment: Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	Complied
4.	Tenure: The tenure of consultant should be consistent with the terms of reference, but would not exceed 2 (two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.	Complied
5.	Remuneration/honorarium: The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	Complied
6.	Appointment of Ex-officials: For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.	Complied

## Bank Asia Shariah Supervisory Committee (BASSC)

We, at Bank Asia Limited, always consider the Shariah compliance as the most significant and strategic priority in Islamic Banking. Our products & services are designed in conformity with the principles of Islamic Shariah. We have constituted "Bank Asia Shariah Supervisory Committee" consisting of qualified Faqihs (experts on Islamic jurisprudence), Islamic Scholars and professionals to ensure Shariah compliance in each and every aspect of our Islamic Banking operations.

Bank Asia Shariah Supervisory Committee consists of the following members:

*As on December 31, 2021*

<b>Name of the Honorable Member</b>	<b>Position in the Committee</b>
<b>Md. Fariduddin Ahmed</b>	Chairman
<b>Mufti Shahed Rahmani</b>	Member
<b>Mufti Muhammad Abdul Mannan</b>	Member
<b>Mohammad Mofazzal Hussain Khan</b>	Member
<b>Dr. Muhammad Ismail Hussain</b>	Member
<b>Mawlana Shah Mohammad Wali Ullah</b>	Member Secretary
<b>Rumee A Hossain</b>	Member [from the Board]
<b>Md. Arfan Ali</b>	Member [Ex-Officio] (President & Managing Director)
<b>A.K.M. Mizanur Rahman, CIPA, CSAA</b>	Member [Ex-Officio] (Head of Islamic Banking-CC)



# Report of the Bank Asia Shariah Supervisory Committee (BASSC)

For the year ended 31st December, 2021

In the Name of Allah, The Beneficent, The Merciful. All praise is due to Almighty Allah, the Lord of the Universes and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions.

## To the Shareholders of the Bank Asia Limited,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

In compliance with the terms of reference of the Bye Laws of the Bank Asia Shari'ah Supervisory Committee (BASSC), we submit the following Report on the Islamic Banking operations of the Bank Asia Limited for year ended on 31st December, 2021:

During the year 2021, the Bank Asia Shari'ah Supervisory Committee (BASSC) and its Sub-committee met in 6 (six) Sessions and gave opinion on various Shari'ah related issues placed before it by the Management. The Bank Asia Management is responsible for ensuring that they conduct its Islamic Banking business in accordance with the Shari'ah Rules and Principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank Asia Islamic Banking during the period from 1st January, 2021 to 31st December, 2021.

We have conducted our review on the basis of Shari'ah audit and inspection reports of the Shari'ah Audit team to form our opinion as to whether the Bank Asia, in its Islamic Banking operations, has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us. In addition to our fatwas, the Muraqibs also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Branches and Windows were 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Bank Asia Islamic Banking. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Bank Asia Islamic Banking has not violated Shari'ah rules and principles.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of the Bank and to the President & Managing Director and his team for their spontaneous cooperation and support during the year 2021.

May Allah subhanahu wata'la give us strength to achieve His satisfaction through implementation of Shari'ah Principles in every sphere of our life.



**Shah Mohammad Wali Ullah**

Member Secretary  
Bank Asia Shari'ah Supervisory Committee

## In our opinion:

- The contracts, transactions and dealings entered into by the Bank Asia Islamic Banking during the year ended on 31st December, 2021 that we have reviewed are in compliance with the Shari'ah rules and principles;
- Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;
- All earnings that have been realized from sources or by means prohibited by Shari'ah rules and principles have not been included in Bank's income;
- Transactions with the conventional part of the Bank have been made complying Shari'ah principles; And
- Zakah is not applicable for window based Islamic Banking of Bank Asia.

## During the year under report, the BASSC has advised the Bank on the following Issues:

- To take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;
- To continue to arrange regular training & workshop on Islamic Banking for the officials of the Bank, for the owners of the Agents Banking and for their Customer Service Officers to increase professional skills for better Shari'ah compliance; And
- To continue the practice of obtaining 'Shari'ah clearance' from the Shari'ah Unit of the Corporate Office before disbursement of Investment Deals in order to maintain highest level of Shari'ah compliance.

## The Shari'ah Supervisory Committee appreciated the following steps and initiatives of the Bank during the year for furtherance of Islamic Banking services for:

- Introducing policy of Export Finance operations for Islamic business;
- Preparing new Islamic products for SME and Agri businesses;
- Conducting sufficient numbers of Shari'ah audit programs; And
- Implementing complete software solutions for conducting smooth online Islamic Banking operations through all conventional Branches and SME Centers of the Bank.



**Md. Fariduddin Ahmed**

Chairman  
Bank Asia Shari'ah Supervisory Committee

# Chief Financial Officer's Report

In order to ensure sustainable growth in the days to come, visionary leadership with strategic planning, improved customer service and client coverage through best use of low cost distribution channels and operational efficiency through more digitization will play crucial role.



After a prolonged stagnant situation followed by the pandemic's devastating effects in almost all the industries, the world economy bounced back into a V shape recovery from the 2nd half of the year 2021. The situation is nothing different in Bangladesh as the GDP growth rate encountered an all-time low of 3.51% in the year 2020 and rose to 5.47% in 2021 and it is expected to rise to pre-pandemic level of more than 6.6% in the coming year. At present global inflation rate stood at 4.4% whereas for Bangladesh, it is 6.05% which is pretty alarming. Major challenges remain ensuring improved customer satisfaction with limited resources, quick adoption of technological innovations for changing demand of customers, maintaining required profitability in highly competitive environment etc.

## Regulator's Intervention to Save the Economy

During the period of Covid-19 followed by its lasting impacts, in the year 2020, Bangladesh Bank gave stimulus packages worth of Tk. 121,535 crore in different sectors like CMSME, Export, Import, Agriculture etc. to maintain macroeconomic stability. Since the pandemic hit the usual way of life and business to a great extent, borrowers were quite unable to repay their loans. To comfort the genuinely affected borrowers and to let the economy rebound, during the year 2021, the central bank of Bangladesh gave policy support by way of extending loan repayment and moratorium facility for a specific period with loan status remaining

unclassified. Moreover, the regulator made the rules easy by allowing borrowers to repay only 15% of their total due amount. These simple measures are helping the economy revive slowly from the setback due to the pandemic.

## Making Banks more Efficient

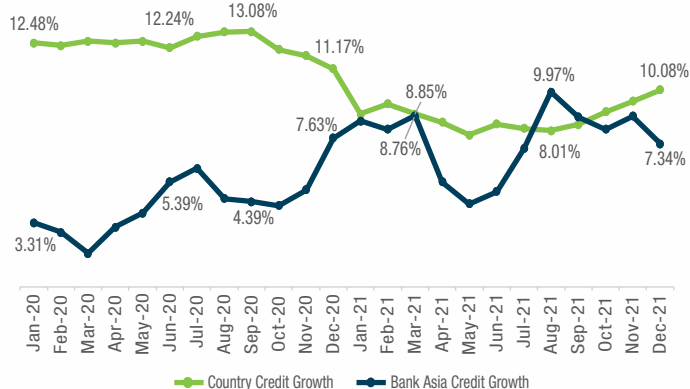
Due to the fixed loan interest rate regime followed by the Covid-19 pandemic effects, banks had been facing severe challenges in maintaining required profitability margin. To ensure minimum spread from the core business, banks had to drastically reduce the deposit interest rate. This decision impacted majority of the customers as most of them depend on the fixed based earnings from their savings. To protect the interest of the core depositors, who are actually the life blood of the banking system, the central bank intervened again by fixing minimum rate on fixed deposit by last 3 months average inflation rate. Again, this decision from the regulator impacted banks profitability to a greater extent in the short run. But if we closely look at the bigger picture in the long run, it actually helping the economy to boost from the distressed situation, eventually benefiting banking business. The regulators decision ultimately compelled banks to further strengthen its capital base, selective in choosing borrowers, set up low cost distribution channels and doing more digitization. This has opened doors for the 4th industrial revolution in the banking sector of the country.

## Bank Asia: Financial Overview 2021

Despite the challenges, Bank Asia continued its unwavering efforts to achieve solid growth in the following business parameters:

### Deposit & Advance Growth: Country vs. Bank Asia

Since the start of Covid-19 followed by single digit loan interest rate regime, Bank Asia was very much cautious in maintaining its health of the balance sheet. During the last 2 years, bank's strategy was to go slower in increasing balance sheet size, rather preferred to focus on strengthening the quality of its loan portfolio. Moreover, the bank's move was to ensure return from treasury business, increase low costs deposits base, let go high cost long tenor based deposits, thus save costs as loan demand was pretty low.



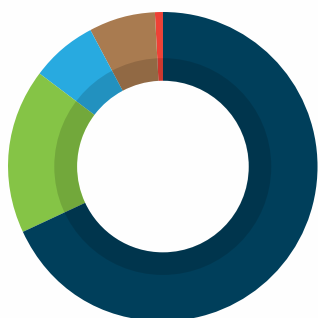
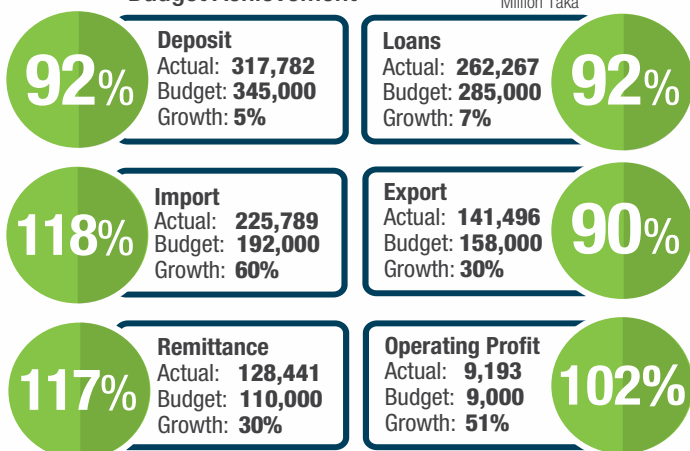
### Business Budget Achievement

In any business, ensuring sustainable growth and achieving targeted profit is the ultimate objective. Like the previous year, we had to manage our profitability in 2021 from treasury business since banks core business i.e. deposit and advance growth was pretty lower. Moreover, non-funded business, especially import, export and remittance gave us mileage to exceed our yearly profit target.

### Loan Mix

For risk diversification and in line with the sectoral lending cap policy approved by the Board, we have been concentrating on having relatively moderate growth in corporate business while accelerating in SME/retail businesses as our ultimate goal is to attain 50:50 ratio in near term. For this purpose, during the last couple of years, we have set our branch business targets in various segments such as Corporate, Export Finance, SME, retail, Islamic and agent banking where every branches performance are closely monitored against targets.

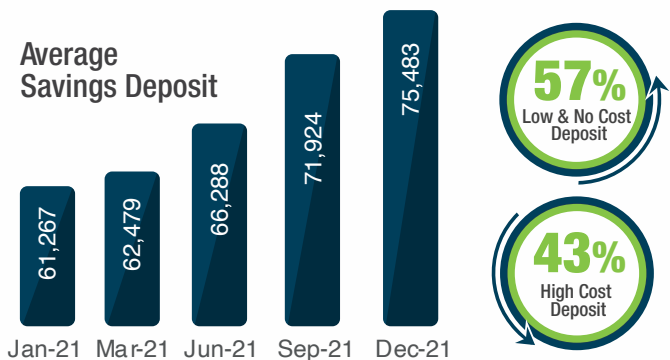
### Budget Achievement



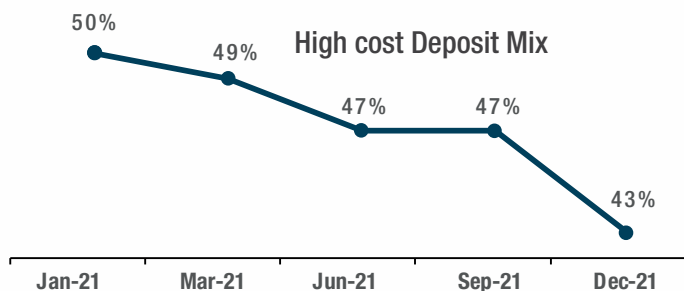
### Loan Mix

Corporate **66%**  
 SME & Agri **17%**  
 Retail **9%**  
 Islamic **7%**  
 Agent Banking **1%**

### Average Savings Deposit



### High cost Deposit Mix



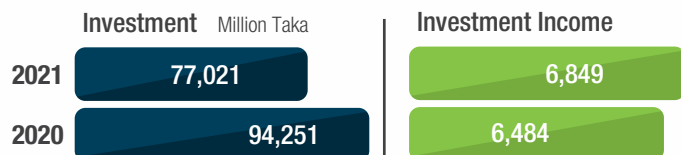
### Efficient Deposit Mix

Since income from loans and advance was declined due to lower margin as well as portfolio growth, in the year 2021 the bank focused on booking CASA deposits that eventually helped to reduce proportion of high cost deposit and gave mileage in required cost savings. Banks proactive move of 23% increase in savings deposits helped to attain high cost deposit mix to 43% from 50%.

# Chief Financial Officer's Report

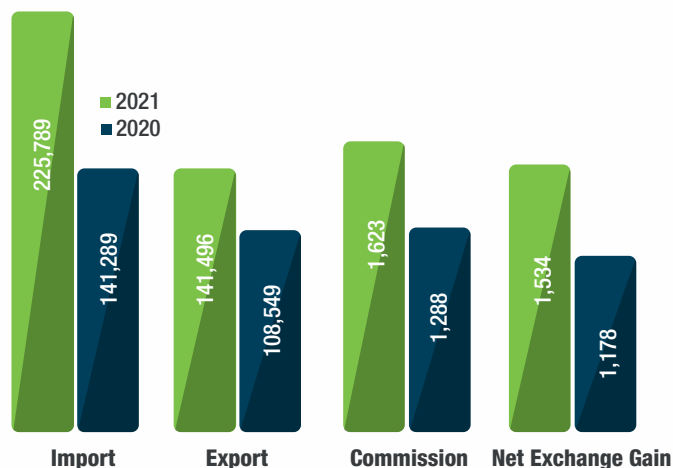
## Investment Portfolio and Income

In the year 2021 our investment portfolio, mainly treasury business reduced to Tk. 77,021 million from Tk. 94,251 million, even though, revenue increased mainly due to booking of Tk. 2,244 million capital gain from Govt. Securities, thus helped to off-set the margin we lost from conventional loan business.



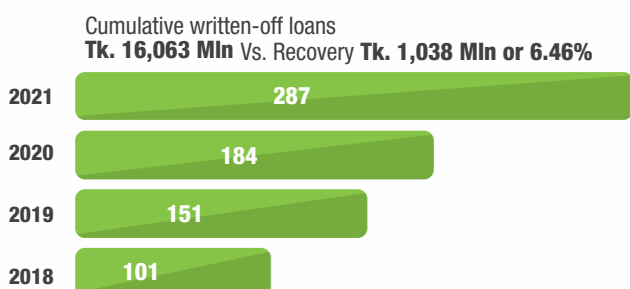
## Support from Non-Funded Income

Last year, the non-funded business played a major role in achieving our desired profitability. Total import and Export business grew by Tk. 117,447 million or 47% out of which Import business grew by Tk. 84,500 million or 60%, Export business by Tk. 32,947 million or 30%. Moreover, Remittance increased by Tk. 29,530 million. These combined business growth contributed to the growth of Tk. 691 million out of which Commission income grew by Tk. 335 million or 26% and Net Exchange Gain increased by Tk. 356 million or 30%.



## Recovery from Written-Off Loans

Cash recovery from written-off loans plays a significant role in any bank's profitability due to the numerous benefits it provides, including the fact that there is no tax on this revenue, significantly reduces loan loss provisions and ensures direct return to shareholders. In the year 2021 we recovered Tk. 287 million from previously written-off loan which is the highest in any single year since inception. Hence, we have set our target of recovering more than Tk. 1,000 million in 2022.



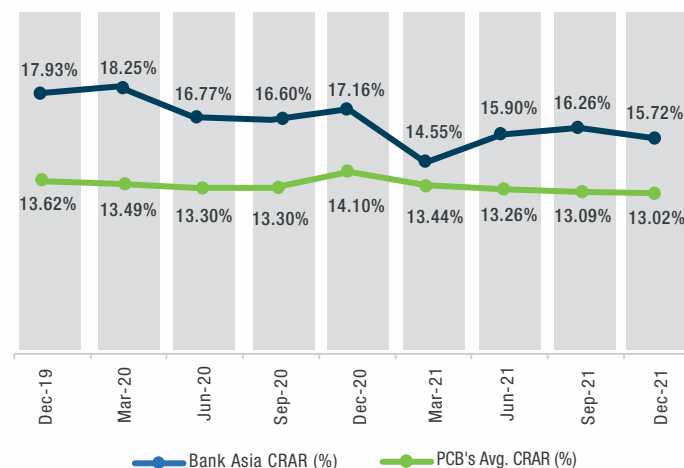
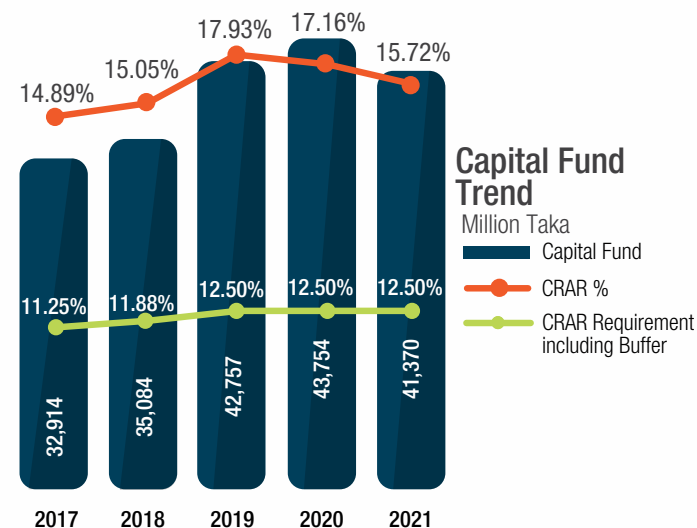
## Capital Management

Capital is the main component for secure banking since banks take on risks and may suffer losses if the risks emerge. In order to remain safe and protect customer's deposits, banks need to absorb such losses and keep going in good and difficult times. But how much capital should a bank hold depends on the risks it takes. The bigger the risks, the more capital it requires. For that reason, it is necessary for banks to continuously assess the risks they are exposed to and the losses they may incur. Banks internal assessments are checked by banking supervisors who are responsible for monitoring the financial health.

In order to strengthen the banking sector, the Basel Committee on Banking Supervision (BCBS) released a global regulatory framework on the Basel-III capital accord in December 2010 by updating global capital and liquidity rules. It should be noted that the implementation of the Basel III capital accord began in January 2015 and already implemented since January 2020, according to the Bangladesh bank's roadmap. The agreement to implement minimum total capital plus Capital Conservation Buffer of 12.50 percent as opposed to the current 10 percent depicted as follows:

Year	2017	2018	2019	2020	2021
CRAR %	11.25%	11.88%	12.50%	12.50%	12.50%

Images show that, in comparison to the industry, Bank Asia has always been very proactive in managing its capital efficiently, maintaining the ratio well above the requirement including the buffer.





# Chief Financial Officer's Report

## Capital Planning (Banking Operation) 2022-2024

In 2022, Bank Asia is going to issue perpetual bond worth of Tk. 5,000 million as a means of meeting its capital requirements, the money received from investors for the bonds qualifies as Tier 1 capital. Apart from raising Tier 1 and Tier 2 capital, Bank Asia places equal importance on capital saving or reduction of capital requirement in the form of credit rating of appropriate Corporate and SME clients (detailed in risk management report section), optimizing worthy collaterals, and diversifying the business portfolio to ensure minimal risk with maximum return. Keeping this in mind, Bank Asia develops its capital and business strategies using a three-years capital plan.

Million Taka

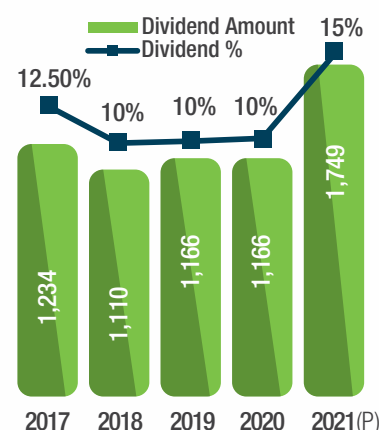
	Actual		Planning		
	2020	2021	2022	2023	2024
<b>Common Equity Tier 1 (CET1) Capital</b>					
Paid-up capital	11,659	11,659	11,659	12,854	14,140
Statutory Reserve	9,844	10,725	11,144	12,503	12,988
General Reserve	8	8	8	8	8
Retained earnings	2,092	2,805	3,045	3,250	3,450
Perpetual Bond-1st issue		-	5,000	5,000	5,000
Less: Regulatory adjustments	(44)	(45)	(43)	(43)	(44)
<b>Total CET1</b>	<b>23,559</b>	<b>25,153</b>	<b>30,813</b>	<b>33,572</b>	<b>35,542</b>
<b>Tier 2 Capital</b>					
General Provision	9,995	10,218	12,295	12,895	13,895
Subordinated 7 year Floating Rate Bond 2	1,200	600	0	0	0
Subordinated 7 year Floating Rate Second Bond 3	4,000	3,000	2,000	1,000	0
Subordinated 7 year Floating Rate Second Bond 4	5,000	5,000	4,000	3,000	2,000
Subordinated 7 year Floating Rate Second Bond 5	-	-	-	5,000	5,000
Excess amount over Maximum Limit of Tier-2	0	-2,600	-2,000	-2,000	-1,000
<b>Total Tier 2 Capital Available</b>	<b>20,195</b>	<b>16,218</b>	<b>16,295</b>	<b>19,895</b>	<b>19,895</b>
<b>Total Capital (Tier 1 + 2)</b>	<b>43,754</b>	<b>41,370</b>	<b>47,108</b>	<b>53,467</b>	<b>55,437</b>
Risk Weighted Assets (RWA)	254,905	263,153	292,292	360,060	396,000
Minimum Capital Requirement+ Conservation Buffer	12.50%	12.50%	12.50%	12.50%	12.50%
<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>17.16%</b>	<b>15.72%</b>	<b>16.12%</b>	<b>14.85%</b>	<b>14.00%</b>

Regulatory adjustments:

\* Reciprocal crossholdings in the CET1 Capital of Bank Asia by other banks and financial institutions have been deducted.

## Dividend

Dividends, whether cash or stock, are regarded as one of the simplest yet most powerful messages conveyed to shareholders about a company's historical performance and future prospects. During the last few years, the bank maintained sufficient provision to achieve a stronger balance sheet and in 2021, the bank declared a 15% cash dividend totaling Tk. 1,749 million. Bank Asia distributed stock dividends in the early years of its operation to strengthen its core capital, and since 2014, a combination of stock and cash dividends have been distributed. Dividend payments from 2015 to 2021 are shown in the table below:



Dividend Distribution							
	2015	2016	2017	2018	2019	2020	2021(P)
<b>Dividend %</b>	<b>20%</b> <b>(5% S+ 15% C)</b>	<b>12% S</b>	<b>12.50% S</b>	<b>10%</b> <b>(5% S+ 5% C)</b>	<b>10% Cash</b>	<b>10% Cash</b>	<b>15% Cash</b>
<b>Million Taka</b>	<b>1,679</b>	<b>1,058</b>	<b>1,234</b>	<b>1,110</b>	<b>1,166</b>	<b>1,166</b>	<b>1,749</b>



# Chief Financial Officer's Report

## Driving Financial Inclusion: Agent Banking

Bank Asia pioneered agent banking 8 years ago with a well-thought-out vision to reach out to remote and unbanked people and provide banking services to their doorstep in the most cost-effective and technology-driven manner possible. The operation has already expanded its diverse financial inclusion activities across the country through agent outlets such as post office agent banking, Union Digital Center (UDC), City Digital Center (CDC), micro-merchant, and so on. Agent banking made receiving foreign remittances easy and convenient for people in remote areas. The bank now has 4,898 agent outlets spread across Bangladesh, with a deposit base of Tk. 33,830 million and over 4.92 million customers, with 92 percent of accounts opened in rural areas and 63 percent of account holders being women. Because the agent banking portfolio remained deposit prone over the years, there were ample opportunities for lending growth. To encourage more lending, Bank Asia Agent Banking calibrated the agent-centric business model, capitalizing on existing resources, with the goal of driving the business to a higher level by capturing more market share and making the business model more profitable.



**Million Taka**  
**DEPOSIT**  
2022 TARGET: 50,000  
2021 ACT: 33,830



**ADVANCE**  
2022 TARGET: 6,000  
2021 ACT: 1,646



**OUTLET**  
2022 TARGET: 6,682  
2021 ACT: 4,898



**PROFIT**  
2022 TARGET: 400  
2021 ACT: 307

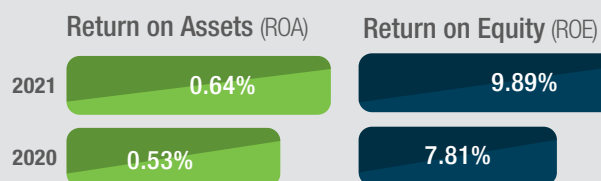
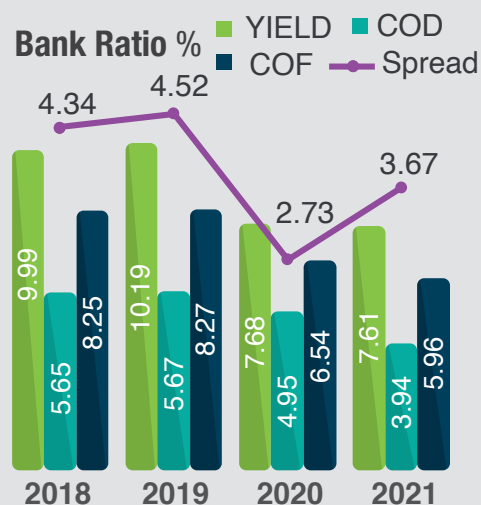
## Significance of Human Resource Accounting (HRA)

Because banking is such a large part of the service industry, human resources are the most important capital in this industry. The value of this resource is not measured in traditional accounting, so a critical portion goes unaccounted. Human resource accounting is extremely important for shareholders when making long-term investment decisions because it determines how much value employees will generate for the company in the future at a given cost. It aids in understanding and assessing an organization's inner strength, allowing management to steer the company successfully through the most adverse and unfavorable circumstances. Additionally, investors learn whether an organization is labor intensive or not, which provides a foundation for planning physical assets vs. human resources. Using the Present Value of Future Earnings Model (Lev & Schwartz), Bank Asia reported the total value of Human Capital to be Tk. 23,043 million in 2021 compared to Tk. 21,121 million in 2020. This model discounts total benefits payable to employees with the assumption of minimum expected earnings from the year mentioned up to respective retirement. The detailed discussion on Bank's HR Accounting has been presented at [Page no. 259](#) of this Annual Report.

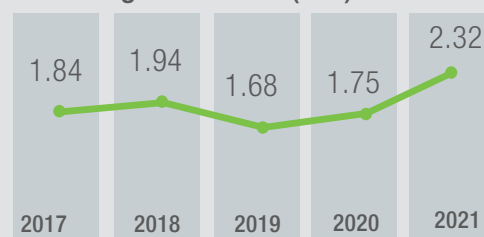
## Category wise Break down is presented in the table

	2021			2020		
	No. of employees	Per capita value	Total Value	No. of employees	Per capita value	Total Value
<b>Executive</b>	430	17.75	7,634	385	17.75	6,834
<b>Officer</b>	2,117	7.28	15,403	2,078	6.87	14,281
<b>Total Individual Value</b>	2,547		23,037	2,463		21,115
<b>Training Cost</b>			6			6
<b>Total Human Capital</b>	2,547		23,043	2,463		21,121

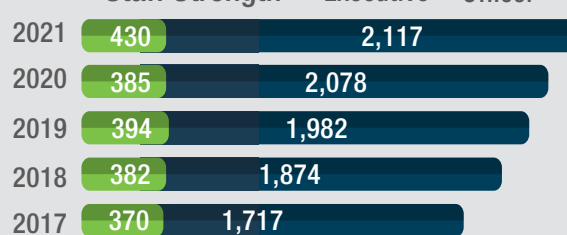
Million Taka



## Earnings Per Share (EPS)



## Staff Strength



# Chief Financial Officer's Report



## Brief Economic, Environmental and Social Performance

Economic responsibility	Number of loan accounts growth	29%
	Deposit accounts growth	28%
	Savings accounts growth	30%
Shareholders responsibility	Profit after Tax	2,707 Million Taka
	Shareholders' fund	27,357 Million Taka
	Share Price	21.80 BDT
Environmental responsibility	Electricity consumed	12,101,778 kwh
	Oil	67,557 ltrs
	CNG	109,320 m3
	Local business travel	2,484,832 Km
Social responsibility	Paper used	62,490 reams
	Staff strength growth	3%
	Benefits and emoluments growth	9%

Transparency and consistency are the guiding principles of Bank Asia's Group Finance division and we strive to contribute to the development of the Management and Board's Business Strategy. We are confident that focusing on our stakeholder's needs, providing quality services to our valued customers and surrounding ourselves with great people will enable us to grow sustainably.

**Mohammad Ibrahim Khalil, FCA**  
Chief Financial Officer



# FINANCIAL STATEMENTS



- b) Mutual Fund (Details are shown in Annexure-B)
  - 1st Janata Bank Mutual fund
  - EBL NRB 1st Mutual Fund
  - 1st Bangladesh Fixed Income Fund
  - MBL 1st Mutual Fund
  - EXIM Bank 1st Mutual Fund

c) Debentures

- Beximco Denims Limited
- Beximco Textiles Limited

d) Bonds

Yield	Rate	Face Value	Market Value
22.08	19.3	1,00,000	1,19,300
19.3	5.87	1,00,000	1,19,300
117.94	83.87	1,00,000	1,17,940
10.36	10.36	1,00,000	1,00,000
98.58	77.97	1,00,000	98,580
24.05	24.05	1,00,000	1,24,050
37.04	37.04	1,00,000	1,37,040
187.5	187.5	1,00,000	1,18,750
8.88	8.88	1,00,000	1,08,880
3.39	3.39	1,00,000	1,03,390
2.01	2.01	1,00,000	1,02,010
397.4	397.4	1,00,000	1,39,740
32.01	32.01	1,00,000	1,32,010
550.3	550.3	1,00,000	1,55,030
20,800	20,800	1,00,000	20,800
85,000	85,000	1,00,000	85,000
2,474,634	2,474,634	1,00,000	2,47,463
166,682	166,682	1,00,000	1,66,682
26,905	26,905	1,00,000	26,905
16,000	16,000	1,00,000	16,000
93,750	93,750	1,00,000	93,750
132,000	132,000	1,00,000	132,000
1,614	1,614	1,00,000	1,614
729	729	1,00,000	729
360	360	1,00,000	360



Key Indices

INDEX	PREVIOUS	CHANGE
SET Index	1,276.84	1,292.81
Paper & Printing	1,878.72	-15.97
Petroleum & Chem	1,925.37	-14.46
Packaging	1,067.20	-29.35
Steel	359.21	-16.78
Prop & Construct	1,474.72	-28.59
Construct Materials	1,895.79	-0.35
Property Dev	1,915.51	-13.47
Property Fund	1,527.49	-1.38
Construction Services	2,125.05	-22.73
Resources	369.81	-10.98
Energy & Utility	200.02	-6.39
Mining	10,467.96	-4.01
Services	122.24	+0.80
Commerce	635.62	-129.89
Health Care	29.45	-0.04
Shops & Retail	644.51	-0.06
Food & Beverage	163.60	-1.88
Consumer Product	477.38	-1.01
Fashion	414.14	-0.11
Home & Office Prod	1,402.14	-0.11
Personal & Pharm	1,402.14	-0.11
Financials	1,402.14	-0.11
Banking	1,402.14	-0.11
Finance & Securities	1,402.14	-0.11
Insurance	1,402.14	-0.11
Industrial	1,402.14	-0.11
Automotive	1,402.14	-0.11
Ind Material & Mech	1,402.14	-0.11

**7.3 Investments classified as per Bangladesh Bank circular**  
 Held for trading (HFT)  
 Held to maturity (HTM)  
 Other securities  
 Maturity-wise grouping

# Independent Auditor's Report to the Shareholders of Bank Asia Limited

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated financial statements of Bank Asia Limited and its subsidiaries (the "Group") as well as the separate financial statements of Bank Asia Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
<p><b>Measurement of provision for loans, advances and leases</b></p> <p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At year end the Group reported total gross loans and advances of BDT 264,999 million (2020: BDT 247,332 million) and provision for loans and advances of BDT 16,773 million (2020: BDT 14,523 million) including provision maintained by Bank Asia Securities Limited BDT 755 million (2020: BDT 562 million).</p> <p>In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 56 dated 10 December 2021 and 50 dated 14 December 2021 on the outstanding balance from clients who have taken the deferral facility due to COVID 19.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</li> </ul> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained</li> </ul>



Description of key audit matters	Our response to key audit matters
	<p>Considering continuing adverse impact of COVID 19, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021 whereby Banks are allowed to keep a loan/customer as unclassified as long as the customer has paid 15% of the down payment due for the year 2021 by 31 December 2021.</p> <p>The Bank has calculated required provision as per Bangladesh Bank letter DBI-3/120/2022-404 dated 16 March 2022 considering total classified loans and advances of Tk 1,346.95 crore (5.14%).</p>
<b>See note # 8 (a) and 13.2 to the financial statements</b>	

Risk	Our response to the risk
<b>Interest income recognition</b>	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-off testing to check accuracy of interest income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p> <p>However, due to the current uncertainty of the overall economic situation and depending on the pace of post COVID 19 recovery, there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2021.</p>
<b>See note # 20 (a) to the financial statements</b>	

<b>Valuation of treasury bill and treasury bond</b>	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>See note # 7 to the financial statements</b>	

Description of key audit matters	Our response to key audit matters
<b>Impairment assessment of unquoted investments</b>	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2021 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>See note # 7.2 to the financial statements</b>	
<b>IT systems and controls</b>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
<b>Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Description of key audit matters	Our response to key audit matters
<b>Carrying value of investments in subsidiaries by the Bank</b>	
<p>The Bank has invested in equity shares of three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). As at 31 December 2021 the carrying value of this investment is BDT 2,116 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> <p>We further observed that pursuant to the BSEC notification the subsidiary of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.</p>
<b>Revaluation of property, plant and equipment</b>	
<p>The Bank in prior year has undertaken revaluation of its land and building. As a result of this revaluation exercise, an amount of BDT 1,930,642,171 is recognised as the fair value gain in revaluation reserve and resultant deferred tax liability. Determination of fair value in absence of any quoted price and active market require significant judgment</p>	<p>We assessed the process of revaluation previously taken by the Bank.</p> <p>We have discussed with management about any potential changes in revaluation assumptions since the last revaluation, in particular potential impact of COVID 19 and applied our judgment to see whether the fair value is still relevant.</p> <p>We checked related accounting treatments of fair value gain and associated deferred tax as recognized by the Bank.</p>

### Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include three subsidiaries, namely Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA) reflect total assets of BDT 441,026.19 million as at 31 December 2021 and net interest income of BDT 5,694.25 million for the year ended 31 December 2021. Out of these three subsidiaries of the Bank two subsidiaries have been audited by other component auditors who have expressed unqualified audit opinion. However, Bank Asia Securities Limited has been audited by us. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, Dated  
16 March 2022  
DVC No: 2203210770AS787616

*Sabbir Ahmed.*

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



# Bank Asia Limited and its subsidiaries

## Consolidated Balance Sheet

as at 31 December 2021

Amount in Taka

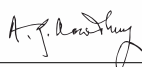
	Notes	31 Dec 2021	31 Dec 2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		33,365,082,062	17,902,027,343
In hand (including foreign currencies)	4.1(a)	3,609,634,979	2,965,195,036
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	29,755,447,083	14,936,832,307
<b>Balance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

# Consolidated Balance Sheet

Amount in Taka

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

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



Chairman



Director



Director



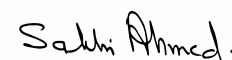
Director



President and Managing Director

See our annexed report of even date

Dhaka, Dated  
16 March 2022  
DVC No: 2203210770AS787616



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

# Bank Asia Limited and its subsidiaries

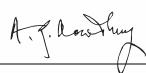
## Consolidated Profit and Loss Account

for the year ended 31 December 2021

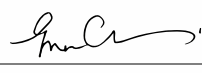
Amount in Taka

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

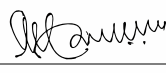
These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



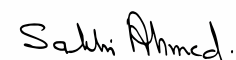
Director



President and Managing Director

See our annexed report of even date

Dhaka, Dated  
16 March 2022  
DVC No: 2203210770AS787616



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

# Bank Asia Limited and its subsidiaries

## Consolidated Cash Flow Statement

for the year ended 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
<i>Amount in Taka</i>			
<b>Cash flows from operating activities (A)</b>			
Interest receipts		22,884,554,255	23,359,993,236
Interest payments		(13,639,906,156)	(14,933,189,503)
Dividends receipts		136,087,793	15,280,460
Fees and commission receipts		3,562,596,602	2,653,972,061
Recoveries on loans previously written off		287,429,432	183,636,137
Cash payment to employees		(3,816,090,219)	(3,674,692,886)
Cash payment to suppliers		(214,258,327)	(225,693,469)
Income tax paid		(1,310,722,518)	(2,474,031,947)
Receipts from other operating activities	35 (a)	3,453,659,983	2,007,097,543
Payments for other operating activities	36 (a)	(2,736,269,946)	(2,627,543,728)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		8,607,080,899	4,284,827,904
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans and advances to customers and banks		(17,667,635,689)	(15,516,163,259)
Other assets		298,862,909	541,735,042
Deposits from customers and banks		14,931,015,417	49,416,387,780
Trading liabilities		11,864,296,427	1,589,726,446
Other liabilities		(279,683,390)	424,381,282
<b>Net Increase/(decrease) in operating assets and liabilities</b>		9,146,855,674	36,456,067,291
<b>Net cash flows from operating activities</b>		17,753,936,573	40,740,895,195
<b>Cash flows from investing activities (B)</b>			
Investments in treasury bills, bonds and others		19,351,841,699	(37,844,806,273)
Sale/(Purchase) of trading securities		(2,396,464,925)	(1,535,032,529)
(Purchase)/disposal of fixed assets including right-of-use assets		(474,428,366)	(457,571,585)
<b>Net cash flows from/(used in) investing activities</b>		16,480,948,408	(39,837,410,387)
<b>Cash flows from financing activities (C)</b>			
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(1,600,000,000)
Payments for lease liability		(419,543,010)	(353,868,024)
Dividend paid (cash dividend)		(1,165,906,860)	(1,165,906,860)
<b>Net cash flows from/(used in) financing activities</b>		(3,185,449,870)	(3,119,774,884)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		31,049,435,111	(2,216,290,076)
<b>Effects of exchange rate changes on cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at the beginning of the year</b>		50,007,474,740	52,223,764,816
<b>Cash and cash equivalents at the end of the year</b>		81,056,909,851	50,007,474,740
<b>Cash and cash equivalents:</b>			
Cash		3,609,634,979	2,965,195,036
Balance with Bangladesh Bank and its agent bank(s)		29,755,447,083	14,936,832,307
Balance with other banks and financial institutions		41,288,613,589	32,103,518,897
Money at call and on short notice		6,400,000,000	-
Prize bonds		3,214,200	1,928,500
		81,056,909,851	50,007,474,740

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

Chairman

Director

Director

Director

President and Managing Director

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

for the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 01 January 2020</b>	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	836,486	1,800,257,979	24,586,568,251	10,196	24,586,578,448
Transferred during the year	-	791,541,337	-	-	-	(791,541,337)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	-	1,765,977,830	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	-	53,715,264	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(2,758,415)	(2,758,415)	-	(2,758,415)
Foreign currency translation for the year	-	-	-	-	20,215	-	20,215	-	20,215
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,024,487,407	2,024,487,407	2	2,024,487,409
<b>Balance as at 31 December 2020</b>	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	856,701	1,918,254,038	27,208,388,428	10,198	27,208,398,627
Transferred during the year	-	881,347,196	-	-	-	(881,347,196)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	-	(1,565,086,073)	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for opening retained earnings	-	-	-	-	-	(1,835,153)	(1,835,153)	-	(1,835,153)
Foreign currency translation for the year	-	-	-	-	(95,460)	-	(95,460)	-	(95,460)
Transferred to General and other reserve	-	-	-	150,947	-	(150,947)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,165,906,860)	(1,165,906,860)	-	(1,165,906,860)
Net profit for the year	-	-	-	-	-	2,728,270,203	2,728,270,203	76	2,728,270,279
<b>Balance as at 31 December 2021</b>	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360

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



Chairman



Director



Director



Director



President and Managing Director



# Bank Asia Limited

## Balance Sheet

as at 31 December 2021

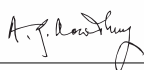
		<i>Amount in Taka</i>	
	Notes	31 Dec 2021	31 Dec 2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		33,364,884,587	17,899,782,364
In hand (including foreign currencies)	4.1	3,609,437,504	2,962,950,057
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	29,755,447,083	14,936,832,307
<b>Balance with other banks and financial institutions</b>		40,361,469,795	31,480,907,697
In Bangladesh	5.1	38,950,215,157	29,455,358,540
Outside Bangladesh	5.2	1,411,254,638	2,025,549,157
<b>Money at call and on short notice</b>	6	6,400,000,000	-
<b>Investments</b>	7	77,021,190,521	94,251,183,584
Government		70,690,287,923	90,042,129,622
Others		6,330,902,598	4,209,053,962
<b>Loans and advances/investments</b>	8	262,266,701,765	244,642,030,073
Loans, cash credits, overdrafts, etc/investments		234,243,717,970	228,467,330,505
Bills purchased and discounted		28,022,983,795	16,174,699,568
<b>Fixed assets including premises, furniture and fixtures</b>	9	6,039,141,904	6,708,655,006
<b>Other assets</b>	10	12,839,899,861	13,978,128,282
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>438,293,288,433</b>	<b>408,960,687,006</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	47,836,151,368	35,971,854,941
<b>Subordinated non-convertible bonds</b>	11 (aa)	8,600,000,000	10,200,000,000
<b>Deposits and other accounts</b>	12	317,782,434,902	303,028,106,360
Current/Al-wadeeah current accounts and other accounts		63,650,371,768	59,357,845,676
Bills payable		3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings bank deposits		79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits		170,941,701,491	175,755,144,727
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13	36,718,063,544	32,379,830,134
<b>Total liabilities</b>		<b>410,936,649,814</b>	<b>381,579,791,435</b>
<b>Capital/shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>27,356,638,619</b>	<b>27,380,895,571</b>
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	10,725,443,940	9,844,096,744
General and other reserve	15.1	8,166,144	8,166,144
Revaluation reserve	16	2,159,144,877	3,777,946,202
Retained earnings	17	2,804,815,058	2,091,617,881
<b>Total liabilities and shareholders' equity</b>		<b>438,293,288,433</b>	<b>408,960,687,006</b>

# Balance Sheet

Amount in Taka

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

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



Chairman



Director



Director



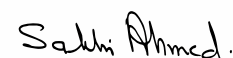
Director



President and Managing Director

See our annexed report of even date

Dhaka, Dated  
16 March 2022  
DVC No: 2203210770AS787616



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

# Bank Asia Limited

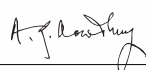
## Profit and Loss Account

for the year ended 31 December 2021

Amount in Taka

	Notes	31 Dec 2021	31 Dec 2020
<b>OPERATING INCOME</b>			
Interest income	20	18,340,772,912	18,112,098,828
Interest paid on deposits and borrowings, etc	21	12,700,889,562	14,926,677,328
<b>Net interest income</b>		5,639,883,350	3,185,421,500
Investment income	22	6,848,834,433	6,484,398,100
Commission, exchange and brokerage	23	3,168,386,253	2,474,977,494
Other operating income	24	1,036,304,780	1,034,090,923
		11,053,525,466	9,993,466,517
<b>Total operating income (A)</b>		16,693,408,816	13,178,888,017
<b>OPERATING EXPENSES</b>			
Salaries and allowances	25	3,870,113,954	3,536,708,226
Rent, taxes, insurance, electricity, etc	26	480,758,487	440,514,478
Legal expenses	27	16,556,291	13,111,596
Postage, stamp, telecommunication, etc	28	118,317,263	125,950,752
Stationery, printing, advertisements, etc	29	116,093,929	148,118,134
Managing Director's salary and fees	30	20,401,265	19,262,968
Directors' fees	31	4,040,000	3,208,000
Auditors' fees	32	977,625	853,000
Depreciation and repairs of Bank's assets	33	866,249,276	849,791,740
Other expenses	34	2,007,368,660	1,970,532,731
<b>Total operating expenses (B)</b>		7,500,876,750	7,108,051,625
<b>Profit before provision (C=A-B)</b>		9,192,532,066	6,070,836,392
Provision for loans and advances/investments			
General provision		(1,112,892,000)	2,166,139,871
Specific provision		5,263,688,085	(413,359,577)
	13.2	4,150,796,085	1,752,780,294
Provision for off-balance sheet items	13.3	485,000,000	43,349,415
Provision for diminution in value of investments	13.7	-	180,000,000
Other provisions	13.8	150,000,000	137,000,000
<b>Total provision (D)</b>	34(b)	4,785,796,085	2,113,129,709
<b>Total profit before tax (C-D)</b>		4,406,735,981	3,957,706,683
Provision for taxation			
Current tax	13.5.1	1,700,000,000	1,922,000,000
Deferred tax	13.5.2	-	-
		1,700,000,000	1,922,000,000
<b>Net profit after tax</b>		2,706,735,981	2,035,706,683
<b>Appropriations</b>			
Statutory reserve	15	881,347,196	791,541,337
General and other reserve		-	-
		881,347,196	791,541,337
<b>Retained surplus</b>		1,825,388,785	1,244,165,346
Earnings Per Share (EPS)	37	2.32	1.75

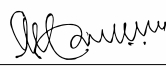
These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



President and Managing Director

See our annexed report of even date

Sabbir Ahmed.

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

Dhaka, Dated  
16 March 2022  
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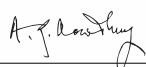
# Bank Asia Limited

## Cash Flow Statement

for the year ended 31 December 2021

	Notes	Amount in Taka	
		31 Dec 2021	31 Dec 2020
<b>Cash flows from operating activities (A)</b>			
Interest receipts		22,653,460,186	23,166,183,766
Interest payments		(13,463,183,262)	(14,744,815,683)
Dividends receipts		136,087,793	15,280,460
Fees and commission receipts		3,168,386,253	2,474,977,494
Recoveries on loans previously written off		287,429,432	183,636,137
Cash payment to employees		(3,691,182,824)	(3,572,502,864)
Cash payment to suppliers		(211,495,406)	(223,780,872)
Income tax paid		(1,215,831,944)	(2,429,453,826)
Receipts from other operating activities	35	3,304,643,071	1,972,014,105
Payments for other operating activities	36	(2,648,419,591)	(2,573,433,525)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>8,319,893,708</b>	<b>4,268,105,192</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans and advances to customers and banks		(17,624,671,692)	(15,213,028,151)
Other assets		258,482,635	281,322,817
Deposits from customers and banks		14,754,328,542	49,318,531,745
Trading liabilities		11,864,296,427	1,589,726,446
Other liabilities		(406,708,893)	332,501,946
<b>Net Increase/(decrease) in operating assets and liabilities</b>		<b>8,845,727,019</b>	<b>36,309,054,803</b>
<b>Net cash flows from operating activities</b>		<b>17,165,620,727</b>	<b>40,577,159,995</b>
<b>Cash flows from investing activities (B)</b>			
Investments in treasury bills, bonds and others		19,351,841,699	(37,844,806,273)
Sale/(Purchase) of trading securities		(2,121,848,636)	(1,473,797,375)
(Purchase)/disposal of fixed assets including right-of-use assets		(463,213,899)	(457,571,585)
<b>Net cash flows from/(used in) investing activities</b>		<b>16,766,779,164</b>	<b>(39,776,175,233)</b>
<b>Cash flows from financing activities (C)</b>			
Adjustment of subordinated non-convertible bond		(1,600,000,000)	(1,600,000,000)
Payments for lease liability		(419,543,010)	(353,868,024)
Dividend paid (cash dividend)		(1,165,906,860)	(1,165,906,860)
<b>Net cash flows from/(used in) financing activities</b>		<b>(3,185,449,870)</b>	<b>(3,119,774,884)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>30,746,950,021</b>	<b>(2,318,790,122)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>49,382,618,561</b>	<b>51,701,408,683</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>80,129,568,582</b>	<b>49,382,618,561</b>
<b>Cash and cash equivalents:</b>			
Cash		3,609,437,504	2,962,950,057
Balance with Bangladesh Bank and its agent bank(s)		29,755,447,083	14,936,832,307
Balance with other banks and financial institutions		40,361,469,795	31,480,907,697
Money at call and on short notice		6,400,000,000	-
Prize bonds		3,214,200	1,928,500
		<b>80,129,568,582</b>	<b>49,382,618,561</b>

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



Chairman



Director



Director



Director



President and Managing Director

# Bank Asia Limited

## Statement of Changes in Equity

for the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Retained earnings	Total
<b>Balance at 01 January 2020</b>	11,659,068,600	9,052,555,407	2,065,683,636	8,166,144	1,959,644,131	24,745,117,918
Transferred during the year	-	791,541,337	-	-	(791,541,337)	-
Adjustment on revaluation of fixed assets and other investment	-	-	1,765,977,830	-	-	1,765,977,830
Transferred to retained earnings	-	-	(53,715,264)	-	53,715,264	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,035,706,683	2,035,706,683
<b>Balance as at 31 December 2020</b>	11,659,068,600	9,844,096,744	3,777,946,202	8,166,144	2,091,617,881	27,380,895,571
Transferred during the year	-	881,347,196	-	-	(881,347,196)	-
Adjustment on revaluation of fixed assets and other investment	-	-	(1,565,086,073)	-	-	(1,565,086,073)
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,165,906,860)	(1,165,906,860)
Net profit for the year	-	-	-	-	2,706,735,981	2,706,735,981
<b>Balance as at 31 December 2021</b>	11,659,068,600	10,725,443,940	2,159,144,877	8,166,144	2,804,815,058	27,356,638,619

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

  
Chairman

  
Director

  
Director

  
Director

  
President and Managing Director



## Bank Asia Limited Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2021

Amount in Taka

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
<b>Assets</b>						
Cash in hand and with banks	20,743,584,587	-	-	-	12,621,300,000	33,364,884,587
Balance with other banks and financial institutions	24,018,337,596	16,343,132,199	-	-	-	40,361,469,795
Money at call and on short notice	6,400,000,000	-	-	-	-	6,400,000,000
Investments	1,361,355,389	13,132,239,857	11,604,861,475	29,011,452,079	21,911,281,721	77,021,190,521
Loans and advances	36,115,079,761	38,829,780,750	95,411,314,079	75,254,834,804	16,655,692,371	262,266,701,765
Fixed assets including premises, furniture and fixtures	-	-	-	-	6,039,141,904	6,039,141,904
Other assets	252,500,000	1,610,000,000	2,548,500,000	6,312,026,862	2,116,873,000	12,839,899,861
Non-banking assets	-	-	-	-	-	-
<b>Total Assets (A)</b>	<b>88,890,857,333</b>	<b>69,915,152,806</b>	<b>109,564,675,553</b>	<b>110,578,313,745</b>	<b>59,344,288,996</b>	<b>438,293,288,433</b>
<b>Liabilities</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	9,556,600,000	20,385,600,000	13,585,300,000	6,000,000,000	6,908,651,368	56,436,151,368
Deposits	55,676,108,266	67,816,633,928	76,919,122,518	96,243,094,716	21,127,475,475	317,782,434,902
Provision and other liabilities	355,000,000	455,000,000	3,477,608,236	4,266,332,789	28,164,122,519	36,718,063,544
<b>Total Liabilities (B)</b>	<b>65,587,708,266</b>	<b>88,657,233,928</b>	<b>93,982,030,754</b>	<b>106,509,427,505</b>	<b>56,200,249,362</b>	<b>410,936,649,814</b>
<b>Net Liquidity Excess/(Shortage) (A-B)</b>	<b>23,303,149,067</b>	<b>(18,742,081,122)</b>	<b>15,582,644,799</b>	<b>4,068,886,240</b>	<b>3,144,039,635</b>	<b>27,356,638,619</b>



Chairman



Director



Director



Director



President and Managing Director

# Bank Asia Limited

## Notes to the financial statements

as at and for the year ended 31 December 2021

### 1. THE BANK AND ITS ACTIVITIES

#### 1.1 Bank Asia Limited

Bank Asia Limited (“the Bank”) is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994 (amended up to 2020), governed by the Bank Company Act 1991 (amended up to 2018). The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 129 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 5 Sub branches and 198 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

Bank Asia Limited acquired the business of Bank of Nova Scotia, Dhaka (incorporated in Canada) in the year 2001. At the beginning of the year 2002, the Bank also acquired the Bangladesh operations of Muslim Commercial Bank Limited (MCBL), a bank incorporated in Pakistan, having two branches at Dhaka and Chittagong. In taking over Bangladesh operations, all assets and certain specific liabilities of MCBL were taken over by Bank Asia Limited at their book values.

The registered office of the Bank is situated at Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka

#### 1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islamic commercial banking services to its customers through its branches, Islamic windows, SME centres, and vibrant alternative delivery channels (ATM booths, Mobile banking, internet banking) in Bangladesh.

#### 1.3 Islamic banking unit

The Bank obtained permission from Bangladesh Bank (country’s central bank) to operate Islamic Banking Unit vide Bangladesh Bank’s letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December 2008. The Bank commenced operation of this Unit from 24 December 2008. The Islamic Banking Unit is governed under the rules and regulations of Bangladesh Bank.

#### 1.4 Off-shore banking unit

The Bank obtained off-shore banking unit permission from Bangladesh Bank vide its letter no. BRPD (P-3)744(94)/2007-1853 dated 21 June 2007. Operation of this unit commenced from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank.

#### 1.5 Bank Asia Securities Limited

Bank Asia Securities Limited, a majority owned (99.99%) subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (7th Floor), 2 Dilkusha Commercial Area, Dhaka 1000 which commenced its business on the 17 April 2011.

The main objective of this company is to act as a full fledged stock broker and stock dealer to execute buy and sale order and to maintain own portfolio as well as customers’ portfolio under the discretion of customers. It also performs the other activities relating to capital market as and when regulators permit.

#### 1.6 BA Exchange Company (UK) Limited

BA Exchange Company (UK) Limited was incorporated as a private limited company under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07314397 as a fully owned subsidiary company of Bank Asia Limited, BA Exchange Company (UK) Limited launched its operation in London on 16 May 2011. BA Exchange Company (UK) Limited attaches a fresh width to the Bank’s remittance operation and expands its global presence for remittance services. Bank Asia stretched its business in United Kingdom through its fully owned (100%) subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

#### 1.7 BA Express USA inc

BA Express USA Inc. is fully owned subsidiary company of Bank Asia Limited incorporated in New York State Department of Financial Services (NYSDFS) in USA. The company obtained license to receive money for transmission within USA and abroad and to transmit same, pursuant to the provision of Article 13-B of the USA Banking Law, subject to all rules and regulations made by the Superintendent of Financial Services of New York relating to such business, effective November 22, 2013. The company has started its commercial operation from June 01, 2014.

## Notes to the financial statements

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the “First Schedule (Section 38) of the Bank Company Act 1991 (amended upto 2018), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), and the standards set by the FRA the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. Section 38 of the Bank Company Act 1991 has been replaced through BRPD Circular no. 10 dated October 04, 2015. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Bank Company Act 1991 (amended upto 2018)
- ii. Companies Act 1994 (amended upto 2020)
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Ordinance 1969
- v. The Securities and Exchange Rules 1987
- vi. Bangladesh Securities and Exchange Commission Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015
- viii. Income Tax Ordinance and Rules 1984
- ix. Value Added Tax Act 1991
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case the requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

Bank have departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

#### i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes inequity, liquidity statement) is prescribed in the “First Schedule” of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

#### ii) Investment in shares and Securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls under “Amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income” where any change in the fair value at the year-end is taken to profit or loss account or other comprehensive income/revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular letter no. 03 dated March 12, 2015, investment in Mutual Fund (close-end) is revalued at lower of cost and (higher of market value and 85% of NAV). Provision is made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

#### iii) Revaluation gain/loss on Government securities

IFRS: As per requirement of IFRS 9 where T-bills and T-bonds will fall under the category of “held for trading”, any change in the fair value of held for trading assets is recognized through profit or loss.

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

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) which are categorized as Held for Trading (HFT) will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve.

#### iv) Provision on loans and advances

IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

## Notes to the financial statements

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November, 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, as per BRPD circular no. 14 dated September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision @ 1% should be provided for off-balance sheet exposures.

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

### v) **Other comprehensive income**

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued financial templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income or the elements of Other Comprehensive Income allowed to include in a Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of Profit and Loss Statement.

### vi) **Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 is not made in the accounts.

### vii) **Repo transactions**

IFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS Circular No. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

### viii) **Financial guarantees**

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse to the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within Other Liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

### ix) **Cash and cash equivalent**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

### x) **Non-banking asset**

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset.

## Notes to the financial statements

### xi) Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 7 of Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 cash flow is the mixture of direct and indirect method.

### xii) Balance with Bangladesh Bank: (CRR)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

### xiii) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38

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

### xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 off balance sheet items must be disclosed separately in face of balance sheet. Accordingly the Bank has recognized the following off balance sheet items:

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Foreign exchange contracts

### xv) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

### xvi) Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

### xvii) Recognition of Interest in Suspense

IFRS: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in balance sheet.

### xviii) Uniform Accounting Policy

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation and measurement requirements of IFRS 10 cannot be made in financial statements.

(Also refer to note 3.20 Compliance of IFRSs)

## 2.2 Basis of measurement

The financial statements of the Bank have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marked to market with gains, if any, credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Zero Coupon Bonds at present value using amortisation concept.



## Notes to the financial statements

### 2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS/ IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- Provision on loans and advances
- Deferred tax assets/liabilities
- Gratuity fund

### 2.4 Foreign currency transactions

#### Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Bank's functional currency. Functional currencies for Off-shore banking unit and BA Express USA Inc. are US Dollar, BA Exchange Company (UK) Limited is UK Pound. Except as indicated, financial information have been rounded off to the nearest Taka.

#### Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2021 have been converted into Taka currency at the revaluation rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2021 have been converted into Taka currency at the closing rate as on December 31, 2021 and profit and loss accounts have been converted into monthly average rate.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account. Foreign currency translation gain and loss for foreign subsidiary operation is reported as separate component of Equity.

#### Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at the rate of revaluation rate.

#### Translation gain and losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss Statement, except those arising on the translation of net investment in foreign subsidiaries.

#### Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh Taka as follows:

- a. assets and liabilities for each statement of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Statement have been translated at monthly average rate; and
- c. all resulting exchange differences have been recognized as a separate components of equity.

### 2.5 Basis of consolidation

The financial statements of the Bank's include the financial statements of main operation of Bank Asia Limited and its two business units namely, Islamic Banking Unit and Off-shore Banking Unit operating in Bangladesh.

The consolidated financial statements include the financial statements of the Bank and three subsidiary companies namely, Bank Asia Securities Limited operating in Bangladesh, BA Exchange Company (UK) Limited operating in United Kingdom and BA Express USA Inc. operating in USA.

The consolidated financial statements have been prepared in accordance with International Accounting Standard 27: Separate Financial Statements and International Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31, 2021.

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

## Notes to the financial statements

### 2.5.1 Subsidiaries of the Bank

A subsidiary company is one in which the parent company, Bank Asia Limited owns majority of its shares. As an owner of the subsidiary, the Bank controls the activities of the subsidiary. Bank Asia Limited has three subsidiary companies as detailed below:

Name of Subsidiary	Ownership	Date of Commercial Operation	Country of Operation	Status	Regulator	Year Closing
Bank Asia Securities Limited	99.99%	17.04.2011	Bangladesh	Majority Owned	BSEC, Bangladesh	31 December
BA Exchange Company (UK) Limited	100%	16.05.2011	United Kingdom	Fully Owned	FSA, UK	31 December
BA Express USA inc	100%	01.06.2014	United States of America	Fully Owned	NYSDFS, New York	31 December

### 2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 7 "Statement of Cash Flows" under the guidelines of BRPD circular no.14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. It Cash Flows during the period have been classified as operating activities, investing activities and financing activities.

### 2.7 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

### 3.1 Assets and basis of their valuation

#### 3.1.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances with Bangladesh Bank and its agent bank, balances with other banks and financial institutions, money at call and on short notice and prize bonds.

#### 3.1.2 Investments

##### Investment in securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

##### Held to maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.

##### Held for trading

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

##### Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Government treasury bills and bonds (HFT)	At present value (using marked to market concept)
Government treasury bills and bonds (HTM)	At present value (using amortisation concept)
Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost (as per BRPD circular 14 dated June 25, 2003 )
Quoted shares (ordinary)	At cost (provision made for any shortfall arising due to reduce market price from cost price)

## Notes to the financial statements

### 3.1.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

### 3.1.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

### 3.1.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IFRS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

### 3.1.6 Loans and advances/investments

- Loans and advances/investments are stated in the balance sheet on gross basis.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020, Bangladesh Bank BRPD circular no. 56 dated 10 December 2020, BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021

Rates of provision on loans and advances/investments are given below:

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	House finance	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	1%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

In line with Bangladesh Bank BRPD Circular no. 04 dated January 29, 2015, all restructured loans treated as Special Mention Account (SMA) for the purpose of classification. Provision was made at existing applicable rate of SMA with additional 1%.

- Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

## Notes to the financial statements

- f) The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited, Abdul Monem Sugar Refinery Limited and Shinepukur Ceramics Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2021 total outstanding amount was Tk.3,470.14 million as per the terms and conditions of the said circular. Out of these facilities M/s. Samannaz Super Oil Limited and S. A. Oil Refinery Limited is now under Solenama (Compromise Agreement submitted before the Court) as unclassified with outstanding amount Tk 3,143.64 million.
- g) In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 4,133.87 million which have not been reported under classification as at 31 December 2021 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 14,298 million has been kept as general provision against those customers.

### 3.1.7 Impairment of financial assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bank Asia Limited assesses whether there is objective evidence that a financial asset or a group of financial assets i.e, loans and advances, off balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;

the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

### 3.1.8 Property, plant and equipment

#### Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". Land is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.

The cost of an item of property, plant and equipment is recognised as an asset if

it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of an items of property, plant and equipment comprises:

- its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

#### Subsequent costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

#### Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Building	5%
Furniture and fixtures	20%

## Notes to the financial statements

Equipment	20%
Computers and accessories	20%
Motor vehicles	20%

Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16 "Property, Plant and Equipment".

### Construction work in progress/Building under Construction

Building under construction is recognized and reported under Fixed Assets as per IAS 16 "Property, Plant and Equipment" as Construction work in progress until the construction work is completed and the assets is ready for intended use. This asset is stated at cost and depreciation of the asset will be charged from the date of its intended use.

### Intangible Asset

**a. Goodwill:** Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of Minority interest (non-controlling interest) are accounted as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently goodwill is measured at cost less accumulated Impairment Losses.

**b. Software:** Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

**c. License:** Value of license is recognised at cost and since it has an indefinite useful life it is not amortized. The value of the license is not measured at fair value.

#### 3.1.9 Leased assets

The Bank has applied "IFRS 16: Lease" using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

#### 3.1.10 Impairment of fixed assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standard (IAS) 16, Property, Plant and Equipment in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized up to the reporting period as there were no such indication existed as on Balance Sheet date.

#### 3.1.11 Investment properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

#### 3.1.12 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

#### 3.1.13 Inventories

Inventories are measured at the lower of cost and net realisable value.

## 3.2 Liabilities and provisions

### 3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance.

### 3.2.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit, fixed deposit and scheme deposit. These items are brought to financial statements at the gross value of the outstanding balance.

As per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.



## Notes to the financial statements

### 3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

### 3.3 Capital/shareholders' equity

#### Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

#### Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

#### Statutory reserve

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

#### Revaluation reserve

Revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT and HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognised in the financial statements as per IAS 12: Income Taxes.

When an fixed asset's carrying amount is increased as a result of revaluation, the increased amount has been credited directly to equity under the head of revaluation reserve as per IAS 16 "Property, Plant and Equipment". The revaluation surplus included in equity transferred directly to retained earnings with the amount of the surplus from the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost as per the para 41 of IAS 16.

#### Non-controlling (minority) interest

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Bank Asia Securities Limited, a majority owned subsidiary (99.99%) of Bank Asia Limited is very insignificant. Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

### 3.4 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

### 3.5 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

### 3.6 Revenue recognition

In line with IFRS 15 revenue and disclosure in the financial statements the income of the bank has been recognized as follows

#### Interest income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and advances ceases to be taken into income when such advances fall under classification. It is then kept in interest suspense account. Interest on classified loans and advances is accounted for on a cash receipt basis.

#### Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/suspense account instead of income account.

## Notes to the financial statements

### Investment income

Income on investments is recognised on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

### Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on accrual basis. Interest and fees ceases to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

### Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, loan processing, loan syndication and locker facilities, etc. Fees and commission income is recognised on the basis of realisation.

### Dividend income on shares

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It is recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

### Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

### Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

### Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

## 3.7 Employee benefits

### 3.7.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the approved provident fund rules. The fund is operated by a Board of Trustees. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund.

### 3.7.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank and actuarial valuation.

### 3.7.3 Superannuation Fund

The Bank operates a superannuation fund for which provision is made annually as per actuarial valuation. The fund is operated by a separate Board of Trustees.

### 3.7.4 Hospitalisation insurance

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses and children at rates provided in health insurance coverage policy.

### 3.7.5 Worker's Profit Participation Fund

Consistent with the industry practice and in accordance with the Banking Companies Act, 1991, no provision has been made for WPPF.

## 3.8 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items have been disclosed under contingent liabilities. As per BRPD circular no. 10 dated 18 September 2007, the Bank has maintain provision @ 1% against off-balance sheet exposures complying BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018

## 3.9 Provision for nostro accounts

According to guidelines of Foreign Exchange Policy Department of Bangladesh Bank, circular no. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance as at balance sheet date.

## 3.10 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

## Notes to the financial statements

### Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to unrealised surplus on revaluation of held to maturity (HTM) securities is recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss statement on maturity of the security.

### 3.11 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as per International Accounting Standard (IAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share if issued. Details are in note 37.

#### Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

#### Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year.

The basis of computation of number of shares is in line with the provisions of IAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

#### Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review. It is pertinent to mention that, potential ordinary shares is in convertible subordinate bond that may entitle their holders to ordinary shares.

### 3.12 Reconciliation of inter-bank/inter-branch account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on monthly basis and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as at the reporting date are not material.

### 3.13 Risk Management at Bank Asia Ltd.

Being a financial institution, in the ordinary course of business, the bank is sensitive to varieties of risks. The generic severity of such risk(s) is much intense in our locality due to presence of large number of banks and complex financial transactions. In such highly competitive environment to ensure a bank's consistent system and performance, the presence of strong Risk Management culture is obligatory.

The Board of Director and Senior Management of the bank need to remain positive toward adaptation of active risk management culture throughout the bank. Such awareness (risk) has helped the bank to do more than just regulatory compliance as far as risk management practice is concerned, the consequence of such initiatives has helped the bank to safeguard valuable capital and ensure consistent profitability, through avoiding excessive credit, market and operation loss and inadequate capital allocation under Basel III. Being compliant, the bank is now looking forward to take risk management practice to a different level, i.e. preventing risk before occurrence rather than a reactive manner; on a proactive basis.

As a part of regulatory and global benchmarking the bank has based upon 06 (six) core risks guidelines of Bangladesh Bank and Basel framework. Listed below are the identified risks the bank is currently managing or intends to manage in the future:

## Notes to the financial statements

SI	Core Risk Guideline of BB	Basel Accord	Pillar
1	Credit Risk	Credit Risk	Pillar - I
2	Foreign Exchange Risk	Market Risk	
3	Asset Liability Risk	Operational Risk	
4	Money Laundering Risk	Residual Risk	Pillar - II
5	Internal Control & Compliance Risk	Credit Concentration Risk	Pillar –II
6	Information and Communication Technology Risk	Liquidity Risk	Pillar –II
7		Interest Rate Risk in Banking Book	Pillar –II
8		Settlement Risk	Pillar –II
9		Reputation Risk	Pillar –II
10		Environmental and climate change risk	Pillar –II
11		Strategic Risk	Pillar –II
12		Pension Obligation Risk	Pillar –II
13		Compliance Risk	Pillar –II

In view of core risk guideline the bank has established various departments to address specific risks, e.g. credit risk management, credit admin, internal control and compliance department, anti-money laundering department etc. Further to manage the overall risks of the bank in line of Basel the bank has formed a dedicated Risk Management Division.

Accordingly the bank has various high powered committees to monitor and ensure smooth risk management activities. For example, Senior Management Team (SMT), Asset Liability Committee (ALCO), Credit Committee (CC), Audit Committee, Executive Risk Management Committee, Supervisory Review Process Team etc.

The current risk management framework of the bank is as follow:

**Credit Risk Management:** Credit risk can be defined as risk of failure of customer/counterparty of the bank to meet financial obligations. Another major source of credit risk could be concentration risk, which arises when a bank's credit portfolio tend to be non diversified i.e. large single borrower exposure or lending exposure to clients having similar economic factors (single sub-sector, industry, geographic region etc) that would adversely impact the repayment ability of mass obligor during any possible economic downturn.

To ensure the portfolio health, the bank has distributed the overall credit concentration among different segments/industry/trading. For example, branches are primarily responsible for sourcing of potential clients and initiate limit (credit) approval process for review of Credit Risk Management Division (CRMD), this division (CRMD) ensure the quality of credit proposal before limit approval, a separate division known as Credit Administration (CAD) monitors the documentation aspects of approved credits and finally the Legal Recovery Department manages the deteriorating accounts. It is mentionable that the bank has own credit risk management guideline.

All other remaining risk in regards to credit portfolio are addressed by the Risk Management Division (RMD), the primary responsibility of this Division is to identify and assess the severity of risks and highlight the same to the management for strategic decision making. Below are risk wise list of few global model that RMD is currently using or intends to use in the future:

Residual Risk (e.g. wrong valuation of collateral, documentation error etc)	Capital computation under Pillar –II using the foundation Internal Rating Based (FIRB) approach
Concentration Risk	Herfindahl-Hirschman Index ( HHI) index, Shannon's Index (SI) and Gini coefficient (GI)

**Foreign Exchange Risk Management:** The Foreign Exchange Risk arises from transaction involvement in any other national currency. Providing major foreign exchange related transactions are carried out on behalf of client thus bank has minimal exposure to the captioned risk. It is mentionable that the bank do not involve in any speculative transactions.

The treasury division independently conducts the transactions and back office is responsible for verifying the deal and passes necessary accounting entries. As advised by Bangladesh Bank on month end all foreign exchange related transactions are revalued at mark-to-market rate. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by management for settlement. It is mentionable that bank management is looking forward to establish treasury mid office to effectively perform the reconciliation activities.

At present Bank assess daily Value-at-Risk (VaR) based on exponential weighted average method using web based platform for foreign exchange risk more effectively.

**Asset Liability Management:** The Asset Liability Risk is comprises of Balance Sheet Risk and liquidity risk. The Balance Sheet risk refers to risk of change in earning and/or devaluation of asset due to interest rate movement. The liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal/disbursement request by a counterparty/client. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors balance sheet risk.

## Notes to the financial statements

Risk assessment tools in regards to ALM risk management are as follow:

Equity investment risk	Value-at-risk (VaR) on equity position
Liquidity Risk	Liquidity Coverage Ratio (LCR)
	Net Stable Funding Ratio (NSFR)
	Stress Testing (Duration and Sensitivity Analysis)
Interest Rate Risk	Assessment of Interest Rate Risk in Banking Book

**Prevention of Money Laundering:** Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

**Ensuring internal control and compliance:** Operational loss arising from error and fraud due to lack of proper internal control and compliance. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at corporate office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The Audit Committee of the Board reviews the audit and inspection reports periodically and provides necessary instructions and recommendations for rectifications of lapses and observations identified by the audit team.

Further to above the bank is in the process of developing various globally recognized operational risk identification processes through the Risk Management Division. For example adaptation of

Risk Control Self Assessment (RCSA) for assessing all possible operational risks based on operational process review and previous experiences before occurrence of any such event.

Using the Key Risk Indicator (KRI) approach to identify operational risk trigger points.

**Managing Information and communication Technology Risk :** Bank Asia Limited follows the guideline stated in DFIM circular no. 6 dated 21 June 2010 regarding "Guideline on ICT Security for Banks and Financial Institutions, April 2010". IT management deals with IT policy documentation, internal IT audit, training etc. The core objective of IT management is to achieve the highest levels of technology service quality and minimize possible operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

**All other risk management:** These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under Pillar II of Basel III. The Risk Management Division is primarily responsible for assessing and developing controls for managing these risks. In order to do so the RMD of the bank is performing various exercises like assessment of quality Risk Weighted Assets of the Bank, Stress Testing to assess the sensitivity of the bank against adverse scenarios is performed, additional capital (on top of MCR under Pillar –II) will be assessed using a model namely Internal Capital Adequacy Assessment Process (ICAAP), perform the capital reporting model etc.

On top of assessment the RMD of the bank is reporting these risks to senior management (through BRMC); which are ultimately aiding the bank to allocate adequate capital in line with Basel III requirement and at the same time implant active strategies to precisely manage all potential risks of the bank.

### 3.14 Events after reporting period

As per IAS -10 "Events after Reporting Period" are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

### 3.15 Related party disclosures

A party is related to the company if:

- directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;



## Notes to the financial statements

- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

### 3.16 Directors' responsibilities on statement

The Board of Directors takes the responsibilities for the preparation and presentation of these Financial Statements.

### 3.17 Segment Reporting

As per IFRS 8 "Operating Segments", is a component of an equity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- (c) for which discrete financial information is available.

Bank reported its segments in respect of business segment and geographical segment. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking, Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. Geographical segments report consist of location wise performance of above segments.

### 3.18 Changes in Accounting Policies

As per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

### 3.19 IFRS 15 - Revenue from Contract with Customers

IFRS 15 "Revenue from Contracts with Customers" replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

### 3.20 Compliance checklist of International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs)

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS - 1	N/A
Share Based Payment	IFRS - 2	N/A
Business Combinations	IFRS - 3	Complied
Insurance Contracts	IFRS - 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Complied
Exploration for and Evaluation of Mineral Resources	IFRS - 6	N/A
Financial Instruments: Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial Instruments: Recognition and Measurement	IFRS - 9	Complied
Consolidated Financial Statements	IFRS-10	Complied
Joint Arrangements	IFRS-11	N/A
Disclosure of Interests in other entities	IFRS-12	N/A
Fair Value Measurement	IFRS-13	Complied
Revenue from Contract with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Presentation of Financial Statements	IAS - 1	Complied

## Notes to the financial statements

Inventories	IAS - 2	Complied
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Complied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Complied
Separate Financial Statements	IAS-27	Complied
Investments in Associates and Joint Ventures	IAS-28	Complied
Financial Instruments: Presentation	IAS-32	Complied
Earnings Per Share	IAS-33	Complied
Interim Financial Reporting	IAS-34	Complied
Impairment of Assets	IAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Complied
Intangible Assets	IAS-38	Complied
Investment property	IAS-40	Complied
Agriculture	IAS-41	N/A

### 3.21 New and amended standards and interpretations:

#### IFRS 16 Leases

Bank Asia recognise the right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset is reduced by impairment losses as per IAS 36, and adjusted for certain measurements of the lease liability if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is change in estimate of the amount expected to be payable under a residual value guarantee, or if changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Bank may elect not to apply the IFRS 16 for short-term leases; and leases for which the underlying asset is of low value.

### 3.22 Approval of financial statements

The financial statements were approved by the Board of Directors on March 16, 2022.

### 3.23 General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calendar year from 01 January 2021 to 31 December 2021 .

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>4 Cash</b>		
<b>4.1 In hand (including foreign currencies)</b>		
Conventional and Islamic banking		
Local currency	3,539,059,798	2,819,744,368
Foreign currencies	70,377,706	143,205,689
	<u>3,609,437,504</u>	<u>2,962,950,057</u>
Off-shore banking unit	-	-
	<u>3,609,437,504</u>	<u>2,962,950,057</u>
<b>4.1(a) Consolidated Cash in hand</b>		
Bank Asia Limited	3,609,437,504	2,962,950,057
Bank Asia Securities Limited	15,772	7,019
BA Exchange Company (UK) Limited	152,086	2,082,682
BA Express USA, Inc	29,617	155,278
	<u>3,609,634,979</u>	<u>2,965,195,036</u>
<b>4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>		
<b>Conventional and Islamic banking</b>		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	28,539,674,106	13,723,650,450
Foreign currencies	177,295,618	397,715,443
	<u>28,716,969,724</u>	<u>14,121,365,893</u>
Balance with agent bank (Sonali Bank Limited)		
Local currency	1,038,477,359	815,466,414
Foreign currencies	-	-
	<u>1,038,477,359</u>	<u>815,466,414</u>
	<u>29,755,447,083</u>	<u>14,936,832,307</u>
Off-shore banking unit	-	-
	<u>29,755,447,083</u>	<u>14,936,832,307</u>
<b>4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>		
Bank Asia Limited	29,755,447,083	14,936,832,307
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>29,755,447,083</u>	<u>14,936,832,307</u>

### 4.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991 (amended upto 2018), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 4.0% (conventional and islamic) and offshore banking 2% has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio for conventional and offshore banking, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

#### 4.3.1 Cash Reserve Ratio (CRR)

##### Conventional and Offshore Banking

As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, DOS Circular Letter No. 26 dated August 19, 2019 and MPD Circular No. 03 dated April 09, 2020 Bank has to maintain CRR @ 4.0% on fortnightly cumulative average basis and minimum @ 3.5% on daily basis for its Conventional banking. For off shore banking operation as per Bangladesh Bank BRPD Circular 31 dated June 18, 2020 Bank has to maintain minimum 2.0 (two) percent Cash Reserve Ratio (CRR) with Bangladesh Bank on bi-weekly average basis with a provision of minimum 1.5 (one and half) percent on daily basis of the average total demand and time liabilities (ATDTL) of Off Shore Banking Operation

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>i. Daily Bank's CRR maintenance:</b>		
Required reserve	10,142,225,000	9,838,487,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	9,827,488,000	9,608,789,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	314,737,000	229,698,000
Actual reserve maintained	26,879,283,300	13,202,579,092
Surplus	16,737,058,300	3,364,092,092
<b>ii. Fortnightly Bank's CRR maintenance:</b>		
Required reserve	11,651,064,000	11,287,737,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	11,231,415,000	10,981,473,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	419,649,000	306,264,000
Actual reserve maintained (average)	18,662,500,550	11,961,134,125
Surplus	7,011,436,550	673,397,125
<b>Islamic Banking</b>		
<b>i. Daily Bank's CRR maintenance:</b>		
Required reserve (3.5% Demand and Time Liabilities)	849,063,000	747,580,000
Actual reserve maintained	1,508,216,000	944,116,000
Surplus	659,153,000	196,536,000
<b>ii. Fortnightly Bank's CRR maintenance:</b>		
Required reserve (4% of Demand and Time Liabilities)	970,357,000	854,377,000
Actual reserve maintained (Average)	1,427,809,880	889,974,820
Surplus	457,452,880	35,597,820
<b>4.3.2 Statutory Liquidity Ratio (SLR)</b>		
<b>Conventional Banking</b>		
13% of Average Demand and Time Liabilities		
Required reserve	39,229,815,000	37,680,506,000
Domestic Banking Operation	36,502,098,000	35,689,789,000
Offshore Banking Operation	2,727,717,000	1,990,717,000
Actual reserve maintained	85,607,466,650	90,410,108,880
Surplus	46,377,651,650	52,729,602,880
<b>Islamic Banking</b>		
5.5% of Average Demand and Time Liabilities		
Required reserve	1,334,241,000	1,174,768,000
Actual reserve maintained	4,923,863,000	4,906,377,000
Surplus	3,589,622,000	3,731,609,000
	49,967,273,650	56,461,211,880
<b>4.3.3 Held for Statutory Liquidity Ratio</b>		
<b>Conventional Banking</b>		
Cash in hand	3,478,701,790	2,909,958,740
Excess of CRR - Balance with Bangladesh Bank	15,228,219,300	1,914,842,090
Balance with agent bank (Sonali Bank Limited)	528,007,630	326,888,420
Government securities	66,369,323,730	85,256,491,120
Other securities	3,214,200	1,928,500
	85,607,466,650	90,410,108,870

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>Islamic Banking</b>		
Cash in hand	68,254,000	32,928,000
Excess of CRR - Balance with Bangladesh Bank	537,859,000	89,739,000
Government securities	4,317,750,000	4,783,710,000
Other securities	-	-
	<u>4,923,863,000</u>	<u>4,906,377,000</u>
	<u>90,531,329,650</u>	<u>95,316,485,870</u>
<b>5. Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Conventional and Islamic banking (Note 5.1)	38,950,215,157	29,455,358,540
Off-shore banking unit	-	-
	38,950,215,157	29,455,358,540
<b>Outside Bangladesh</b>		
Conventional and Islamic banking (Note 5.2)	1,322,092,346	1,948,061,993
Off-shore banking unit	89,162,292	77,487,164
	<u>1,411,254,638</u>	<u>2,025,549,157</u>
	<u>40,361,469,795</u>	<u>31,480,907,697</u>
<b>5.1 Conventional and Islamic banking-In Bangladesh</b>		
<b>Current accounts</b>		
AB Bank Limited	-	41,480
Agrani Bank Limited	1,093,613,262	387,920,880
Janata Bank Limited	76,408,660	65,066,340
Rupali Bank Limited	223,274,915	222,804,900
Pubali Bank Limited	465,688,094	290,734,265
Standard Chartered Bank	12,343,207	8,732,858
Sonali Bank Limited	254,638,756	505,204,561
Trust Bank Limited	(25,145,046)	885,766
	2,100,821,848	1,481,391,050
<b>Short- notice deposit accounts</b>		
AB Bank Limited	593,860	572,299
Bank Alfalah Limited	9,168	12,324
Islami Bank Bangladesh Limited	190,281	182,867
	793,309	767,490
<b>Fixed deposit accounts/ MTDR</b>		
Islamic Finance and Investment Limited	-	100,000,000
Hajj Finance Company Limited	-	100,000,000
	-	200,000,000
	<u>2,101,615,157</u>	<u>1,682,158,540</u>
<b>Placements</b>		
With Banking companies (5.1.1)	34,798,600,000	24,423,200,000
With Non-banking financial institutions (5.1.2)	2,050,000,000	3,350,000,000
	<u>36,848,600,000</u>	<u>27,773,200,000</u>
	<u>38,950,215,157</u>	<u>29,455,358,540</u>
<b>5.1.1 Details of Placement with Banking companies(Local Currency)</b>		
EXIM Bank Limited	4,100,000,000	5,300,000,000
Jamuna Bank Limited	3,000,000,000	-
AB Bank Limited	5,000,000,000	-



## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
NRB Commercial Bank Limited	800,000,000	-
Bengal Commercial Bank Limited	250,000,000	-
NCC Bank Limited	2,900,000,000	-
IFIC Bank Limited	2,500,000,000	-
NRB Bank Limited	500,000,000	300,000,000
United Commercial Bank Limited	3,500,000,000	-
Sonali Bank Limited	500,000,000	500,000,000
One Bank Limited	2,000,000,000	2,000,000,000
Dhaka Bank Limited	-	1,000,000,000
Social Islami Bank Limited	-	4,200,000,000
Southeast Bank Limited	-	2,000,000,000
Standard Bank Limited	4,000,000,000	2,000,000,000
	29,050,000,000	17,300,000,000

### Details of Placement- with Banking companies (Foreign Currencies)

Mutual Trust Bank Limited	858,000,000	763,200,000
Islami Bank Bangladesh Limited	2,574,000,000	6,360,000,000
Modhumoti Bank Limited	343,200,000	-
Premier Bank Limited	858,000,000	-
Trust Bank Limited	257,400,000	-
Commercial Bank of Ceylon	858,000,000	-
	5,748,600,000	7,123,200,000
	34,798,600,000	24,423,200,000

### 5.1.2 Details of Placement with Non-banking financial institutions

Delta Brac Housing Finance Corporation Limited	500,000,000	500,000,000
Investment Corporation of Bangladesh	1,400,000,000	2,700,000,000
Union Capital Limited	150,000,000	150,000,000
	2,050,000,000	3,350,000,000

### 5.2 Conventional and Islamic banking- Outside Bangladesh

#### Current accounts

##### Interest bearing:

Citibank N.A., London (EURO)	-	55,820
Citibank N.A., London (GBP)	1,490,446	3,432,347
Citibank NA, New York (USD)	615,462,873	864,098,530
Habib American Bank, New York	21,465,934	373,748,309
Mashreqbank PSC, New York (USD)	177,616,158	71,208,735
Standard Chartered Bank, Mumbai	127,094,715	27,931,401
Standard Chartered Bank, New York	12,672,697	323,807,413
	955,802,823	1,664,282,555

##### Non-interest bearing:

AB Bank Limited, Mumbai	37,520,250	3,571,503
Al Rajhi Bank K.S.A	4,554,798	14,896,693
Bank of Sydney	945,640	1,027,704
Bhutan National Bank Limited, Thimphu	35,671,239	87,626
Axis Bank Ltd, Mumbai ( ACU)	19,613,001	26,116,905
Commerzbank AG, Frankfurt (EURO)	8,386	1,211,062
Commerzbank AG, Frankfurt (USD)	4,442,535	6,056,939
Habib Metropolitan Bank Limited, Karachi	24,883,778	11,943,606
AKTIF Bank, Istanbul -Jpy	2,413,899	2,587,251
ICICI Bank Limited, Kowloon	4,755,562	2,022,848

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
ICICI Bank Limited, Mumbai	4,241,821	39,671,129
JP Morgan Chase Bank N.A New York, U.S.A	8,901,430	5,622,870
Mashreqbank PSC, Mumbai (EURO)	787,294	833,981
Mashreqbank PSC, Dubai	3,833,343	82,095,741
Muslim Commercial Bank Limited, Colombo	6,334,019	8,923,367
Nepal Bangladesh Bank Limited, Kathmandu	1,511,272	16,710,424
HDFC Bank, Mumbai	4,619,354	3,220,184
Bank Alfalah Limited, Karachi Pak (ACU)	4,415,603	31,577,935
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	6,061,530	99,202
Riyad Bank, Riyadh ( SAR)	7,474	-
Wells Fargo Bank NA, New York, (USD)	188,027,096	22,200,036
Wells Fargo Bank NA, London, (EURO)	439,276	886,088
Zurcher Kantonal Bank, Switzerland	2,300,923	2,416,344
	<u>1,322,092,346</u>	<u>1,948,061,993</u>
Placement with Off-shore Banking Unit	6,256,185,000	4,258,953,750
Less: Inter company transaction with Off-shore Banking Unit	(6,256,185,000)	(4,258,953,750)
	<u>1,322,092,346</u>	<u>1,948,061,993</u>

### 5.3 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	24,018,337,596	8,274,907,697
More than 1 month but not more than 3 months	16,343,132,199	17,538,000,000
More than 3 months but not more than 6 months	-	5,668,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<u>40,361,469,795</u>	<u>31,480,907,697</u>

### 5(a) Consolidated Balance with other banks and financial institutions In Bangladesh

Bank Asia Limited	38,950,215,157	29,455,358,540
Bank Asia Securities Limited	787,729,362	563,887,306
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>39,737,944,519</u>	<u>30,019,245,846</u>
Less: Inter-company transactions	78,856,747	53,258,020
	<u>39,659,087,772</u>	<u>29,965,987,826</u>

### Outside Bangladesh

Bank Asia Limited	1,411,254,638	2,025,549,157
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	21,446,588	15,828,898
BA Express USA, Inc	196,824,591	96,153,016
	<u>1,629,525,817</u>	<u>2,137,531,071</u>
	<u>41,288,613,589</u>	<u>32,103,518,897</u>

## 6. Money at call and on short notice

Call money Lending (Note 6.1)	6,400,000,000	-
	<u>6,400,000,000</u>	<u>-</u>

### 6.1 Call Money Lending- with Banking companies:

The City Bank Limited	3,000,000,000	-
Dhaka Bank Limited	2,000,000,000	-
Jamuna Bank Limited	1,010,000,000	-
Midland Bank Limited	200,000,000	-
NRB Commercial Bank Limited	190,000,000	-
	<u>6,400,000,000</u>	<u>-</u>

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>6.2 Consolidated Money at call and on short notice</b>		
Bank Asia Limited	6,400,000,000	-
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,400,000,000</u>	<u>-</u>
<b>7. Investments</b>		
Government (Note 7.1)	70,690,287,923	90,042,129,622
Others (Note 7.2)	6,330,902,598	4,209,053,962
	<u>77,021,190,521</u>	<u>94,251,183,584</u>
<b>7.1 Government</b>		
Conventional and Islamic banking (Note 7.1.1)	70,690,287,923	90,042,129,622
Off-shore banking unit	-	-
	<u>70,690,287,923</u>	<u>90,042,129,622</u>
<b>7.1.1 Conventional and Islamic banking</b>		
Treasury bills (Note 7.1.1.1)	15,758,002,455	23,102,022,464
Treasury bonds (Note 7.1.1.2)	54,929,071,268	66,938,178,658
Prize bonds	3,214,200	1,928,500
	<u>70,690,287,923</u>	<u>90,042,129,622</u>
<b>7.1.1.1 Treasury bills</b>		
91 days treasury bills	9,961,614,957	-
364 days treasury bills	5,796,387,498	23,102,022,464
	<u>15,758,002,455</u>	<u>23,102,022,464</u>
<b>7.1.1.2 Treasury bonds</b>		
Bangladesh Bank Govt Investment Sukuk	4,317,750,000	3,695,610,000
Bangladesh Bank Islamic bond	-	1,088,100,000
2 years Bangladesh Government treasury bonds	1,800,128,413	16,209,978,546
5 years Bangladesh Government treasury bonds	8,272,380,119	10,809,627,648
10 years Bangladesh Government treasury bonds	26,588,781,997	20,772,094,037
15 years Bangladesh Government treasury bonds	9,565,300,456	9,979,818,881
20 years Bangladesh Government treasury bonds	4,384,730,283	4,382,949,546
	<u>54,929,071,268</u>	<u>66,938,178,658</u>
<b>7.2 Others</b>		
Conventional and Islamic banking (Note 7.2.1)	6,330,902,598	4,209,053,962
Off-shore banking unit	-	-
	<u>6,330,902,598</u>	<u>4,209,053,962</u>
<b>7.2.1 Conventional and Islamic banking</b>		
<b>a) Ordinary shares (Details are shown in Annexure-B)</b>		
Quoted shares	454,067,509	444,596,173
Unquoted share	173,948,594	226,732,948
	<u>628,016,103</u>	<u>671,329,121</u>
<b>b) Mutual Fund (Details are shown in Annexure-B)</b>		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st Bangladesh Fixed Income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
EXIM Bank 1st Mutual Fund	119,221,495	158,076,866
	<u>618,886,495</u>	<u>657,741,866</u>

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>c) Debentures</b>		
Beximco Denims Limited	-	9,537,605
Beximco Textiles Limited	-	6,445,370
	-	15,982,975
<b>d) Bonds</b>		
Non-Convertible Subordinated Bond - Premier Bank	500,000,000	500,000,000
Second Subordinated Bond - Mutual Trust Bank	80,000,000	160,000,000
Second Subordinated Bond - United Commercial Bank	60,000,000	120,000,000
Fourth Subordinated Bond - United Commercial Bank	1,000,000,000	1,000,000,000
Subordinated Mudaraba Bond - Social Islami Bank Limited	-	40,000,000
Second Subordinated Mudaraba Bond - Social Islami Bank Limited	40,000,000	60,000,000
5 Year Preference Share - Meghna Cement Mills Ltd	700,000,000	700,000,000
5 Year Preference Share - Kushiara Power Co. Ltd	80,000,000	100,000,000
5 Year Preference Share - Summit LNG Terminal Co (Pvt) Ltd	60,000,000	100,000,000
5 Year Preference Share - Summit Gazipur II Power Ltd	30,000,000	40,000,000
Perpetual Bond of Mutual Trust Bank Ltd	1,000,000,000	-
Perpetual Bond of United Commercial Bank	1,000,000,000	-
Perpetual Bond of Shahjalal Islamic Bank Ltd	500,000,000	-
7 Year Preference Share - Summit Barishal Power Ltd	34,000,000	44,000,000
	5,084,000,000	2,864,000,000
	6,330,902,598	4,209,053,962
<b>7.3 Investments classified as per Bangladesh Bank circular</b>		
Held for trading (HFT)	19,536,956,394	49,756,216,683
Held to maturity (HTM)	46,832,367,330	35,500,274,439
Other securities	10,651,866,797	8,994,692,462
	77,021,190,521	94,251,183,584
<b>7.4 Maturity-wise grouping</b>		
On demand	1,361,355,389	1,719,800,000
Up to 3 months	13,132,239,857	192,100,000
More than 3 months but not more than 1 year	11,604,861,475	30,208,900,000
More than 1 year but not more than 5 years	29,011,452,079	32,128,600,000
More than 5 years	21,911,281,721	30,001,783,584
	77,021,190,521	94,251,183,584
<b>7(a) Consolidated Investments</b>		
<b>Government</b>		
Bank Asia Limited	70,690,287,923	90,042,129,622
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	70,690,287,923	90,042,129,622
<b>Others</b>		
Bank Asia Limited	6,330,902,598	4,209,053,962
Bank Asia Securities Limited	930,243,433	655,627,144
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	7,261,146,031	4,864,681,106
	77,951,433,954	94,906,810,728

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>8 Loans and advances/investments</b>		
Loans, cash credits, overdrafts, etc/investments (Note 8.1)	234,243,717,970	228,467,330,505
Bills purchased and discounted (Note 8.2)	28,022,983,795	16,174,699,568
	<u>262,266,701,765</u>	<u>244,642,030,073</u>
<b>8.1 Loans, cash credits, overdrafts, etc/investments</b>		
<b>Conventional and Islamic banking</b>		
<b>Inside Bangladesh</b>		
Agricultural loan	4,214,162,268	2,652,039,116
Cash credit/Bai Murabaha (Muajjal)	6,078,813,107	6,475,321,470
Credit card	3,102,706,568	2,732,685,187
Credit for poverty alleviation scheme-micro credit	7,934,974	7,613,585
Consumer credit scheme	15,292,210,573	13,449,332,124
Demand loan	26,285,494,980	32,210,343,715
Export Development Fund (EDF)	23,507,498,252	15,130,653,340
House building loans	1,575,852,924	1,753,894,542
Loans (General)/ Musharaka	24,968,594,140	19,204,212,902
Loan against trust receipts/ Bai Murabaha post import	11,094,981,464	13,163,763,436
Overdrafts/ Quard against scheme	33,590,107,929	37,334,786,408
Packing credit	708,453,691	483,400,366
Payment against documents	518,606,158	99,931,390
Staff loan	1,722,495,464	1,551,039,312
Transport loan	2,142,778,993	2,032,418,741
Term loan- industrial/ Hire purchase under Shirkatul Melk	30,259,129,196	26,477,173,539
Term loan- others	37,349,511,472	34,484,219,425
Loan under Covit-19 stimulus package	8,120,879,445	15,450,815,316
	230,540,211,598	224,693,643,914
<b>Outside Bangladesh</b>	-	-
	230,540,211,598	224,693,643,914
<b>Off-shore banking unit</b>	3,703,506,372	3,773,686,591
	<u>234,243,717,970</u>	<u>228,467,330,505</u>
<b>8.2 Bills purchased and discounted</b>		
Conventional and Islamic banking	2,176,572,072	1,450,361,346
Off-shore banking unit	25,846,411,723	14,724,338,222
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
<b>8.3 Maturity-wise grouping</b>		
Repayable on demand	36,115,079,761	48,573,100,000
Not more than 3 months	38,829,780,750	35,240,200,000
More than 3 months but not more than 1 year	95,411,314,079	65,016,400,000
More than 1 year but not more than 5 years	75,254,834,804	77,936,600,000
More than 5 years	16,655,692,371	17,875,730,073
	<u>262,266,701,765</u>	<u>244,642,030,073</u>
<b>8.4 Net loans and advances/investments</b>		
Gross loans and advances/investments	262,266,701,765	244,642,030,073
Less: Interest suspense (Note 13.4)	4,266,332,789	4,341,502,178
Provision for loans and advances/investments (Note 13.2 & 13.2.1)	16,017,708,000	13,960,800,000
	20,284,040,789	18,302,302,178
	<u>241,982,660,976</u>	<u>226,339,727,895</u>
<b>8.5 Loans and advances/investments under the following broad categories</b>		
<b>In Bangladesh</b>		
Loans	194,574,796,934	184,657,222,627
Cash credits	6,078,813,107	6,475,321,470
Overdrafts	33,590,107,929	37,334,786,408
Bills purchased and discounted	27,256,319,759	15,815,626,813
	261,500,037,729	244,282,957,318
<b>Outside Bangladesh</b>		
Bills purchased and discounted	766,664,036	359,072,755
	<u>262,266,701,765</u>	<u>244,642,030,073</u>



**Notes to the  
financial statements**

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>8.6 Significant concentration wise grouping</b>		
a) Directors	-	-
b) Chief Executive and other senior executives	209,931,000	199,516,566
i) Managing Director	1,329,000	1,689,000
ii) Other senior executives	208,602,000	197,827,566
c) Agriculture	5,936,200,000	9,523,200,000
d) Industry	136,528,970,765	117,769,413,507
Food Manufacturing	12,275,800,000	11,149,600,000
Beverage industry	227,100,000	467,400,000
RMG industry	38,369,200,000	27,559,500,000
Textile industry	29,541,500,000	21,329,800,000
Wood cork and allied products	49,600,000	40,200,000
Furniture and Fixture	383,400,000	199,800,000
Paper and paper products	4,939,500,000	6,734,300,000
Leather and leather products	2,036,100,000	2,195,000,000
Rubber products	2,409,600,000	2,206,500,000
Chemical and chemical products	1,122,400,000	585,300,000
Basic metal products	8,583,400,000	8,953,300,000
Electrical machinery and apparatus	3,519,800,000	6,269,900,000
Other manufacturing industries	22,980,970,765	21,787,113,507
Ship building	4,730,400,000	4,614,900,000
Ship breaking	1,749,200,000	1,386,600,000
Pharmaceutical	3,611,000,000	2,290,200,000
e) Constructions	9,489,200,000	5,359,200,000
f) Power, Gas, Water and Sanitary Services	9,459,500,000	6,558,800,000
g) Transport, Storage and Communication	1,964,100,000	1,423,900,000
h) Trade Services	46,140,100,000	48,065,200,000
i) Housing Services	19,312,400,000	16,706,000,000
j) Banking and Insurance	3,128,800,000	4,427,400,000
k) Professional and Misc. services	30,097,500,000	34,609,400,000
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

**8.7 Geographical location-wise grouping  
Inside Bangladesh**

**Urban**

Dhaka Division	199,574,087,997	184,299,343,788
Chittagong Division	25,995,891,326	25,601,224,970
Khulna Division	3,907,097,310	5,278,083,549
Rajshahi Division	2,973,242,892	3,412,393,500
Barisal Division	1,384,207,178	906,438,871
Sylhet Division	2,725,813,399	2,305,852,626
Rangpur Division	1,679,419,316	1,580,361,092
Mymensingh Division	545,044,603	569,582,079
	238,784,804,021	223,953,280,475

**Rural**

Dhaka Division	15,542,314,547	13,434,981,758
Chattogram Division	4,735,961,665	4,217,241,743
Khulna Division	170,404,312	135,681,849
Rajshahi Division	2,683,938,724	2,588,170,747
Barisal Division	5,218,794	1,582,782
Sylhet Division	344,059,702	311,090,719
	23,481,897,744	20,688,749,598

Outside Bangladesh

-	-
<u>262,266,701,765</u>	<u>244,642,030,073</u>

	31 Dec 2021	31 Dec 2020
<b>8.8 Loans/investments including bills purchased and discounted covered by securities</b>		
Collateral of movable/immovable assets	153,004,170,809	156,286,050,696
Local banks and financial institutions' guarantee	577,367,412	359,800,219
Foreign banks' guarantee	74,724,364	125,550,000
Export documents	9,017,657,507	6,476,499,298
Cash and quasi cash	6,617,808,566	7,185,088,750
Personal guarantee	43,505,398,795	36,458,773,678
Other securities	49,469,574,312	37,750,267,432
	<u>262,266,701,765</u>	<u>244,642,030,073</u>

### 8.9 Details of large loans/investments

As at 31 December 2021 there were thirteen (2020: six) clients with whom amount of outstanding and classified loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 41,370.38 million as at 31 December 2021 (Taka 43,753.94 million in 2020).

Details are shown in Annex E.

### 8.10 Particulars of loans and advances/investments

i)	Loans/investments considered good in respect of which the Bank is fully secured	169,291,728,658	170,432,988,963
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	43,505,398,795	36,458,773,678
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	49,469,574,312	37,750,267,432
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<u>262,266,701,765</u>	<u>244,642,030,073</u>
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,722,495,464	1,551,039,312
vi)	Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii)	Maximum total amount of advances/investments, including temporary advances/investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,722,495,464	1,551,039,312
viii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from banking companies	<u>28,022,983,795</u>	<u>16,174,699,568</u>
x)	Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a)	Increase/(Decrease) of provision (specific)	3,169,800,000	(484,456,791)
	Amount of loan written off	2,907,147,407	301,241,605
	Amount realised against the loans previously written off	287,429,432	183,636,137
b)	Provision kept against loans/investments classified as bad debts	7,290,000,000	4,120,200,000
c)	Interest credited to interest suspense account	4,266,332,789	4,341,502,178

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
xi) Cumulative amount of written off loans/investments		
Balance as at 1 January	12,417,406,149	12,299,800,681
Loans written off during the year	2,907,147,407	301,241,605
Recovery against written off loans during the year	(287,429,432)	(183,636,137)
The amount of written off loans/investments for which law suit has been filed	15,037,124,124	12,417,406,149

### 8.11 Grouping as per classification rules

#### Unclassified:

Standard including staff loan	244,193,251,512	229,709,034,174
Special mentioned account	4,603,908,000	7,002,067,597
	248,797,159,512	236,711,101,771

#### Classified:

Sub-standard	1,323,898,042	1,655,165,986
Doubtful	331,193,208	163,228,926
Bad/loss	11,814,451,003	6,112,533,390
	13,469,542,253	7,930,928,302
	262,266,701,765	244,642,030,073

### 8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2021	Base for provision	Required provision		
			%	Amount	
For loans and advances/Investments:					
<b>Unclassified - general provision</b>					
(Other than - SME financing, House building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA)					
staff loan and SMA	160,855,660,445	161,216,665,397	1% to 5%	7,170,568,307	8,269,900,000
Small and medium enterprise financing	32,212,422,000	32,212,422,000	0.25%	80,531,055	78,411,750
House building loan and loan for professional	13,816,322,000	13,816,323,000	1 to 2%	138,170,000	120,139,000
Loans to BH	1,522,020,000	1,522,019,000	2.00%	30,440,380	42,366,000
Consumer finance	4,832,072,000	2,005,374,000	2.00%	40,107,480	216,760,000
Special general provision COVID-19 (Note 13.2.1)				865,000,000	850,600,000
Staff loan	1,722,495,464	1,722,495,464	0%	-	-
				8,324,817,222	9,578,176,750
<b>Special mentioned account</b>	4,286,249,508	3,715,406,508	0.25% to 90%	32,274,415	68,600,000
<b>Off-shore unit</b>					
Unclassified loans (general)	29,232,259,603	29,232,259,603	1%	292,322,596	184,980,248
Special mentioned account	317,658,492	317,658,492	1%	3,176,585	-
Sub-standard	-	-		-	-
				295,499,181	184,980,248
<b>Classified - specific provision</b>					
Sub-standard	1,323,898,042	789,549,000	20% / 5%	145,760,650	222,200,000
Doubtful	331,193,208	235,381,000	50% / 5%	112,235,200	34,500,000
Bad/loss	11,814,451,003	7,027,830,150	100%	7,027,830,150	3,858,200,000
				7,285,826,000	4,114,900,000
Provision required for loans and advances				15,938,416,818	13,946,656,998
Total provision maintained (Note 13.2 & 13.2.1)					
Conventional and Islamic Banking				15,722,208,819	13,775,819,752
Off-shore Banking Unit				295,499,181	184,980,248
				16,017,708,000	13,960,800,000

	31 Dec 2021	31 Dec 2020
<b>8.13 Suits filed by the Bank (Branch wise details)</b>		
Aglabazar Branch	2,387,556	-
Agrabad Branch	2,853,481,656	2,774,258,008
Anderkilla Branch	2,195,895,747	2,147,195,492
Ashulia Branch	21,464,732	21,464,733
Bahadderhat Branch	111,845,930	93,140,778
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	311,255,111	304,667,551
Beanibazar Branch	5,584,770	5,584,770
Bhatiary Branch	642,665,261	235,415,552
Bogra Branch	110,554,742	170,554,742
BSMMU Branch	1,413,816	1,413,816
Credit Cards Department	94,264,014	58,986,988
CDA Avenue Branch	5,941,322,686	5,642,291,874
Chandragonj Branch	492,048	492,048
Chatkhil Branch	6,793,978	6,793,978
Corporate Branch	165,677,387	338,268,683
Cumilla Branch	83,894,849	86,486,898
Dhanmondi Branch	1,032,784,951	1,017,296,372
Donia Branch	46,946,884	46,946,884
Elephant Road	2,375,836	2,375,836
Gulshan Branch	2,310,582,804	1,394,306,248
Holy Family RCMCH Branch	83,100,828	83,100,828
Jaganathpur Branch	6,120,000	6,120,000
Jatrabari SME	1,185,818	1,185,818
Jessore Branch	84,479,555	89,881,449
Jurain SME Centre	-	941,349
Kamal Bazar Branch	315,335	481,668
Kazipara Branch	13,113,564	13,113,564
Khatunganj Branch	3,237,716,521	3,114,744,394
Khulna Branch	77,394,034	77,394,034
Konabari Branch	540,150	540,150
Lohagara Branch	-	20,729,905
Madhobdi Branch	136,591,859	136,591,869
Maijdee Court Branch	-	98,687,119
Malkhanagar Branch	77,943,667	77,943,669
MCB Banani Branch	78,077,429	92,011,564
MCB Dilkusha Branch	1,234,731,875	1,194,553,154
MCB Sk. Mujib Road Branch	2,051,685,324	2,066,385,324
Mirpur Branch	41,099,588	15,659,797
Mitford Branch	300,047,766	300,047,766
Moghbazar Branch	53,513,290	53,513,290
Mohakhali Branch	62,003,361	62,003,361
Moulavibazar Branch	52,108,011	52,108,011
Narayanganj Branch	164,074,196	163,562,826
North South Road Branch	1,275,659,883	1,707,685,466
Oxygen Moor Branch	8,088,886	7,882,263
Paltan Branch	70,216,500	70,216,500
Principal Office Branch	1,103,403,083	1,067,178,608
Progoti Sarani Branch	40,999,581	41,340,118
Rajshahi Branch	34,331,602	34,331,602
Ramgonj SME/Agri Branch	13,655,635	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	1,208,503	1,208,503
Savar Branch	345,501	25,273,708

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
Scotia Branch	495,980,035	718,085,871
Shantingar Branch	1,002,184,065	1,114,261,160
Shantingar IW	8,363,492	-
Station Road Branch	129,772,761	8,955,312
Strand Road Branch	24,059,970	16,264,367
Sylhet Main Branch	23,338,876	23,438,876
Sylhet Uposhahar Branch	5,351,679	5,351,680
Sylhet Uposhahar Islamic Window Branch	17,140,393	19,936,418
Tangail Branch	21,946,647	-
Tarail Branch	290,718	290,718
Tongi Branch	2,174,613	2,174,613
Uttara Branch	920,820,590	922,354,503
EPZ Branch	5,904,884	9,956,696
	<u>29,003,706,163</u>	<u>27,980,026,115</u>
<b>8.14 Bills purchased and discounted</b>		
Payable in Bangladesh	27,256,319,759	15,815,626,813
Payable outside Bangladesh	766,664,036	359,072,755
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
<b>8.15 Maturity-wise grouping of bills purchased and discounted</b>		
Payable within 1 month	6,802,068,499	4,546,253,379
More than 1 month but less than 3 months	9,209,229,018	5,023,096,265
More than 3 months but less than 6 months	8,505,370,548	5,104,590,035
More than 6 months	3,506,315,730	1,500,759,889
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
<b>8(a) Consolidated Loans and advances/investments</b>		
<b>Loans, cash credits, overdrafts, etc/investments</b>		
Bank Asia Limited	234,243,717,970	228,467,330,505
Bank Asia Securities Limited	4,244,364,917	4,810,787,426
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>238,488,082,887</u>	<u>233,278,117,931</u>
Less: Inter- companies transactions	1,511,582,711	2,120,969,217
	<u>236,976,500,176</u>	<u>231,157,148,714</u>
<b>Bills purchased and discounted</b>		
Bank Asia Limited	28,022,983,795	16,174,699,568
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>28,022,983,795</u>	<u>16,174,699,568</u>
	<u>264,999,483,971</u>	<u>247,331,848,282</u>
<b>9 Fixed assets including premises, furniture and fixtures</b>		
Conventional and Islamic banking (Note 9.1)	6,039,141,904	6,708,655,006
Off-shore banking unit	-	-
	<u>6,039,141,904</u>	<u>6,708,655,006</u>
<b>9.1 Conventional and Islamic banking</b>		
<b>Cost:</b>		
Land	2,646,764,306	2,646,764,306
Building	3,251,439,208	3,232,313,394
Furniture and fixtures	1,503,933,814	1,431,187,762



## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
Equipments	1,559,808,934	1,322,248,427
Computer and accessories	580,452,585	565,434,812
Motor vehicles	288,461,817	283,882,241
Intangible assets	24,000,000	24,000,000
Construction work in progress	359,745,396	444,741,638
Right-of-use assets	1,557,394,204	1,739,075,475
	11,772,000,264	11,689,648,055
Less: Accumulated depreciation	5,679,143,096	4,927,277,785
Adjustment of assets revaluation	53,715,264	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	6,039,141,904	6,708,655,006

### 9(a) Consolidated Fixed assets including premises, furniture and fixtures

Bank Asia Limited	6,039,141,904	6,708,655,006
Bank Asia Securities Limited	102,516,206	100,737,790
BA Exchange Company (UK) Limited	179,831	112
BA Express USA, Inc	3,432,529	4,710,492
	6,145,270,470	6,814,103,400

### 10 Other assets

Conventional and Islamic banking (Note 10.1)	12,811,253,032	13,936,217,023
Off-shore banking unit	28,646,829	455,426,291
Less : Inter transaction between OBU and Conventional Banking	-	(413,515,032)
	12,839,899,861	13,978,128,282

#### 10.1 Conventional and Islamic banking

##### Income generating other assets

Investment in Bank Asia Securities Ltd - incorporated in Bangladesh	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited - incorporated in UK	34,515,000	34,470,000
Investment in BA Express USA Inc - incorporated in USA	82,368,000	81,408,000
	2,116,873,000	2,115,868,000

##### Non-income generating other assets

Income receivable (Note 10.2)	1,616,405,682	1,484,684,607
Stock of stamps	9,722,957	8,375,022
Stationery, printing materials, etc	73,675,553	72,829,560
Prepaid expenses	10,027,591	19,637,430
Deposits and advance rent	542,447,561	569,525,022
Advances, prepayments and others (Note 10.3)	300,712,301	199,702,197
Advance income tax (Note 10.4)	7,340,978,300	6,125,028,357
Receivable against government	117,546,150	83,180,897
Sundry debtors	38,424,481	41,540,814
Branch adjustment account (Note 10.5)	101,585,147	846,187,566
Protested bills	108,197,853	48,489,200
Receivable from BA Exchange Company (UK) Limited	60,497,753	94,676,053
Receivable from BA Express USA Inc	350,836,788	325,094,277
Excise duty recoverable	20,567,980	23,920,480
Profit Receivable from Govt Investment Sukuk	1,668,976	1,428,495
Interest receivable against Govt Subsidy - from client	917,831	1,682,351,785
Interest receivable against Govt Subsidy - from govt (Note 10.7)	167,128	193,697,261
	10,694,380,032	11,820,349,023
	12,811,253,032	13,936,217,023

#### 10.2 income receivable

Income receivable consists of interest accrued on investment including interest for stimulus package.

31 Dec 2021

31 Dec 2020

### 10.3 Advances, prepayments and others

Advances, prepayments and others account consists of advance amount paid for purchasing of fixed assets, advance payment of rent for new branches of the Bank, advance against salary and legal expenses, etc.

### 10.4 Advance income tax

Advance income tax represents the tax payment to the government exchequer.

### 10.5 Branch adjustment accounts

This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2021 are given below:

Periods of Reconciliation	Number of responded entries (Debit)	Amount of responded entries (Taka)	Number of responded entries (Credit)	Amount of responded entries (Taka)
Up to 3 months	61	105,744,994	59	40,419,827
More than 3 months but within 6 months	-	-	-	-
More than 6 months but within 1 year	-	-	-	-
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	1	23,515
	61	105,744,994	60	40,443,342

### 10.6 Receivable from Government in connection with Rangs Properties:

The Bank has a receivable from Government in connection with demolition of Rangs Bhaban in 2008 situated at 113-116 Old Airport Road, Dhaka-1215. Bank Asia had a purchased floor at 3rd floor of the Building, where from the then Scotia Branch used to run. Total receivable in this regard is Tk. 3,19,52,365 (Taka three crore nineteen lac fifty two thousand three hundred sixty five) which was eventually written-off from the Book considering uncertainty and prolonged legal proceedings.

### 10.7 Interest receivable against Govt Subsidy - from govt

As per BRPD Circular letter no. 23 dated May 04, 2020 total claim to Bangladesh Bank was Tk. 255,737,851 out of which Bank has received Tk. 255,738,000 from Bangladesh Bank as of December 30, 2020. In the meantime receivable amount Tk. 255,570,723 was adjusted.

### 10 (a) Consolidated Other assets

Bank Asia Limited	12,839,899,861	13,978,128,282
Bank Asia Securities Limited	441,051,132	434,030,695
BA Exchange Company (UK) Limited	11,470	943,152
BA Express USA, Inc	122,035,610	115,533,509
	<u>13,402,998,073</u>	<u>14,528,635,638</u>
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited	33,910,140	33,684,900
Investment in BA Express USA, Inc	81,456,000	80,592,000
Receivable from BA Exchange Company (UK) Limited	60,497,753	94,676,053
Receivable from BA Exchange USA, Inc.	350,836,788	325,094,277
	<u>10,876,307,392</u>	<u>11,994,598,408</u>

### 10(aa) Demutualization membership of Dhaka Stock Exchange

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk.153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk. 10 each, totaling Tk. 72,151,060.

Under section 14(Ka) of Demutualization Act 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) and completed the sale of 25% (Twenty-five percent) DSE shares to SZSE and SSE. In this connection, BASL sold 1,803,777 number of share at the rate of Tk.21 per share totaling Tk. 37,879,317. Currently BASL holding 5,411,329 shares at a cost of totaling Tk. 114,839,239

The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more that the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>11 Borrowings from other banks, financial institutions and agents</b>		
Conventional and Islamic banking (Note 11.1)	25,054,077,570	21,526,054,526
Off-shore banking unit (Note 11.2)	29,038,258,798	18,704,754,165
Less: Adjustment with Head Office	(6,256,185,000)	(4,258,953,750)
	<u>47,836,151,368</u>	<u>35,971,854,941</u>
<b>11.1 Conventional and Islamic banking</b>		
In Bangladesh (Note 11.1.1)	25,054,077,570	21,526,054,526
Outside Bangladesh	-	-
	<u>25,054,077,570</u>	<u>21,526,054,526</u>
<b>11.1.1 In Bangladesh</b>		
<b>Secured:</b>	-	-
<b>Un secured:</b>		
<b>Money at call and on short notice</b>		
Uttara Bank Limited	-	3,000,000,000
IFIC Bank Limited	-	900,000,000
	-	<u>3,900,000,000</u>
<b>Borrowings</b>		
Bangladesh Bank Refinance	657,507,660	369,818,471
Covid-19 Stimulus PKG-Tk. 5000 Cr - Export	891,434,476	1,324,997,951
Refinance under Stimulus Package Tk. 5000 Cr - Agri	188,993,695	155,086,462
Refinance under Stimulus Package Tk. 3000 Cr - Agri	1,223,173,174	-
Bangladesh Bank Borrowing under IPPF- II Fund	951,128,000	458,728,000
Bangladesh Bank Borrowing under Long Term Financing Facilities (LTFF) scheme	337,150,038	428,626,641
SME Foundation Pre Finance	21,300,000	20,422,607
Bangladesh Bank Pre-Finance (SREUP)	32,501,823	15,000,000
Borrowing A/C (AGRI Taka 10)	193,857,516	64,303,992
Borrowing- Green finance refinance	-	10,000,000
Export development fund	20,164,807,885	14,779,070,402
Bangladesh Bank Refinance Scheme for Pre Shipment Loan	45,000,000	-
Bangladesh Bank Borrowing under Green Transformation Fund (GTF)	127,223,303	-
Borrowing From SMEF for Stimulus Loan	220,000,000	-
	<u>25,054,077,570</u>	<u>21,526,054,526</u>
<b>11.2 Borrowing at Off-shore banking unit</b>		
<b>Secured:</b>	-	-
<b>Un secured:</b>		
Conventional Banking	6,258,960,250	4,284,703,063
International Finance Corporation	2,828,333,390	5,456,750,000
Borrowing - ECA	1,850,552,942	2,045,806,201
Yes Bank, Mumbai	169,700,000	-
SCB Singapore	848,500,000	-
National Bank of RAK, UAE	1,272,750,000	-
Bank Muscat, Oman	678,800,000	-
Abu Dhabi Commercial bank	1,272,750,000	-
Mashreq Bank, UAE	848,500,000	-
Axis Bank Limited, Singapore	1,272,750,000	-
Caixa Bank, Barcelona	2,800,050,000	2,449,467,915
Standard Chartered Bank, Thailand	848,500,000	419,750,000
HDFC, Gift City, Mumbai	848,500,000	-
Nabil Bank Limited, Nepal	-	419,750,000
Indusind Bank Limited	424,250,000	-
Commercial Bank of Dubai	1,272,750,000	839,500,000
State Bank of India, Hong Kong	1,646,090,000	419,750,000
State Bank of India, Dubai	848,500,000	856,290,000
Nepal Bangladesh Bank Limited	-	419,750,000
The Commercial Bank, Qatar	424,250,000	671,600,000

**Notes to the  
financial statements**

Amount in Taka

	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
DBS Bank Singapore	2,621,865,000	419,750,000
Banca Valsabbina SCPA Vestone Italy	1,907,216	1,886,986
	<u>29,038,258,798</u>	<u>18,704,754,165</u>
<b>11(a) Consolidated Borrowings from other banks, financial institutions and agents</b>		
Bank Asia Limited	47,836,151,368	35,971,854,941
Bank Asia Securities Limited	1,511,582,711	2,120,969,217
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>49,347,734,079</u>	<u>38,092,824,158</u>
Less: Inter-company transactions	<u>1,511,582,711</u>	<u>2,120,969,217</u>
	<u>47,836,151,368</u>	<u>35,971,854,941</u>
<b>11(aa) Subordinated Non-Convertible Bonds</b>		
<b>Subordinated Non-Convertible Zero Coupon Bond</b>		
Agrani Bank Limited	40,000,000	80,000,000
BRAC Bank Limited	20,000,000	40,000,000
Janata Bank Limited	50,000,000	100,000,000
Mercantile Bank Limited	100,000,000	200,000,000
One Bank Limited	120,000,000	240,000,000
Pubali Bank Limited	50,000,000	100,000,000
Rupali Bank Limited	120,000,000	240,000,000
Sonali Bank Limited	100,000,000	200,000,000
	<u>600,000,000</u>	<u>1,200,000,000</u>
<b>Subordinated Non-Convertible floating rate bond - 2</b>		
Agrani Bank Limited	150,000,000	200,000,000
Dhaka Bank Limited	450,000,000	600,000,000
Janata Bank Limited	150,000,000	200,000,000
National Life Insurance Co	300,000,000	400,000,000
Pubali Bank Limited	600,000,000	800,000,000
Sabinco	90,000,000	120,000,000
Sadharan Bima Corporation	60,000,000	80,000,000
Sonali Bank Limited	600,000,000	800,000,000
Southeast Bank Limited	300,000,000	400,000,000
Uttara Bank Limited	300,000,000	400,000,000
	<u>3,000,000,000</u>	<u>4,000,000,000</u>
<b>Subordinated Non-Convertible floating rate bond - 3</b>		
Agrani Bank Limited	2,500,000,000	2,500,000,000
Eastern Bank Limited	1,000,000,000	1,000,000,000
Trust Bank Limited	500,000,000	500,000,000
Dutch-Bangla Bank Limited	500,000,000	500,000,000
Pubali Bank Limited	500,000,000	500,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	<u>8,600,000,000</u>	<u>10,200,000,000</u>
<b>11.3 Maturity-wise grouping (Note 11 and Note 11 aa)</b>		
Payable on demand	9,556,600,000	9,011,654,941
Up to 1 month	-	-
More than 1 month but within 3 months	20,385,600,000	14,297,800,000
More than 3 months but within 1 year	13,585,300,000	6,577,300,000
More than 1 year but within 5 years	6,000,000,000	12,707,300,000
More than 5 years	6,908,651,368	3,577,800,000
	<u>56,436,151,368</u>	<u>46,171,854,941</u>

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### 11.4 Disclosure regarding REPO

Disclosure regarding REPO transactions of the bank are given as per Bangladesh Bank, DOS Circular No. 6 dated July 15, 2010

#### a (i) Disclosure regarding outstanding REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
NIL				
Total				-

#### (ii) Disclosure regarding outstanding Reverse REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
NIL				
Total				-

#### b Disclosure regarding overall transaction of REPO & Reverse REPO

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-
Securities purchased under reverse repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-

## 12 Deposits and other accounts

Conventional and Islamic banking (Note 12.1)	317,156,734,094	302,702,491,449
Off-shore banking unit	625,700,808	325,614,911
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

### Deposits and other accounts

#### Current/AI-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers	63,079,802,314	59,077,355,292
Off-shore banking unit	570,569,454	280,490,384
	63,650,371,768	59,357,845,676

#### Bills payable

Deposits from banks	-	-
Deposits from customers	3,978,312,853	3,747,868,764
	3,978,312,853	3,747,868,764

#### Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	79,212,048,790	64,167,247,193
	79,212,048,790	64,167,247,193

#### Fixed deposits/Mudaraba fixed deposits

Deposits from banks	4,400,007	5,101,696
Deposits from customers	170,882,170,130	175,704,918,504
Off-shore banking unit	55,131,354	45,124,527
	170,941,701,491	175,755,144,727
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

### 12.1 Conventional and Islamic banking

Deposits from banks (Note 12.1.1)	4,400,007	5,101,696
Deposits from customers (Note 12.1.2)	317,152,334,087	302,697,389,753
	<u>317,156,734,094</u>	<u>302,702,491,449</u>



**Notes to the  
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	31 Dec 2021	31 Dec 2020
<b>12.1.1 Deposits from banks</b>		
<b>Fixed deposit/SND</b>		
AB Bank Limited	39,525	39,875
EXIM Bank Limited	3,168,780	3,885,861
Social Islami Bank Limited	594,714	586,859
Trust Bank Limited	596,988	589,101
	<u>4,400,007</u>	<u>5,101,696</u>
<b>12.1.2 Deposits from customers</b>		
Current/Al-wadeeah current accounts and other accounts ( Note 12.1.2a)	63,079,802,314	59,077,355,292
Bills payable (Note 12.1.2b)	3,978,312,853	3,747,868,764
Savings bank/Mudaraba savings deposits	79,212,048,790	64,167,247,193
Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	170,882,170,130	175,704,918,504
	<u>317,152,334,087</u>	<u>302,697,389,753</u>
<b>12.1.2a Current/Al-wadeeah current accounts and other accounts</b>		
Current/Al-wadeeah current accounts	25,695,837,784	24,768,775,326
Other demand deposit - Local currency	25,236,668,844	25,468,837,980
Other demand deposit - Foreign currencies	9,037,394,275	6,708,270,720
Foreign currency deposits	3,089,917,288	2,495,726,018
Unclaimed cash dividend	19,984,123	49,260,280
Export retention quota	-	-
	<u>63,079,802,314</u>	<u>59,490,870,324</u>
Less : Inter transaction between OBU and Conventional Banking	-	(413,515,032)
	<u>63,079,802,314</u>	<u>59,077,355,292</u>
<b>12.1.2b Bills payable</b>		
Bills payable - local currency	3,948,826,436	3,723,901,591
Bills payable - foreign currencies	29,486,417	23,967,173
Demand draft	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
<b>12.1.2c Fixed deposits/Mudaraba fixed deposits</b>		
Fixed deposits/Mudaraba fixed deposits	104,635,816,104	107,507,156,677
Special notice deposit	26,535,531,471	29,394,855,101
Foreign currency deposits (interest bearing)	3,408,303	3,371,973
Deposit under schemes	39,707,414,252	38,799,534,753
	<u>170,882,170,130</u>	<u>175,704,918,504</u>
<b>12.2 Payable on demand and time deposits</b>		
a) <b>Demand deposits</b>		
Current/Al-wadeeah current accounts and other accounts	26,286,391,361	24,685,010,958
Savings bank/Mudaraba savings deposits	7,129,084,391	5,775,052,247
Foreign currency deposits (non interest bearing)	12,127,311,563	9,203,996,738
Sundry deposits	25,236,668,844	25,468,837,980
Bills payable	3,978,312,853	3,747,868,764
	<u>74,757,769,012</u>	<u>68,880,766,687</u>
b) <b>Time deposits</b>		
Savings bank/Mudaraba savings deposits	72,082,964,399	58,392,194,946
Fixed deposits/Mudaraba fixed deposits	104,695,347,465	107,557,382,900
Foreign currency deposits (interest bearing)	3,408,303	3,371,973
Special notice deposit	26,535,531,471	29,394,855,101
Deposits under schemes	39,707,414,252	38,799,534,753
	<u>243,024,665,890</u>	<u>234,147,339,673</u>
	<u>317,782,434,902</u>	<u>303,028,106,360</u>

	31 Dec 2021	31 Dec 2020
<b>12.3 Sector-wise break-up of deposits and other accounts</b>		
Government	6,739,566,000	7,873,636,862
Deposit from banks	4,400,007	5,101,696
Other public	2,817,600,000	4,496,553,088
Foreign currencies	12,785,907,091	9,556,950,795
Private	295,434,961,804	281,095,863,919
	<u>317,782,434,902</u>	<u>303,028,106,360</u>
<b>12.4 Maturity-wise grouping</b>		
<b>12.4.1 Deposits from banks</b>		
Payable on demand	4,400,007	5,101,696
Up to 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>4,400,007</u>	<u>5,101,696</u>
<b>12.4.2 Customer deposits excluding bills payable</b>		
Payable on demand	2,450,300,000	2,292,300,000
Up to 1 month	51,472,508,259	44,119,515,163
Over 1 month but within 6 months	65,587,221,075	43,932,031,236
Over 6 months but within 1 year	76,919,122,518	80,552,500,000
Over 1 year but within 5 years	96,243,094,716	89,920,000,000
Over 5 years	21,127,475,475	38,458,789,501
	<u>313,799,722,042</u>	<u>299,275,135,900</u>
<b>12.4.3 Bills payable</b>		
Payable on demand	673,200,000	471,400,000
Up to 1 month	1,075,700,000	1,192,500,000
Over 1 month but within 6 months	2,229,412,853	2,083,968,764
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
	<u>317,782,434,902</u>	<u>303,028,106,360</u>
<b>12(a) Consolidated Deposits and other accounts</b>		
<b>Current/AI-wadeeah current accounts and other accounts</b>		
Bank Asia Limited	63,650,371,768	59,357,845,676
Bank Asia Securities Limited	721,351,710	519,066,108
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>64,371,723,478</u>	<u>59,876,911,784</u>
Less: Inter-company transactions	78,856,747	53,258,020
	<u>64,292,866,731</u>	<u>59,823,653,764</u>
<b>Bills payable</b>		
Bank Asia Limited	3,978,312,853	3,747,868,764
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,978,312,853</u>	<u>3,747,868,764</u>
<b>Savings bank/Mudaraba savings bank deposits</b>		
Bank Asia Limited	79,212,048,790	64,167,247,193
Bank Asia Securities Limited	-	-

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>79,212,048,790</u>	<u>64,167,247,193</u>
<b>Fixed deposits/Mudaraba fixed deposits</b>		
Bank Asia Limited	170,941,701,491	175,755,144,727
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>170,941,701,491</u>	<u>175,755,144,727</u>
	<u>318,424,929,865</u>	<u>303,493,914,448</u>
<b>13 Other liabilities</b>		
Conventional and Islamic banking (Note 13.1)	36,714,295,934	32,379,260,942
Off-shore banking unit	3,767,610	569,192
	<u>36,718,063,544</u>	<u>32,379,830,134</u>
<b>13.1 Conventional and Islamic banking</b>		
Provision for loans and advances/investments (Note 13.2)	15,152,708,000	13,110,200,000
Special general provision COVID-19 (Note 13.2.1)	865,000,000	850,600,000
Provision on off-balance sheet exposures (Note 13.3)	1,490,000,000	1,005,000,000
Interest suspense account (Note 13.4)	4,266,332,789	4,341,502,178
Provision for income tax including deferred tax (Note 13.5)	10,656,414,519	8,956,414,519
Provision for performance and festival bonus	431,563,479	252,632,349
Master card and Visa card payables	9,734,798	829,449
Expenditures and other payables	1,304,223,717	1,108,143,599
Provision for nostro accounts (Note 13.6)	-	-
Other payable	114,911,276	115,509,606
Provision for profit equalization	35,167,287	20,978,177
Provision for diminution in value of shares (Note 13.7)	363,383,553	363,383,553
Payable to Government	-	9,007,621
Provision for others (Note 13.8)	440,572,690	290,572,690
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	896,430,689	829,928,758
Interest payable on subordinated non-convertible zero coupon bond	151,321,370	181,861,645
Fraction Bonus Share	1,608,744	2,768,571
Lease liabilities (Note 13.9)	467,223,023	872,228,227
	<u>36,714,295,934</u>	<u>32,379,260,942</u>
<b>13.2 Provision for loans and advances/investments</b>		
<b>General provision</b>		
<b>Conventional and Islamic:</b>		
Balance as at 1 January	8,805,019,752	7,478,740,555
Add: Provision made during the year	-	1,326,279,197
Less: Provision no longer required	1,237,810,933	-
Balance as at 31 December	<u>7,567,208,819</u>	<u>8,805,019,752</u>
<b>Off-shore Banking Unit (OBU):</b>		
Balance as at 1 January	184,980,248	195,719,574
Add: Provision made during the year	110,518,933	-
Less: Provision no longer required	-	(10,739,326)
Balance as at 31 December	<u>295,499,181</u>	<u>184,980,248</u>
A. <b>Total general provision on loans and advances/investments</b>	<u>7,862,708,000</u>	<u>8,990,000,000</u>

	31 Dec 2021	31 Dec 2020
<b>Specific provision</b>		
<b>Conventional and Islamic:</b>		
Balance as at 1 January	4,120,200,000	4,604,656,791
Add/ Back: Recoveries of amounts previously written off	287,429,432	183,636,137
Specific provision made during the year	5,263,688,085	(413,359,577)
Less: Write off/amicable settlement during the year	(2,381,317,517)	(254,733,351)
Balance as at 31 December	<u>7,290,000,000</u>	<u>4,120,200,000</u>
<b>Off-shore Banking Unit (OBU):</b>		
Balance as at 1 January	-	-
Add: Provision made during the year	-	-
Less: Provision no longer required	-	-
Balance as at 31 December	<u>-</u>	<u>-</u>
<b>B. Total Specific provision on loans and advances/investments</b>	<u>7,290,000,000</u>	<u>4,120,200,000</u>
<b>C. Total provision on loans and advances/investments (A+B)</b>	<u>15,152,708,000</u>	<u>13,110,200,000</u>
<b>13.2.1 Special general provision COVID-19</b>		
Balance as at 1 January	850,600,000	-
Add: Provision made during the year	435,000,000	850,600,000
Less: Provision no longer required	420,600,000	-
Balance as at 31 December	<u>865,000,000</u>	<u>850,600,000</u>
<b>13.3 Provision on off-balance sheet exposures</b>		
Balance at 1 January	1,004,645,275	961,337,263
Add: Provision made during the year	485,188,869	43,308,012
	<u>1,489,834,144</u>	<u>1,004,645,275</u>
Less: Adjustments made during the year	-	-
Balance at the end of the year	<u>1,489,834,144</u>	<u>1,004,645,275</u>
Provision maintained for OBU as at 01 January	354,725	313,322
Add: Provision made during the year	-	41,403
Less: Adjustments made during the year	(188,869)	-
	<u>165,856</u>	<u>354,725</u>
Balance at the end of the year	<u>1,490,000,000</u>	<u>1,005,000,000</u>
As per BRPD Circular No. 07, dated 21 June 2018 and BRPD Circular No. 13, dated 18 October 2018 no no provision is required for bills for collection and for counter guarantee provision is maintained based on BB rating grade.		
<b>13.4 Interest suspense account</b>		
Balance at 1 January	4,341,502,178	2,014,114,905
Add: Amount transferred to interest suspense" account during the year	3,023,428,291	4,507,844,608
	<u>7,364,930,469</u>	<u>6,521,959,513</u>
Less: Amount of interest suspense recovered	2,749,605,348	2,119,471,298
Interest waiver during the year	348,992,332	60,986,037
	<u>3,098,597,680</u>	<u>2,180,457,335</u>
Balance as at 31 December	<u>4,266,332,789</u>	<u>4,341,502,178</u>

## Notes to the financial statements

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	31 Dec 2021	31 Dec 2020	
<b>13.5 Provision for taxation</b>			
Current tax (Note 13.5.1)	10,184,393,154	8,484,393,154	
Deferred tax (Note 13.5.2)	472,021,365	472,021,365	
	<u>10,656,414,519</u>	<u>8,956,414,519</u>	
<b>13.5.1 Provision for current tax</b>			
Balance at 1 January	8,484,393,154	10,103,853,086	
Add: Provision made during the year	1,700,000,000	1,922,000,000	
	10,184,393,154	12,025,853,086	
Less: Adjustments made during the year	-	3,541,459,932	
Balance as at 31 December	<u>10,184,393,154</u>	<u>8,484,393,154</u>	
<b>13.5.1(a) Consolidated Provision for current tax</b>			
Balance as at 1 January	8,726,745,036	10,307,012,454	
Add: Provision made during the year			
Bank Asia Limited	1,700,000,000	1,922,000,000	
Bank Asia Securities Limited	94,735,436	39,192,514	
BA Exchange Company (UK) Limited	-	-	
BA Express USA, Inc	-	-	
	<u>1,794,735,436</u>	<u>1,961,192,514</u>	
	10,521,480,472	12,268,204,968	
Less: Adjustments made during the year			
Bank Asia Limited	-	3,541,459,932	
Bank Asia Securities Limited	41,919,443	-	
BA Exchange Company (UK) Limited	-	-	
BA Express USA, Inc	-	-	
	<u>41,919,443</u>	<u>3,541,459,932</u>	
Balance as at 31 December	<u>10,479,561,029</u>	<u>8,726,745,036</u>	
<b>13.5.2 Provision for deferred tax</b>			
Balance at 1 January	472,021,365	472,021,365	
Provision made for deferred tax liabilities	-	-	
Provision made for deferred tax assets	-	-	
	<u>472,021,365</u>	<u>472,021,365</u>	
<b>13.5.2 (a) Deferred Tax (asset)/liability</b>			
Particulars	Book value	Tax Base	(Deductible)/ Taxable
Opening Balance			
Deferred Tax Asset			(1,158,806,250)
Deferred Tax Liability			851,945,619
Net Deferred Tax Asset			<u>(306,860,631)</u>
<b>Net Deferred Tax Asset as of December 31, 2021</b>			
Deferred Tax Asset:			
Loan loss provision	7,290,000,000	-	(5,467,500,000)
Closing balance for the year (a)			<u>(2,050,312,500)</u>
			<u>(1,158,806,250)</u>



				31 Dec 2021	31 Dec 2020
Particulars	Book value	Tax Base	(Deductible)/ Taxable		
Deferred Tax Liability:					
Interest receivable	1,616,405,682	-	1,616,405,682	606,152,131	556,756,728
Fixed assets	3,139,885,287	2,675,481,321	464,403,966	174,151,487	215,117,338
Right-of-use assets	117,646,039		117,646,039	44,117,265	80,071,553
Closing balance for the year (b)				824,420,883	851,945,619
<b>Net Deferred Tax Asset as of December 31, 2021 (a+b)</b>				(1,225,891,617)	(306,860,631)
Movement for the year					
Opening deferred tax assets				(1,158,806,250)	(970,232,060)
Closing deferred tax assets				(2,050,312,500)	(1,158,806,250)
Changes for the year				(891,506,250)	(188,574,190)
Opening deferred tax liabilities				851,945,619	593,437,897
Closing deferred tax liabilities				824,420,883	851,945,619
Changes for the year				(27,524,736)	258,507,722
Changes during the year				(919,030,986)	69,933,532

As per Bangladesh Bank, BRPD circular no. 11 dated December 12, 2011 deferred tax assets may be recognized but restrictions are to be followed if deferred tax assets is calculated and recognized based on the provisions against classified loan, advances; such as i. amount of the net income after tax increased due to recognition of deferred tax assets on such provision will not be distributed as dividend. ii. the amount of deferred tax assets recognized on such provisions should be deducted while calculating the Regulatory Eligible Capital. iii. a description should be provided regarding deferred tax assets recognized on loan loss provision in the notes to the financial statements. On the other hand, deferred tax liabilities must be recognized for those items which are mentioned to recognize in IAS. Hence, the bank did not recognize deferred tax assets but recognize deferred tax liabilities when it arises.

### 13.5.3 Reconciliation of effective tax rate

	2021		2020	
	%	Amount	%	Amount
Profit before provision		9,192,532,066		6,070,836,392
Income Tax as per applicable tax rate	37.50%	3,447,199,525	37.50%	2,276,563,647
Tax exempted income (on govt. treasury securities)	-24.41%	(2,244,157,120)	-15.19%	(922,110,090)
On probable deductible/non deductible expenses	5.41%	496,957,595	9.35%	567,546,443
	18.49%	1,700,000,000	31.66%	1,922,000,000

### 13.5.3(a) Consolidated Reconciliation of effective tax rate

	2021		2020	
	%	Amount	%	Amount
Profit before provision		9,552,453,672		6,106,809,632
Income Tax as per applicable tax rate	37.50%	3,582,170,127	37.50%	2,290,053,612
Tax exempted income (on govt. treasury securities)	-23.49%	(2,244,157,120)	-15.10%	(922,110,090)
On probable deductible/non deductible expenses	4.78%	456,722,429	9.71%	593,248,992
	18.79%	1,794,735,436	32.11%	1,961,192,514

### 13.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPP (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months. Details of unrecognized entries are shown in Annex I.

## Notes to the financial statements

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	31 Dec 2021	31 Dec 2020
<b>13.7 Provision for diminution in value of shares</b>		
Balance as at 1 January	363,383,553	183,383,553
Add: Provision made during the year	-	180,000,000
Adjustment during the year	-	-
Balance as at 31 December	<u>363,383,553</u>	<u>363,383,553</u>
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	66,121,146	68,265,317
Provision maintained	<u>363,383,553</u>	<u>363,383,553</u>
Surplus provision maintained	<u>297,262,407</u>	<u>295,118,236</u>
<b>13.8 Provision for others</b>		
Provision for other assets (Note 13.8.1)	393,106,522	290,572,690
Provision for start up fund (Note 13.8.2)	47,466,168	-
	<u>440,572,690</u>	<u>290,572,690</u>
<b>13.8.1 Provision for other assets</b>		
Balance as at 1 January	290,572,690	172,218,755
Add: Provision made during the year	102,533,832	137,000,000
Adjustment during the year	-	(18,646,065)
Balance as at 31 December	<u>393,106,522</u>	<u>290,572,690</u>
Provision requirement	327,728,000	219,886,000
Provision maintained	<u>393,106,522</u>	<u>290,572,690</u>
Surplus provision maintained	<u>65,378,522</u>	<u>70,686,690</u>
(Provision for others made for legal expenses, protested bills, expenditure related unreconciled entries and other assets that classified as bad and loss as per Bangladesh Bank BRPD Circular 14 dated June 25, 2001).		
<b>13.8.2 Provision for start up fund</b>		
Balance as at 1 January	-	-
Add: Provision made during the year		
For the year 2020 (1% of profit after tax)	20,357,067	-
For the year 2021 (1% of profit after tax)	27,109,101	-
Adjustment during the year	-	-
Balance as at 31 December	<u>47,466,168</u>	<u>-</u>
(As per Bangladesh Bank SMESPD Circular Letter no. 05 dated April 26, 2001 Provision for Start up Fund has been maintained against 1% net profit after tax starting from the year 2020).		
<b>13.9 Lease liabilities</b>		
Balance as at 1 January	872,228,227	1,108,769,389
Add: Interest charge during the year	104,658,196	108,474,522
Less: Payment made during the year	419,543,010	345,015,684
Less: Adjustment made during the year	90,120,390	-
Balance as at 31 December	<u>467,223,023</u>	<u>872,228,227</u>
The lease liabilities represents the present value of the lease payments discounting using the incremental borrowing rate as per IFRS 16 against which right-of- use assets has been arisen (ref: Annex C).		
<b>13(a) Consolidated Other liabilities</b>		
Bank Asia Limited	36,718,063,544	32,379,830,134
Bank Asia Securities Limited	2,218,069,633	1,885,520,215
BA Exchange Company (UK) Limited	68,483,295	62,316,859
BA Express USA, Inc	368,082,914	270,842,164
	<u>39,372,699,386</u>	<u>34,598,509,372</u>

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	31 Dec 2021	31 Dec 2020
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	60,497,753	94,676,053
BA Express USA, Inc	350,836,788	325,094,277
	<u>38,961,364,845</u>	<u>34,178,739,042</u>

### 14 Share capital

#### 14.1 Authorized capital

1,500,000,000 ordinary shares of Taka 10 each	15,000,000,000	15,000,000,000
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#### 14.2 Issued, subscribed and fully paid up capital

56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each		
Issued as bonus shares	3,640,107,700	3,640,107,700
Right shares issued 25% for the year 2010	1,050,958,100	1,050,958,100
Issued as bonus shares 20% for the year 2011	1,050,958,120	1,050,958,120
Issued as bonus shares 10% for the year 2012	630,574,870	630,574,870
Issued as bonus shares 10% for the year 2013	693,632,350	693,632,350
Issued as bonus shares 10% for the year 2014	762,995,590	762,995,590
Issued as bonus shares 5% for the year 2015	419,647,570	419,647,570
Issued as bonus shares 12% for the year 2016	1,057,511,890	1,057,511,890
Issued as bonus shares 12.50% for the year 2017	1,233,763,870	1,233,763,870
Issued as bonus shares 5% for the year 2018	555,193,740	555,193,740
	<u>11,659,068,600</u>	<u>11,659,068,600</u>

#### 14.3 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 2003

#### 14.4 Capital to risk-weighted asset

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)		
Paid up capital	11,659,068,600	11,659,068,600
Statutory reserve (Note 15)	10,725,443,940	9,844,096,744
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	2,804,815,058	2,091,617,881
	25,197,493,742	23,602,949,369
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,820,000	44,010,000
Common Equity Tier -1 capital (Going-Concern Capital)	25,152,673,742	23,558,939,369
Additional Tier 1 Capital	-	-
<b>Total Tier- 1 Capital</b>	<u>25,152,673,742</u>	<u>23,558,939,369</u>
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,727,708,000	8,990,000,000
General provision on off-balance sheet exposure	1,490,000,000	1,005,000,000
Subordinated non-covertable zero coupon bonds	8,600,000,000	10,200,000,000
<b>Total Tier- 2 Capital available</b>	<u>18,817,708,000</u>	<u>20,195,000,000</u>
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	18,011,759,076	20,195,000,000
Adjustment as per RBCA Guideline	2,600,000,000	-
<b>Total admissible Tier-2 Capital</b>	<u>16,217,708,000</u>	<u>20,195,000,000</u>
<b>A) Total capital</b>	<u>41,370,381,742</u>	<u>43,753,939,369</u>
B) Total risk weighted assets (RWA)	263,153,198,992	254,905,151,741
C) Minimum total capital requirement 10%	26,315,319,899	25,490,515,174

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D) Capital surplus (A-C)	15,055,061,843	18,263,424,195
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	32,894,149,874	31,863,143,968
F) Capital surplus (A-E) with capital conservation buffer	8,476,231,868	11,890,795,401
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	9.56%	9.24%
Tier- 1 to RWA ( minimum 6% under Basel III)	9.56%	9.24%
Capital to Risk Weighted Assets against minimum requirement 10%	15.72%	17.16%

### 14.4 (a) Consolidated capital to risk-weighted asset

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014

	In line of Basel III	In line of Basel III
Common Equity Tier -1 capital (Going-Concern Capital)		
Paid up capital	11,659,068,600	11,659,068,600
Non-controlling (Minority) interest	10,274	10,198
Statutory reserve (Note 15)	10,725,443,940	9,844,096,744
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	2,650,999,337	1,918,254,038
	25,043,688,295	23,429,595,724
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	44,820,000	44,010,000
Common Equity Tier -1 capital (Going-Concern Capital)	24,998,868,295	23,385,585,724
Additional Tier 1 Capital	-	-
<b>Total Tier- 1 Capital</b>	<b>24,998,868,295</b>	<b>23,385,585,724</b>
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	8,727,708,000	8,990,000,000
General provision on off-balance sheet exposure	1,490,000,000	1,005,000,000
Subordinated non-convertible zero coupon bonds	8,600,000,000	10,200,000,000
<b>Total Tier- 2 Capital available</b>	<b>18,817,708,000</b>	<b>20,195,000,000</b>
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	17,815,600,656	20,195,000,000
Adjustment as per RBCA Guideline	2,600,000,000	-
<b>Total admissible Tier-2 Capital</b>	<b>16,217,708,000</b>	<b>20,195,000,000</b>
<b>A) Total capital</b>	<b>41,216,576,295</b>	<b>43,580,585,724</b>
B) Total risk weighted assets (RWA)	265,901,787,410	257,403,701,528
C) Minimum total capital requirement 10%	26,590,178,741	25,740,370,153
D) Capital surplus (A-C)	14,626,397,554	17,840,215,571
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	33,237,723,426	32,175,462,691
F) Capital surplus (A-E) with capital conservation buffer	7,978,852,869	11,405,123,033
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA ( minimum 4.5% under Basel III)	9.40%	9.09%
Tier- 1 to RWA ( minimum 6% under Basel III)	9.40%	9.09%
Capital to Risk Weighted Assets against minimum requirement 10%	15.50%	16.93%

### 14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2021		At 31 December 2020	
	No. of shares	%	No. of shares	%
Sponsors & Directors	624,484,380	53.56	600,698,621	51.52
General Public	154,104,666	13.22	161,113,132	13.82
Institutions	259,562,631	22.26	279,059,559	23.94
Investment Companies	124,005,748	10.64	120,806,182	10.36
Non-resident Bangladeshi	1,322,529	0.11	1,650,796	0.14
Foreign Investors	2,426,906	0.21	2,578,570	0.22
	1,165,906,860	100	1,165,906,860	100

31 Dec 2021

31 Dec 2020

#### 14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Less than 5,000	5,823	6,339	0.55	0.62
5,000 to 50,000	1,441	1,640	1.70	1.92
50,001 to 100,000	91	107	0.56	0.66
100,001 to 200,000	43	51	0.52	0.62
200,001 to 300,000	19	25	0.41	0.54
300,001 to 400,000	17	11	0.51	0.32
400,001 to 500,000	8	7	0.32	0.27
500,001 to 1,000,000	44	39	2.78	2.47
1,000,001 to 10,000,000	67	70	20.65	20.84
Over 10,000,000	30	30	72.00	71.74
	7,583	8,319	100.00	100.00

#### 14.7 Name of the Directors and their shareholdings as at 31 December 2021

SI	Name of the director	Status	Closing position	Opening position
1	Mr. A Rouf Chowdhury	Chairman	23,350,148	23,350,148
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Mr. Romo Rouf Chowdhury	Vice Chairman	23,323,746	23,323,746
4	Mr. Rume A Hossain	Director	36,216,554	36,216,554
5	Mrs. Hosneara Sinha	Director	53,184,729	53,184,729
6	Ms. Naheed Akhter Sinha	Director	55,842,838	55,842,838
7	Ms. Romana Rouf Chowdhury (Representing MAYA Limited)	Director	41,679,196	41,679,196
8	Maj. Gen. Mohammad Matiur Rahman (Retd.) (Representing Sinha Fashions Limited)	Director	23,401,435	23,401,435
9	Ms. Farhana Haq	Director	58,230,519	56,907,244
10	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	25,959,122	25,959,122
11	Ms. Tania Nusrat Zaman (Representing Amiran Generations Limited)	Director	47,558,630	47,558,630
12	Mr. Nafees Khundker	Director	24,784,734	24,784,734
13	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
14	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-
15	Mr. Md. Abul Quasem (Independent Director)	Director	-	-
16	Mr. M. A. Baqui Khalily (Independent Director)	Director	-	-
17	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-	-

#### 15 Statutory reserve

Balance at the beginning of the year	9,844,096,744	9,052,555,407
Add: Addition during the year (20% of pre-tax profit)	881,347,196	791,541,337
Balance at the end of the year	<u>10,725,443,940</u>	<u>9,844,096,744</u>

#### 15.1 Statutory reserve

Bank Asia Limited	<u>8,166,144</u>	<u>8,166,144</u>
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#### 15.1(a) Consolidated General and other reserve

Bank Asia Limited	8,166,144	8,166,144
Bank Asia Securities Limited	150,947	-
Opening Balance	-	-
Addition during the year	150,947	-
Adjustment made during the year	-	-
Closing Balance	<u>150,947</u>	<u>-</u>
	<u>8,317,091</u>	<u>8,166,144</u>



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<b>16 Revaluation reserve</b>		
HTM securities (Note 16.1)	61,048,535	46,593,577
HFT securities (Note 16.2)	167,454,171	1,746,995,202
Fixed Assets revaluation (Note 16.3)	1,930,642,171	1,984,357,423
	<u>2,159,144,877</u>	<u>3,777,946,202</u>
<b>16.1 Revaluation reserve on HTM securities</b>		
Balance at 1 January	46,593,577	20,176,016
Gain from revaluation on investments	22,232,864	26,417,561
Adjustment for sale/maturity of securities	(7,777,906)	-
	<u>61,048,535</u>	<u>46,593,577</u>
<b>16.2 Revaluation reserve on HFT securities</b>		
Balance at 1 January	1,746,995,202	7,434,933
Gain from revaluation on investments	5,282,090,860	13,156,910,380
Adjustment for sale/maturity of securities	(6,861,631,891)	(11,417,350,111)
	<u>167,454,171</u>	<u>1,746,995,202</u>
<b>16.3 Revaluation reserve on Fixed Assets</b>		
Balance at 1 January	1,984,357,423	2,038,072,687
Depreciation charged during the year	(53,715,252)	(53,715,264)
	<u>1,930,642,171</u>	<u>1,984,357,423</u>
<b>16 (a) Consolidated Revaluation reserve</b>		
Bank Asia Limited	2,159,144,877	3,777,946,202
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,159,144,877</u>	<u>3,777,946,202</u>
<b>17 Retained earnings</b>		
Balance at 1 January	2,091,617,881	1,959,644,131
Add: Post - tax profit for the year	2,706,735,981	2,035,706,683
Revaluation reserve transferred to retained earnings	53,715,252	53,715,264
	<u>4,852,069,114</u>	<u>4,049,066,078</u>
Less: Issue of cash dividend for the year 2019	-	1,165,906,860
Issue of cash dividend for the year 2020	1,165,906,860	-
Transfer to statutory reserve	881,347,196	791,541,337
	<u>2,047,254,056</u>	<u>1,957,448,197</u>
	<u>2,804,815,058</u>	<u>2,091,617,881</u>
<b>17(a) Consolidated Retained earnings</b>		
Balance at 1 January	1,918,254,038	1,800,257,979
Add: Foreign exchange revaluation reserve for opening retained earnings	(1,835,153)	(2,758,415)
Revaluation reserve transferred to retained earnings	53,715,252	53,715,264
Post- tax profit for the year	2,728,270,279	2,024,487,409
Less: Non controlling interest	76	2
	<u>4,698,404,340</u>	<u>3,875,702,235</u>
Less: Issue of cash dividend for the year 2019	-	1,165,906,860
Issue of cash dividend for the year 2020	1,165,906,860	-
Transferred to statutory reserve	881,347,196	791,541,337
Transferred to General and other reserve	150,947	-
	<u>2,047,405,003</u>	<u>1,957,448,197</u>
	<u>2,650,999,337</u>	<u>1,918,254,038</u>
<b>17(b) Non-controlling (Minority) interest</b>		
Bank Asia Securities Limited	10,274	10,198
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>10,274</u>	<u>10,198</u>

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	31 Dec 2021	31 Dec 2020
<b>18 Contingent liabilities</b>		
Conventional and Islamic banking	173,948,946,762	122,154,955,295
Off-shore banking unit	16,585,630	35,472,485
	<u>173,965,532,392</u>	<u>122,190,427,780</u>
Acceptances and endorsements (Note 18.1)		
Conventional and Islamic banking	62,539,512,475	36,011,691,917
Off-shore banking unit	-	4,158,295
	62,539,512,475	36,015,850,212
Letters of guarantee		
Conventional and Islamic banking (Note 18.2)	37,395,022,735	36,612,044,391
Off-shore banking unit	560,859	554,910
	37,395,583,594	36,612,599,301
Irrevocable letters of credit		
Conventional and Islamic banking (Note 18.3)	46,592,755,948	29,721,029,851
Off-shore banking unit	16,024,771	30,759,280
	46,608,780,719	29,751,789,131
Bills for collection		
Conventional and Islamic banking (Note 18.4)	24,377,029,730	15,897,303,598
Off-shore banking unit	-	-
	24,377,029,730	15,897,303,598
Other commitments		
Conventional and Islamic banking (Note 18.5)	3,044,625,874	3,912,885,538
Off-shore banking unit	-	-
	3,044,625,874	3,912,885,538
	<u>173,965,532,392</u>	<u>122,190,427,780</u>
<b>18.1 Acceptances and endorsements</b>		
Conventional and Islamic banking	62,539,512,475	36,011,691,917
Off-shore banking unit	-	4,158,295
	<u>62,539,512,475</u>	<u>36,015,850,212</u>
<b>18.2 Letters of guarantee</b>		
Letters of guarantee (Local)	22,815,550,343	22,772,282,978
Letters of guarantee (Foreign)	14,579,472,392	13,839,761,413
	<u>37,395,022,735</u>	<u>36,612,044,391</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	26,675,385,012	27,616,831,056
Banks and other financial institutions	2,104,717,664	671,552,863
Others	8,614,920,059	8,323,660,472
	<u>37,395,022,735</u>	<u>36,612,044,391</u>
<b>18.3 Irrevocable letters of credit</b>		
Letters of credit Back to Back (Inland)	4,948,179,357	3,946,874,049
Letters of credit (General)	35,500,951,363	22,526,232,627
Back to back L/C	6,143,625,228	3,247,923,175
	<u>46,592,755,948</u>	<u>29,721,029,851</u>
<b>18.4 Bills for collection</b>		
Local bills for collection	17,066,924,015	9,788,723,716
Foreign bills for collection	7,310,105,715	6,108,579,882
	<u>24,377,029,730</u>	<u>15,897,303,598</u>
<b>18.5 Other commitments</b>		
Forward Assets Purchased and Forward Deposits Placed	<u>3,044,625,874</u>	<u>3,912,885,538</u>

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### 18.6 Workers' profit participation fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as it is not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.

### 19 Income statement

#### Income:

Interest, discount and similar income (Note 19.1)	25,029,338,381	24,565,403,376
Dividend income (Note 22.1)	136,087,793	15,280,460
Fees, commission and brokerage (Note 19.2)	1,634,656,721	1,297,409,009
Gains/ less Losses arising from dealing securities	-	-
Gains/ less Losses arising from investment securities	24,181,171	15,813,092
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	1,533,729,532	1,177,568,485
Income from non-banking assets	-	-
Other operating income (Note 24)	1,036,304,780	1,034,090,923
Profit/ less Losses on interest rate changes	-	-
	<u>29,394,298,378</u>	<u>28,105,565,345</u>

#### Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	12,700,889,562	14,926,677,328
Administrative expenses (Note 19.3)	4,722,660,291	4,363,389,892
Other expenses (Note 34)	2,007,368,660	1,970,532,731
Depreciation on banks assets (Note 33.1)	770,847,799	774,129,002
	<u>20,201,766,312</u>	<u>22,034,728,953</u>
	<u>9,192,532,066</u>	<u>6,070,836,392</u>

#### 19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	18,340,772,912	18,112,098,828
Interest on treasury bills/reverse repo/bills	3,908,121,855	5,382,632,409
Interest income on corporate bonds	346,609,674	148,562,049
Interest on debentures	189,676,820	-
Capital gain on Government securities and assets	2,244,157,120	922,110,090
	<u>25,029,338,381</u>	<u>24,565,403,376</u>

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

#### 19.2 Fees, commission and brokerage

Commission	1,634,656,721	1,297,409,009
Brokerage	-	-
	<u>1,634,656,721</u>	<u>1,297,409,009</u>

#### 19.3 Administrative expenses

Salaries and allowances (Note 25)	3,870,113,954	3,536,708,226
Rent, taxes, insurance, electricity, etc (Note 26)	480,758,487	440,514,478
Legal expenses (Note 27)	16,556,291	13,111,596
Postage, stamp, telecommunication, etc (Note 28)	118,317,263	125,950,752
Stationery, printing, advertisement, etc (Note 29)	116,093,929	148,118,134
Managing Director's salary and fees (Note 30)	20,401,265	19,262,968
Directors' fees (Note 31)	4,040,000	3,208,000
Auditors' fees (Note 32)	977,625	853,000
Repair of Bank's assets (Note 33.1)	95,401,477	75,662,738
	<u>4,722,660,291</u>	<u>4,363,389,892</u>

#### 20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	17,596,574,931	17,275,697,158
Off-shore banking unit	861,488,771	955,775,932
	<u>18,458,063,702</u>	<u>18,231,473,090</u>
Less: inter transaction between OBU and Conventional banking	117,290,790	119,374,262
	<u>18,340,772,912</u>	<u>18,112,098,828</u>

	31 Dec 2021	31 Dec 2020
<b>20.1 Conventional and Islamic banking</b>		
Agricultural loan	230,248,953	325,942,357
Cash credit/Bai Murabaha (Muajjal)	450,478,260	367,216,728
Credit card	396,593,918	438,461,771
Credit for poverty alleviation scheme-micro credit	63,645	108,275
Consumer credit scheme	1,287,781,175	1,192,278,999
Demand loan	2,293,343,863	2,856,384,771
Export Development Fund (EDF)	179,315,733	214,938,545
House building loan	146,408,154	107,309,917
Loans (General)/Musharaka	1,843,566,090	1,614,824,022
Loans against trust receipts/ Bai Murabaha post import	851,496,676	1,089,486,511
Overdrafts/ Guard against scheme	2,669,590,719	3,301,093,111
Packing credit	42,759,146	38,329,725
Payment against documents	10,033,865	13,197,564
Staff loan	74,902,706	74,613,492
Transport loan	184,755,553	185,298,757
Term loan- industrial	2,480,006,904	1,793,339,863
Term loan- others/ Hire purchase under Shirkatul Melk	1,983,400,312	1,668,931,114
Foreign bills purchased	7,535,041	17,880,833
Local bills purchased	102,772,448	124,658,095
Loan Under Covit-19 Stimulus Pkg	1,000,763,628	233,724,990
Total interest/profit on loans and advances/investments	16,235,816,789	15,658,019,440
Interest/profit on balance with other banks and financial institutions	1,359,097,512	1,573,778,490
Interest/profit received from foreign banks	1,660,630	43,899,228
	<u>17,596,574,931</u>	<u>17,275,697,158</u>
<b>20(a) Consolidated Interest income/profit on investments</b>		
Bank Asia limited	18,340,772,912	18,112,098,828
Bank Asia Securities Ltd	231,094,069	193,809,470
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>18,571,866,981</u>	<u>18,305,908,298</u>
Less: Inter-company transactions	149,649,645	188,344,612
	<u>18,422,217,336</u>	<u>18,117,563,686</u>
<b>21 Interest paid/profit shared on deposits and borrowings etc.</b>		
Conventional and Islamic banking (Note 21.1)	12,361,833,326	14,481,148,492
Off-shore banking unit	456,347,026	564,903,098
	<u>12,818,180,352</u>	<u>15,046,051,590</u>
Less: inter transaction with OBU	117,290,790	119,374,262
	<u>12,700,889,562</u>	<u>14,926,677,328</u>
<b>21.1 Conventional and Islamic banking</b>		
<b>Interest paid/profit shared on deposits</b>		
Fixed deposits/ Mudaraba Fixed deposit	4,335,521,237	5,863,126,655
Scheme deposits	5,431,369,895	5,163,617,535
Sanchaya plus	40,834,844	18,709,295
Savings deposits/ Mudaraba Savings bank	1,446,078,240	1,598,451,934
Special notice deposits	337,207,272	754,812,264
	<u>11,591,011,488</u>	<u>13,398,717,683</u>
<b>Interest on borrowings and others</b>		
Local banks including Bangladesh Bank	38,813,775	36,871,103
Interest on subordinated non-covertable bond	731,753,425	1,045,236,439
Foreign banks	254,638	323,267
	<u>770,821,838</u>	<u>1,082,430,809</u>
	<u>12,361,833,326</u>	<u>14,481,148,492</u>

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Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>21(a) Consolidated Interest Expenses/profit paid on Deposits</b>		
Bank Asia limited	12,700,889,562	14,926,677,328
Bank Asia Securities Limited	176,722,894	188,373,820
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	<u>12,877,612,456</u>	<u>15,115,051,148</u>
Less: Inter-company transactions	<u>149,649,645</u>	<u>188,344,612</u>
	<u>12,727,962,811</u>	<u>14,926,706,536</u>
<b>22 Investment income</b>		
Conventional and Islamic banking (Note 22.1)	6,848,834,433	6,484,398,100
Off-shore banking unit	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
<b>22.1 Conventional and Islamic Banking</b>		
Interest on treasury bills	387,232,252	1,577,293,512
Interest on treasury bonds	3,514,386,015	3,736,329,121
Interest income on corporate bonds	346,609,674	148,562,049
Interest on Islamic bonds	6,226,273	52,458,317
Capital gain from investment in shares	24,181,171	15,813,092
Dividend on shares	136,087,793	15,280,460
Profit on Govt Investment SUKUK	189,676,820	-
Capital gain on Government securities	2,244,157,120	922,110,090
Interest on reverse repo	277,315	16,551,459
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
<b>22(a) Consolidated investment income</b>		
Bank Asia Limited	6,848,834,433	6,484,398,100
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
Less: Inter-company transactions	-	-
	<u>6,848,834,433</u>	<u>6,484,398,100</u>
<b>23 Commission, exchange and brokerage</b>		
Conventional and Islamic banking (Note 23.1)	3,156,545,125	2,465,167,276
Off-shore banking unit	11,841,128	9,810,218
	<u>3,168,386,253</u>	<u>2,474,977,494</u>
<b>23.1 Conventional and Islamic Banking</b>		
Commission on L/C	280,239,889	20,178,329
Commission on back to back L/C against Export	764,754,486	749,153,916
Fees and commission including Export	211,398,936	185,343,012
Commission on L/G	276,648,417	284,159,063
Commission on export	5,366,953	3,394,820
Commission on PO, DD, TT, TC, etc	35,724,045	26,963,175
Other commission	48,682,867	18,406,476
	<u>1,622,815,593</u>	<u>1,287,598,791</u>
Foreign exchange gain	<u>1,533,729,532</u>	<u>1,177,568,485</u>
	<u>3,156,545,125</u>	<u>2,465,167,276</u>
<b>23(a) Consolidated Commission, exchange and brokerage</b>		
Bank Asia limited	3,168,386,253	2,474,977,494
Bank Asia Securities Ltd	294,493,388	119,829,921
BA Exchange Company (UK) Limited	23,534,818	27,302,925
BA Express USA, Inc	76,182,143	31,861,721
	<u>3,562,596,602</u>	<u>2,653,972,061</u>



## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>24 Other operating income</b>		
Conventional and Islamic banking (Note 24.1)	1,019,374,422	1,017,564,704
Off-shore banking unit	16,930,358	16,526,219
	<u>1,036,304,780</u>	<u>1,034,090,923</u>
<b>24.1 Conventional and Islamic banking</b>		
Locker charge	12,159,700	11,985,800
Service and other charges	507,502,894	580,548,021
Master/Visa card fees and charges	310,674,269	263,525,475
Postage/telex/SWIFT/fax recoveries	129,699,133	111,366,654
Profit on sale of fixed assets	15,800	538,805
Non-operating income	10,949,554	9,815,312
Rebate on nostro account	48,373,072	39,784,637
	<u>1,019,374,422</u>	<u>1,017,564,704</u>
<b>24 (a) Consolidated other operating income</b>		
Bank Asia Limited	1,036,304,780	1,034,090,923
Bank Asia Securities Ltd	148,131,302	30,881,002
BA Exchange Company (UK) Limited	631,997	2,698,444
BA Express USA, Inc	253,613	1,503,992
	<u>1,185,321,692</u>	<u>1,069,174,361</u>
<b>25 Salaries and allowances</b>		
Conventional and Islamic banking (Note 25.1)	3,867,432,687	3,536,708,226
Off-shore banking unit	2,681,267	-
	<u>3,870,113,954</u>	<u>3,536,708,226</u>
<b>25.1 Conventional and Islamic banking</b>		
Basic salary	1,380,984,008	1,261,496,066
Allowances	1,455,910,304	1,464,541,775
Festival bonus	234,384,584	210,564,011
Gratuity	362,400,000	267,400,000
Provident fund contribution	133,753,791	122,706,374
Performance bonus	300,000,000	210,000,000
	<u>3,867,432,687</u>	<u>3,536,708,226</u>
<b>25(a) Consolidated Salaries and allowances</b>		
Bank Asia Limited	3,870,113,954	3,536,708,226
Bank Asia Securities Ltd	86,960,433	69,044,948
BA Exchange Company (UK) Limited	13,337,732	14,207,933
BA Express USA, Inc	24,609,230	18,937,141
	<u>3,995,021,349</u>	<u>3,638,898,248</u>
<b>26 Rent, taxes, insurance, electricity etc.</b>		
Conventional and Islamic banking (Note 26.1)	480,499,296	440,255,344
Off-shore banking unit	259,191	259,134
	<u>480,758,487</u>	<u>440,514,478</u>
<b>26.1 Conventional and Islamic banking</b>		
Rent, rate and taxes (Note 26.1.1)	44,861,279	30,810,105
Insurance	209,962,041	188,345,849
Power and electricity	121,017,780	112,624,868
Interest portion on lease liabilities (Note 26.1.1)	104,658,196	108,474,522
	<u>480,499,296</u>	<u>440,255,344</u>

**26.1.1** Total rent expenses for the year 2021 was Tk 465,584,528 as per IAS 17. To implement "IFRS 16: Lease" this rent expense has been adjusted with depreciation Tk 319,202,036 arises against right-of-use assets (ref: Annex C) and interest expenses Tk 104,658,196 arises against lease liabilities.

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>26(a) Consolidated Rent, taxes, insurance, electricity etc.</b>		
Bank Asia Limited	480,758,487	440,514,478
Bank Asia Securities Ltd	8,075,242	7,636,189
BA Exchange Company (UK) Limited	2,215,594	4,139,354
BA Express USA, Inc	13,982,599	11,643,923
	<u>505,031,922</u>	<u>463,933,944</u>
<b>27 Legal expenses</b>		
Conventional and Islamic banking (Note 27.1)	16,556,291	11,698,219
Off-shore banking unit	-	1,413,377
	<u>16,556,291</u>	<u>13,111,596</u>
<b>27.1 Conventional and Islamic Banking</b>		
Legal expenses	16,556,291	11,698,219
Other professional charges	-	-
	<u>16,556,291</u>	<u>11,698,219</u>
<b>27(a) Consolidated Legal expenses</b>		
Bank Asia Limited	16,556,291	13,111,596
Bank Asia Securities Ltd	461,598	93,408
BA Exchange Company (UK) Limited	71,519	194,458
BA Express USA, Inc	469,357	352,254
	<u>17,558,765</u>	<u>13,751,716</u>
<b>28 Postage, stamps, telecommunication etc.</b>		
Conventional and Islamic banking (Note 28.1)	117,729,891	125,257,906
Off-shore banking unit	587,372	692,846
	<u>118,317,263</u>	<u>125,950,752</u>
<b>28.1 Conventional and Islamic banking</b>		
Telephone, courier and postage	70,479,084	82,149,863
Master/VISA card process fee	18,804,255	21,108,755
ATM charge	2,291,285	1,780,260
SWIFT and Reuter charge	23,037,929	17,917,695
Internet	3,117,338	2,301,333
	<u>117,729,891</u>	<u>125,257,906</u>
<b>28(a) Consolidated Postage, stamps, telecommunication etc.</b>		
Bank Asia Limited	118,317,263	125,950,752
Bank Asia Securities Ltd	2,166,306	1,511,559
BA Exchange Company (UK) Limited	385,400	550,877
BA Express USA, Inc	380,061	299,592
	<u>121,249,030</u>	<u>128,312,780</u>
<b>29 Stationery, printing, advertisements etc.</b>		
Conventional and Islamic banking (Note 29.1)	116,060,261	148,068,470
Off-shore banking unit	33,668	49,664
	<u>116,093,929</u>	<u>148,118,134</u>
<b>29.1 Conventional and Islamic banking</b>		
Office and security stationery	49,046,627	78,044,292
Calendar, diary, souvenir, etc	19,271,249	15,353,500
ATM card /Supplies And Stationeries	18,939,363	25,482,834
Books and periodicals	1,335,646	1,245,115
Publicity and advertisement	27,467,376	27,942,729
	<u>116,060,261</u>	<u>148,068,470</u>

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>29(a) Consolidated Stationery, printing, advertisements etc.</b>		
Bank Asia Limited	116,093,929	148,118,134
Bank Asia Securities Ltd	743,405	374,971
BA Exchange Company (UK) Limited	1,241,108	988,808
BA Express USA, Inc	778,408	548,818
	<u>118,856,850</u>	<u>150,030,731</u>
<b>30 Managing Director's salary and fees</b>		
Basic salary	10,982,968	9,984,516
House rent allowance	2,400,000	2,400,000
Entertainment allowances	600,000	600,000
Incentive bonus	880,000	1,000,000
Festival bonus	1,760,000	1,680,000
Utility allowance and others	1,200,000	1,200,000
House maintenance allowance	600,000	600,000
Provident fund	1,098,297	998,452
Leave fare assistance	880,000	800,000
	<u>20,401,265</u>	<u>19,262,968</u>
<b>31 Directors' fees</b>		
Directors' fees	<u>4,040,000</u>	<u>3,208,000</u>
<b>31(a) Consolidated Directors' fees</b>		
Bank Asia Limited	4,040,000	3,208,000
Bank Asia Securities Ltd.	319,000	275,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,359,000</u>	<u>3,483,000</u>
<b>32 Auditors' fees</b>		
Audit fees	977,625	853,000
Others	-	-
	<u>977,625</u>	<u>853,000</u>
<b>32(a) Consolidated Auditors fees</b>		
Bank Asia Limited	977,625	853,000
Bank Asia Securities Ltd	76,667	76,667
BA Exchange Company (UK) Limited	720,909	639,315
BA Express USA, Inc	1,622,149	1,409,264
	<u>3,397,350</u>	<u>2,978,246</u>
<b>33 Depreciation and repair of Bank's assets</b>		
Conventional and Islamic banking (Note 33.1)	866,249,276	849,791,740
Off-shore banking unit	-	-
	<u>866,249,276</u>	<u>849,791,740</u>
<b>33.1 Conventional and Islamic banking</b>		
Depreciation	770,847,799	774,129,002
Repairs:		
Building	9,344,331	8,757,327
Furniture and fixtures	3,606,055	2,760,890
Equipments	21,210,990	16,872,809
	34,161,376	28,391,026
Maintenance	61,240,101	47,271,712
	<u>866,249,276</u>	<u>849,791,740</u>

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>33(a) Consolidated Depreciation and repairs of Bank's assets</b>		
Bank Asia Limited	866,249,276	849,791,740
Bank Asia Securities Ltd	20,197,492	21,253,736
BA Exchange Company (UK) Limited	292,598	2,414,908
BA Express USA, Inc	1,666,069	1,658,949
	<u>888,405,435</u>	<u>875,119,333</u>
<b>34 Other expenses</b>		
Conventional and Islamic banking (Note 34.1)	1,980,749,343	1,949,674,894
Off-shore banking unit	26,619,317	20,857,837
	<u>2,007,368,660</u>	<u>1,970,532,731</u>
<b>34.1 Conventional and Islamic banking</b>		
Car expenses	326,270,935	315,645,246
Contractual service expenses	761,415,548	713,057,229
Computer expenses	158,856,357	169,616,591
Other management and administrative expenses	460,661,173	266,773,187
Commission paid to agents	71,035	108,392,050
Entertainment	41,354,916	32,724,397
AGM/EGM expenses	500,000	32,765
Payment to superannuation fund	7,320,000	7,320,000
Donation and subscription to institutions	208,151,353	317,003,301
Travelling expenses	9,939,328	12,953,915
Training and internship	5,708,698	5,641,913
Directors' travelling expenses	-	14,300
Sharia council fees	500,000	500,000
	<u>1,980,749,343</u>	<u>1,949,674,894</u>
<b>34(a) Consolidated other expenses</b>		
Bank Asia Limited	2,007,368,660	1,970,532,731
Bank Asia Securities Ltd	24,213,486	8,289,048
BA Exchange Company (UK) Limited	8,807,334	6,304,396
BA Express USA, Inc	23,883,134	10,694,899
	<u>2,064,272,614</u>	<u>1,995,821,074</u>
<b>34(b) Provision for loans and advances/investments and off-balance sheet items</b>		
Conventional and Islamic banking	4,675,466,021	2,123,827,632
Off-shore banking unit	110,330,064	(10,697,923)
	<u>4,785,796,085</u>	<u>2,113,129,709</u>
Break up of provision for loans and advances/investments is shown below:		
General provision		
Conventional and Islamic banking	(1,223,410,933)	2,176,879,197
Off-shore banking unit	110,518,933	(10,739,326)
	(1,112,892,000)	2,166,139,871
Specific provision		
Conventional and Islamic banking	5,263,688,085	(413,359,577)
Off-shore banking unit	-	-
	5,263,688,085	(413,359,577)
Provision for off-balance sheet items		
Conventional and Islamic banking	485,188,869	43,308,012
Off-shore banking unit	(188,869)	41,403
	485,000,000	43,349,415

## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
Provision for diminution in value of investments	-	180,000,000
Other provisions	150,000,000	137,000,000
	<u>4,785,796,085</u>	<u>2,113,129,709</u>
<b>34(c) Consolidated Provision for loans and advances/investments</b>		
Bank Asia Limited	4,785,796,085	2,113,129,709
Bank Asia Securites Limited:		
Specific Provision	192,443,649	8,000,000
Provision for diminution in value of investments	51,208,223	-
Other provisions	-	-
	243,651,872	8,000,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>5,029,447,957</u>	<u>2,121,129,709</u>
<b>35 Receipts from other operating activities</b>		
Conventional and Islamic banking (Note 35.1)	3,287,712,713	1,955,487,886
Off-shore banking unit	16,930,358	16,526,219
	<u>3,304,643,071</u>	<u>1,972,014,105</u>
<b>35.1 Conventional and Islamic banking</b>		
Locker charge	12,159,700	11,985,800
Service and other charges	507,502,894	580,548,021
Master card fees and charges	310,674,269	263,525,475
Postage/telex/SWIFT/ fax recoveries	129,699,133	111,366,654
Non-operating income	2,327,676,717	988,061,936
	<u>3,287,712,713</u>	<u>1,955,487,886</u>
<b>35(a) Consolidated Receipts from other operating activities</b>		
Bank Asia Limited	3,304,643,071	1,972,014,105
Bank Asia Securities Ltd	148,131,302	30,881,002
BA Exchange Company (UK) Limited	631,997	2,698,444
BA Express USA, Inc	253,613	1,503,992
	3,453,659,983	2,007,097,543
Less: inter- companies transactions	-	-
	<u>3,453,659,983</u>	<u>2,007,097,543</u>
<b>36 Payments for other operating activities</b>		
Conventional and Islamic banking (Note 36.1)	2,621,541,083	2,552,316,554
Off-shore banking unit	26,878,508	21,116,971
	<u>2,648,419,591</u>	<u>2,573,433,525</u>
<b>36.1 Conventional and Islamic banking</b>		
Rent, rates and taxes	480,499,296	440,255,344
Legal expenses	16,556,291	13,111,596
Directors' fees	4,040,000	3,208,000
Postage, stamp, telecommunication, etc	118,317,263	125,950,752
Other expenses	1,980,749,343	1,949,674,894
Managing Director's salary	20,401,265	19,262,968
Auditors' fee	977,625	853,000
	<u>2,621,541,083</u>	<u>2,552,316,554</u>
<b>36(a) Payments for other operating activities</b>		
Bank Asia Limited	2,648,419,591	2,573,433,525
Bank Asia Securities Ltd	35,312,299	17,881,871
BA Exchange Company (UK) Limited	12,200,756	11,828,400
BA Express USA, Inc	40,337,300	24,399,932
	<u>2,736,269,946</u>	<u>2,627,543,728</u>



## Notes to the financial statements

Amount in Taka

	31 Dec 2021	31 Dec 2020
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### 37 Earnings per share (EPS)

Net profit after tax (Numerator)	2,706,735,981	2,035,706,683
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	2.32	1.75

### 37(a) Consolidated Earnings per share (EPS)

Net profit after tax (Numerator)	2,728,270,279	2,024,487,409
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	2.34	1.74

### 38 Reconciliation of net profit with cash flows from operating activities (Solo basis)

Profit before tax as per profit and loss account	4,406,735,981	3,957,706,683
Adjustment for non-cash items:		
Provision for Loans and advances	4,150,796,085	1,752,780,294
Provision for Off balance sheet items	485,000,000	43,349,415
Provision for Diminution in value of investments	-	180,000,000
Provision for other assets	150,000,000	137,000,000
Depreciation of Property plant and equipment	866,249,276	849,791,740
Foreign exchange gain/(loss)		
Profit on sale of fixed assets	(15,800)	(538,805)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(17,624,671,692)	(15,213,028,151)
Other operating assets	258,482,635	281,322,817
Deposits from customers and banks	14,754,328,542	49,318,531,745
Other operating liabilities	11,341,256,537	1,367,196,137
Trading liabilities	(406,708,893)	332,501,946
Income tax paid	(1,215,831,944)	(2,429,453,826)
Cash flows from operating activities as per cash flow statement	17,165,620,727	40,577,159,995

### 38(a) Reconciliation of net profit with cash flows from operating activities (Consolidated basis)

Profit before tax as per profit and loss account	4,523,005,715	3,985,679,923
Adjustment for non-cash items:		
Provision for Loans and advances	4,343,239,734	1,760,780,294
Provision for Off balance sheet items	485,000,000	43,349,415
Provision for Diminution in value of investments	51,208,223	180,000,000
Provision for other assets	150,000,000	137,000,000
Depreciation of Property plant and equipment	888,405,435	875,119,333
Foreign exchange gain/(loss)		
Profit on sale of fixed assets	(15,800)	(538,805)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(17,667,635,689)	(15,516,163,259)
Other operating assets	298,862,909	541,735,042
Deposits from customers and banks	14,931,015,417	49,416,387,780
Other operating liabilities	11,341,256,537	1,367,196,137
Trading liabilities	(279,683,390)	424,381,282
Income tax paid	(1,310,722,518)	(2,474,031,947)
Cash flows from operating activities as per cash flow statement	17,753,936,573	40,740,895,195

### 39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,547 (2020: 2,463).

#### 40 Audit committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in the 432th meeting held on 12th July 2020 consisting of the following members:

Name	Status with the Audit Committee	Educational qualification
Mr. Dilwar H Choudhury	Chairman	BA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA
Mr. Ashraful Haq Chowdhury	Member	M.Sc.
Major General Mohammad Matiur Rahman (retd.)	Member	M. Com
Mr. M. A. Baqui Khalily	Member	Ph.D

The Company Secretary of the Bank acts as the Secretary of the Committee.

No. of meeting	Date	No. of meeting	Date
214 <sup>th</sup> Audit	28 <sup>th</sup> January, 2021	219 <sup>th</sup> Audit	26 <sup>th</sup> August, 2021
215 <sup>th</sup> Audit	18 <sup>th</sup> March, 2021	220 <sup>th</sup> Audit	27 <sup>th</sup> September, 2021
216 <sup>th</sup> Audit	27 <sup>th</sup> April, 2021	221 <sup>st</sup> Audit	10 <sup>th</sup> October, 2021
217 <sup>th</sup> Audit	23 <sup>rd</sup> June, 2021	222 <sup>nd</sup> Audit	31 <sup>th</sup> October, 2021
218 <sup>th</sup> Audit	29 <sup>th</sup> July, 2021		

In the year 2021, 9 (nine) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- External Audit Report of the Bank and the recommendations made therein.
- Bangladesh Bank comprehensive inspection report and the recommendations made therein.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank.
- The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
- Management Report on Accounts of the Bank for the year ended on 31.12.2020.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL).

The Audit Committee has further satisfied that

- \* The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- \* Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- \* The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- \* Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
- \* The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.

## Notes to the financial statements

### 41 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – December 2021 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	74,349,281
Romask Ltd	-do-	Printing	32,602,219
Garda Shield Security Service Ltd.	-do-	Maintenance	5,985,980
Rangs workshop Ltd	-do-	Car repair and Services	797,299
Ranks ITT Ltd.	-do-	Network Connectivity fees	28,454,476
DHS Motors	-do-	Car providers & Car repair and Services	8,868,753
Shield Security Service	-do-	Security Service providers	381,497,956
Green Bangla	-do-	Tree Plantation	937,442
Reliance Insurance	-do-	Insurance Service	49,149,741
The Daily Star	-do-	Advertising	5,759,830
Ali Estates Limited	-do-	Office Rent	94,810,860
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	360,000
Opex Fashions Limited	-do-	Office Rent	4,702,052
Ranks Telecom Limited	-do-	Phone operator	6,000,000
Rangs Industries Ltd.	-do-	Electronic items supplier	599,680
Rangs Power Tech Limited	-do-	Machinery Equipments provider	350,695
Rancon Industrial Solutions Limited	-do-	Machinery Equipments provider	5,458,287
Rancon British Motors Ltd	-do-	Car Supplier	2,975,000
Clean-X International ltd.	-do-	Cleaning Material	284,359
Rangs Limited	-do-	Car Supplier	3,328,464
Rancon car Hub	-do-	Car supplier	2,664,058
ERA Infotech	Associate Company	Software vendor	91,431,988

During the year 2021, Directors and their interest in different entities are given in Annexure F:

#### 40.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2021 is given below:

Particulars	Amount Tk
Short-term employee benefit	98,129,113

Key Management personnel includes President and Managing Director, 06 nos. Deputy Managing Director, 04 nos Senior Executive Vice President, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

Key management personnel get car facilities and leave fare assistance as per existing company policy. In addition gratuity, benevolent and superannuation fund benefits are provided as per service rule if eligible.

#### 42 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 7,050 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

#### 43 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2021 was Tk. 21.80 (2020: Tk. 18.20) at DSE and Tk. 20.90 at CSE (2020: 18.00).

#### 43 EVENTS AFTER THE REPORTING PERIOD

The Bangladesh Securities and Exchange Commission (BSEC) has accorded approval vide letter no. BSEC/CI/DS-151/2021/756 dated March 02, 2022 for raising Additional Tier-I regulatory capital through issuance of Coupon Bearing Conditional Convertible Perpetual Bond namely Bank Asia 1st Perpetual Bond of Tk. 5,000,000,000 at Tk. 5,000 per unit.

The Board of Directors in its 470th meeting held on March 16, 2022 has recommended 15% Cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

Other than this, no material events which have occurred after the reporting period which could affect the values stated in the financial statements.

# Bank Asia Limited

## Highlights on the overall activities

as at and for the year ended 31 December 2021

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2021	2020	2021	2020
1	Paid-up Capital	11,659,068,600	11,659,068,600	137,407,997.64	137,407,997.64
2	Total Capital	41,370,381,742	43,753,939,369	487,570,792.48	515,662,220.02
3	Capital (deficient)/surplus	15,055,061,843	18,263,424,195	177,431,489.01	215,243,655.80
4	Total Asset	438,293,288,433	408,960,687,006	5,165,507,229.62	4,816,937,546.95
5	Total Deposit	317,782,434,902	303,028,106,360	3,745,226,103.74	3,571,338,908.19
6	Total loans and advances / investments	262,266,701,765	244,642,030,073	3,090,945,218.21	2,883,229,582.47
7	Total contingent liabilities and commitments	173,965,532,392	122,190,427,780	2,050,271,448.34	1,440,075,754.63
8	Credit deposit ratio	65.58%	69.42%	65.58%	69.42%
9	Percentage of classified loans / investments against total loans and advances / investments	5.14%	3.24%	5.14%	3.24%
10	Profit after tax and provision	2,706,735,981	2,035,706,683	31,900,247.27	23,991,828.91
11	Amount of classified loans/investments during current year	13,469,542,253	7,930,928,302	158,745,341.81	93,469,985.88
12	Provisions kept against classified loans / investments	7,290,000,000	4,120,200,000	85,916,322.92	48,558,632.88
13	Provision surplus against classified loans / investments	4,174,000	5,300,000	49,192.69	62,463.17
14	Cost of fund	5.96%	7.23%	5.96%	7.23%
15	Interest earning assets	388,166,235,081	372,489,989,354	4,574,734,650.34	4,389,982,196.28
16	Non-interest earning assets	50,127,053,352	36,470,697,652	590,772,579.28	426,955,350.68
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	3.23%	2.77%	3.23%	2.77%
18	Return on assets (ROA) [PAT/ Average assets]	0.64%	0.53%	0.53%	0.59%
19	Income from investment	6,848,834,433	6,484,398,100	80,716,964.44	76,421,898.64
20	Capital adequacy	15.72%	17.16%	17.10%	17.93%
21	Earnings per share	2.32	1.75	1.75	1.68
22	Net income per share	2.32	1.75	2.32	1.75
23	Price earning ratio	9.4	10.4	9.4	10.4

Exchange rate used 1 USD equivalent to BDT 84.85 to BDT (2020:83.95)

# Bank Asia Limited Balance with other banks-Outside Bangladesh (Nostro Account)

as at 31 December 2021

Annex A

Name of the Bank	Account type	Currency type	2021			2020		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
<b>Conventional and Islamic banking:</b>								
<b>Interest bearing</b>								
Citibank N.A., London	CD	EURO	-	-	-	539	103.55	55,820
Citibank N.A., London	CD	GBP	12,955	115.05	1,490,446	29,872	114.90	3,432,347
Citibank NA, New York	CD	USD	7,173,227	85.80	615,462,873	10,189,841	84.80	864,098,530
Habib American Bank, New York	CD	USD	250,186	85.80	21,465,934	4,407,409	84.80	373,748,309
Mashreqbank psc, New York	CD	USD	2,070,118	85.80	177,616,158	839,726	84.80	71,208,735
Standard Chartered Bank, Mumbai	CD	ACU	1,481,290	85.80	127,094,715	329,380	84.80	27,931,401
Standard Chartered Bank, New York	CD	USD	147,700	85.80	12,672,697	3,818,484	84.80	323,807,413
					955,802,823			1,664,282,555
<b>Non-interest bearing :</b>								
AB Bank Ltd, Mumbai	CD	ACU	437,299	85.80	37,520,250	42,117	84.80	3,571,503
Al Rajhi Bank, KSA	CD	SAR	199,335	22.85	4,554,798	659,146	22.60	14,896,693
AXIS Bank Ltd	CD	ACU	228,590	85.80	19,613,001	307,982	84.80	26,116,905
HDFC Bank Limited, Mumbai, India	CD	ACU	53,839	85.80	4,619,354	37,974	84.80	3,220,184
AKTIF Bank, Istanbul -JPY	CD	JPY	3,176,183	0.76	2,413,899	3,234,064	0.80	2,587,251
Bank of Sydney	CD	AUD	15,228	62.10	945,640	15,921	64.55	1,027,704
Bhutan National Bank Ltd, Thimphu	CD	USD	415,749	85.80	35,671,239	1,033	84.80	87,626
Commerzbank AG, Frankfurt	CD	USD	51,667	85.80	4,442,535	14,281	84.80	1,211,062
Mashreqbank PSC (Dubai AE)	CD	AED	164,169	23.35	3,833,343	3,553,928	23.10	82,095,741
Commerzbank AG, Frankfurt	CD	EURO	86	97.15	8,386	58,493	103.55	6,056,939
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	290,021	85.80	24,883,778	140,844	84.80	11,943,606
ICICI Bank Ltd, Hongkong	CD	USD	55,426	85.80	4,755,562	23,854	84.80	2,022,848
ICICI Bank Ltd, Mumbai	CD	ACU	49,438	85.80	4,241,821	467,820	84.80	39,671,129
JP Morgan Chase Bank, New York	CD	USD	103,746	85.80	8,901,430	66,307	84.80	5,622,870
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,104	97.15	787,294	8,054	103.55	833,981
Muslim Commercial Bank Ltd, Colombo	CD	ACU	73,823	85.80	6,334,019	105,228	84.80	8,923,367
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	17,614	85.80	1,511,272	197,057	84.80	16,710,424
Bank Alfalah Limited - Karachi PAK (ACU)	CD	ACU	51,464	85.80	4,415,603	372,381	84.80	31,577,935
Unicredit Bank AG Munich	CD	EURO	62,394	97.15	6,061,530	958	103.55	99,202
Wells Fargo Bank N.A, New York	CD	USD	2,191,458	85.80	188,027,096	10,449	84.80	886,088
Wells Fargo Bank N.A, London	CD	EURO	4,522	97.15	439,276	214,390	103.55	22,200,036
Zurcher Kantonal Bank, Switzerland	CD	CHF	24,662	93.30	2,300,923	25,355	95.30	2,416,344
Riyadh Bank, Riyadh ( SAR)	CD	SAR	327	22.85	7,474	-	-	-
					366,289,523			283,779,438
<b>Off-shore banking unit:</b>								
Commerzbank AG, Frankfurt	CD	EURO	7,589	114.54	869,242	37,720	113.33	4,274,883
Habib American Bank, New York	CD	USD	1,040,573	84.85	88,292,605	872,089	83.95	73,211,840
Sonali Bank, London	CD	GBP	3	135.67	445	3	134.45	441
					89,162,292			77,487,164
					<b>1,411,254,638</b>			<b>2,025,549,157</b>



# Bank Asia Limited Investment in Shares

as at 31 December 2021

Annex B

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Cost of Per Share	Quoted rate per share as at 31 Dec 2021	Total market value as at 31 Dec 2021	Unrealized profit/(loss) as at 31 Dec 2021
<b>Quoted Shares</b>								
1	AB Bank Limited	10	156,457	9,720,673	62.13	13.50	2,112,170	(7,608,503)
2	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	86.50	86,500,000	28,850,000
3	Dhaka Bank Limited	10	621,272	15,811,372	25.45	14.00	8,697,808	(7,113,564)
4	Exim Bank Limited	10	1,924,051	38,577,223	20.05	12.70	24,435,448	(14,141,775)
5	Golden Son Limited	10	119,185	8,586,791	72.05	19.10	2,276,434	(6,310,357)
6	Lanka Bangla Finance Limited	10	1,310,017	59,762,976	45.62	37.30	48,863,634	(10,899,342)
7	Mercantile Bank Limited	10	532,507	10,495,713	19.71	17.10	9,105,870	(1,389,843)
8	Phoenix Finance and Investments Limited	10	1,323,342	49,440,057	37.36	24.80	32,818,882	(16,621,175)
9	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	15.80	1,146,701	(10,855,120)
10	Prime Insurance Company Limited	10	60,564	5,466,943	90.27	81.40	4,929,910	(537,033)
11	Southeast Bank Limited	10	1,390,215	34,741,473	24.99	15.50	21,548,333	(13,193,140)
12	United Commercial Bank Limited	10	2,755,600	63,764,584	23.14	15.30	42,160,680	(21,603,904)
13	Energypac Power Generation Limited	10	1,192,800	49,978,320	41.90	39.60	47,234,880	(2,743,440)
<b>A. Provision requirement for quoted shares</b>				<b>415,997,946</b>			<b>331,830,750</b>	<b>(84,167,196)</b>
Available cash balance				38,069,563				
<b>Mutual Fund</b>				<b>454,067,509</b>				
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,000	6.90	6.20	44,938,108	-
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	7.90	39,500,000	-
16	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	6.00	134,256,246	-
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.20	201,798,210	-
18	EXIM Bank 1st Mutual Fund	10	17,078,783	119,209,905	6.98	6.20	105,888,455	-
<b>B. Provision requirement for Mutual Fund as per BB Circular</b>				<b>90,510,254</b>			<b>526,381,019</b>	<b>-</b>

Sl. No.	Name of the company	Face value	No. of Shares including bonus Share	Cost of holding	Per Unit cost	Unquoted Rate		
						Per share (NAV)	Total book value	Unrealized profit (loss)
<b>Unquoted Shares</b>								
1	Industrial & Infrastructure Development Finance Co. Ltd.	10	13,380,903	59,000,260	4.41	12.67	169,536,041	110,535,781
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	37.27	42,575,794	39,436,904
3	Era-InfoTech Limited	100	195,650	383,700	1.96	275.43	53,887,880	53,504,180
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	30.91	989,584	(2,211,928)
5	Universal Financial Solutions Limited (UFS)	10	10,000,000	100,000,000	10.00	12.46	124,600,000	24,600,000
6	Investment in SWIFT share	357,575	23	8,224,232	357,575	357,575	8,224,232	-
	<b>C. Unrealized profit of unquoted stocks</b>		<b>24,750,952</b>	<b>173,948,594</b>			<b>399,813,531</b>	<b>225,864,937</b>
7	Provision required for subsidiaries							(207,818,887)
	<b>D. Provision for unquoted stock</b>							<b>18,046,050</b>
	<b>E. Total Provision Requirement (A+B+D)</b>							<b>(66,121,146)</b>
	<b>F. Provision maintained</b>							<b>363,383,553</b>
	<b>G. Provision Excess / (Shortfall) for quoted and unquoted share</b>							<b>297,262,407</b>

# Bank Asia Limited

## Conventional Banking, Islamic Banking and Off-shore Banking unit Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2021

Annex C-1

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 Dec 2021
	Balance as at 01 Jan 2021	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2021		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	
<b>Own assets</b>									
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	2,646,764,306
Building	3,232,313,394	19,125,814	-	3,251,439,208	5	1,398,875,120	120,504,077	53,715,264	1,678,344,747
Furniture and fixtures	1,264,024,914	74,271,052	(1,525,000)	1,336,770,966	20	1,114,593,341	68,914,505	(1,102,493)	154,365,613
Machinery & Equipments	1,216,047,288	237,560,507	-	1,453,607,795	20	881,006,920	135,964,963	-	436,635,912
Computer and accessories	493,230,712	15,017,773	-	508,248,485	20	413,725,727	37,978,956	-	56,543,802
Motor vehicles	274,882,241	22,459,576	(17,880,000)	279,461,817	20	164,900,748	34,567,998	(17,879,995)	97,873,066
Sub-total	9,127,262,855	368,434,722	(19,405,000)	9,476,292,577		3,973,101,856	397,930,499	53,715,264 (18,982,488)	4,405,765,131 5,070,527,446
<b>Leased assets</b>									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	354,568,087
Total	9,481,830,942	368,434,722	(19,405,000)	9,830,860,664		4,327,669,943	397,930,499	53,715,264 (18,982,488)	4,760,333,218 5,070,527,446
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000		-	-	-	24,000,000
<b>Work in progress -building</b>									
Kawran bazar building <sup>(2)</sup>	380,881,206	67,246,048	(109,216,471)	338,910,783		-	-	-	338,910,783
Sukrabad building <sup>(2)</sup>	42,912,507	26,453,129	(69,365,636)	-		-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613		-	-	-	20,834,613
	444,741,638	94,779,177	(179,775,419)	359,745,396		-	-	-	359,745,396
<b>Right-of-use assets</b>									
Office space <sup>(3)</sup>	1,739,075,475	-	(202,555,677)	1,536,519,798		653,323,106	314,884,814	-	968,207,920
ATM	-	20,874,406	-	20,874,406		-	4,317,222	-	4,317,222
Sub-total	1,739,075,475	20,874,406	(202,555,677)	1,557,394,204		653,323,106	319,202,036	-	972,525,142
<b>Grand Total</b>	<b>11,689,648,055</b>	<b>484,088,305</b>	<b>(401,736,096)</b>	<b>11,772,000,264</b>		<b>4,980,993,049</b>	<b>717,132,535</b>	<b>53,715,264 (18,982,488)</b>	<b>5,732,858,360 6,039,141,904</b>

1. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

2. For construction of 12 storied commercial building with 22 stored foundation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

# Bank Asia Limited Conventional Banking, Islamic Banking and Off-shore Banking unit Schedule of fixed assets including premises, furniture and fixtures

Annex C-2

as at 31 December 20220

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 Dec 2020
	Balance as at 01 Jan 2020	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2020		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	
<b>Own assets</b>									
Land	2,646,764,306	-	-	2,646,764,306	-	-	-	-	2,646,764,306
Building	2,752,485,492	-	479,827,902	3,232,313,394	5	1,247,776,786	97,383,070	53,715,264	1,398,875,120
Furniture and fixtures	1,225,349,124	40,375,790	(1,700,000)	1,264,024,914	20	1,037,906,960	77,996,097	-	1,114,593,341
Machinery & Equipments	1,154,664,848	61,382,440	-	1,216,047,288	20	741,893,172	139,113,748	-	881,006,920
Computer and accessories	474,790,166	18,440,546	-	493,230,712	20	364,925,570	48,800,157	-	413,725,727
Motor vehicles	203,785,296	80,738,577	(9,641,632)	274,882,241	20	144,083,267	30,459,113	(9,641,632)	164,900,748
Sub-total	8,457,839,232	200,937,353	468,486,270	9,127,262,855		3,536,585,755	393,752,185	53,715,264	3,973,101,856
								(10,951,348)	5,154,160,999
<b>Leased assets</b>									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100
Motor vehicles	18,900,000	-	(9,900,000)	9,000,000	20	18,900,000	-	(9,900,000)	9,000,000
Sub-total	364,468,087	-	(9,900,000)	354,568,087		364,468,087	-	(9,900,000)	354,568,087
Total	8,822,307,319	200,937,353	458,586,270	9,481,830,942		3,901,053,842	393,752,185	53,715,264	4,327,669,943
								(20,851,348)	5,154,160,999
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000		-	-	-	24,000,000
<b>Work in progress -building</b>									
Kawran bazar building <sup>(2)</sup>	572,445,844	217,326,531	(408,891,169)	380,881,206		-	-	-	380,881,206
Sukrabad building <sup>(2)</sup>	82,469,264	31,379,976	(70,936,733)	42,912,507		-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-	20,947,925		-	-	-	20,947,925
Right-of-use assets	667,935,308	256,634,232	(479,827,902)	444,741,638		-	-	-	444,741,638
Office space <sup>(3)</sup>	1,739,075,475	-	-	1,739,075,475		326,661,553	326,661,553	-	653,323,106
<b>Grand Total</b>	11,253,318,102	457,571,585	(21,241,632)	11,689,648,055		653,323,106	720,413,738	53,715,264	4,980,993,049
								(20,851,348)	6,708,655,006

<sup>1</sup>. Membership fees to Baridhara Cosmopolitan Club Limited (BCCCL)

<sup>2</sup>. For construction of 12 storied commercial building with 22 storied foundation

<sup>3</sup>. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

# Bank Asia Limited and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2021

Annex C-3

Particulars	Cost			Rate of dep. %	Depreciation			Written down value as at 31 Dec 2021	
	Balance as at 01 Jan 2021	Addition during the year	Disposal/adjustment during the year		Balance as at 31 Dec 2021	Charged during the year	Charged from Revaluation reserve during the year		Disposal/adjustment during the year
<b>Own assets</b>									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,244,920,333	19,475,684	135,155	3,264,531,172	5	1,408,530,839	122,011,794	53,715,264	1,584,372,511
Furniture and fixtures	1,292,023,558	81,403,107	(1,513,695)	1,371,912,970	20	1,123,100,426	74,537,836	-	1,196,535,769
Machinery & Equipments	1,230,249,358	240,118,623	34,692	1,470,402,673	20	888,630,079	138,182,907	-	1,026,843,866
Computer and accessories	503,278,813	16,766,773	-	520,045,586	20	420,815,049	39,371,752	-	460,186,801
Motor vehicles	274,882,241	22,459,576	(17,880,000)	279,461,817	20	164,900,748	34,567,998	-	181,588,751
Sub-total	9,192,118,609	380,223,763	(19,223,848)	9,553,118,524	4,005,977,141	408,672,287	53,715,264	(18,836,994)	4,449,527,698
<b>Leased assets</b>									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	9,000,000
Sub-total	354,568,087	-	-	354,568,087	-	354,568,087	-	-	354,568,087
Total	9,546,686,696	380,223,763	(19,223,848)	9,907,686,611	4,360,545,228	408,672,287	53,715,264	(18,836,994)	4,804,095,785
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
<b>Work in progress -building</b>									
Kawran bazar building <sup>(2)</sup>	380,881,206	67,246,048	(109,216,471)	338,910,783	-	-	-	-	338,910,783
Sukrabad building <sup>(2)</sup>	42,912,507	26,453,129	(69,365,636)	-	-	-	-	-	-
Renovation & Decoration	20,947,925	1,080,000	(1,193,312)	20,834,613	-	-	-	-	20,834,613
Sub-total	444,741,638	94,779,177	(179,775,419)	359,745,396	-	-	-	-	359,745,396
<b>Right-of-use assets</b>									
Office space <sup>(3)</sup>	1,825,332,260	13,075,282	(204,869,517)	1,633,538,025	666,111,966	326,048,995	-	-	992,160,961
ATM	-	20,874,406	-	20,874,406	-	4,317,222	-	-	4,317,222
Sub-total	1,825,332,260	33,949,688	(204,869,517)	1,654,412,431	666,111,966	330,366,217	-	-	996,478,183
<b>Grand Total</b>	<b>11,840,760,594</b>	<b>508,952,628</b>	<b>(403,868,784)</b>	<b>11,945,844,438</b>	<b>5,026,657,194</b>	<b>739,038,504</b>	<b>53,715,264</b>	<b>(18,836,994)</b>	<b>5,800,573,968</b>

<sup>1</sup> Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

<sup>2</sup> For construction of 12 storied commercial building with 22 stored foundation

<sup>3</sup> Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.



# Bank Asia Limited and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

Annex C-4

as at 31 December 2020

Particulars	Cost			Rate of dep. %	Depreciation			Written down value as at 31 Dec 2020	
	Balance as at 01 Jan 2020	Addition during the year	Disposal/adjustment during the year		Balance as at 01 Jan 2020	Charged during the year	Charged from Revaluation reserve during the year		Disposal/adjustment during the year
<b>Own assets</b>									
Land	2,646,764,306	-	-	0	-	-	-	-	2,646,764,306
Building	2,774,364,124	3,297,052	467,259,157	3,244,920,333	5	1,267,278,775	101,307,774	(13,770,974)	1,408,530,839
Furniture and fixtures	1,253,332,695	40,375,790	(1,684,927)	1,292,023,558	20	1,041,057,806	83,352,336	(1,309,716)	1,123,100,426
Machinery & Equipments	1,168,355,274	61,694,563	199,521	1,230,249,358	20	746,858,054	141,095,200	-	888,630,079
Computer and accessories	484,838,267	18,440,546	-	503,278,813	20	370,738,554	50,076,495	-	420,815,049
Motor vehicles	203,785,296	80,738,577	(9,641,632)	274,882,241	20	144,083,267	30,459,113	(9,641,632)	164,900,748
Sub-total	8,531,439,962	204,546,528	456,132,119	9,192,118,609		3,570,016,456	406,290,918	(24,045,497)	4,005,977,141
<b>Leased assets</b>									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100
Motor vehicles	18,900,000	-	(9,900,000)	9,000,000	20	18,900,000	-	(9,900,000)	9,000,000
Sub-total	364,468,087	-	(9,900,000)	354,568,087		364,468,087	-	(9,900,000)	354,568,087
Total	8,895,908,049	204,546,528	446,232,119	9,546,686,696		3,934,484,543	406,290,918	(33,945,497)	4,360,545,228
<b>Intangible assets</b>									
Corporate Membership <sup>1</sup>	24,000,000	-	-	24,000,000		-	-	-	24,000,000
<b>Work in progress -building</b>									
Kawran bazar building <sup>2</sup>	572,445,844	217,326,531	(408,891,169)	380,881,206		-	-	-	380,881,206
Sukrabad building <sup>2</sup>	82,469,264	31,379,976	(70,936,733)	42,912,507		-	-	-	42,912,507
Renovation & Decoration	13,020,200	7,927,725	-	20,947,925		-	-	-	20,947,925
Sub-total	667,935,308	256,634,232	(479,827,902)	444,741,638		-	-	-	444,741,638
<b>Right-of-use assets</b>									
Office space <sup>3</sup>	1,739,075,475	86,256,785	-	1,825,332,260		326,661,553	339,450,413	-	666,111,966
<b>Grand Total</b>	<b>11,326,918,832</b>	<b>547,437,545</b>	<b>(33,595,783)</b>	<b>11,840,760,594</b>		<b>4,261,146,096</b>	<b>745,741,331</b>	<b>(33,945,497)</b>	<b>5,026,657,194</b>

<sup>1</sup> Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

<sup>2</sup> For construction of 12 storied commercial building with 22 storied foundation

<sup>3</sup> Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.9) and initial payment for executing the contract.

# Bank Asia Limited

## Statement of tax position

Annex D

as at 31 December 2021

Accounting year	Assessment year	Status
2000	2001-2002	Assessment finalized
2001	2002-2003	Assessment finalized
2002	2003-2004	Assessment finalized
2003	2004-2005	Assessment finalized
2004	2005-2006	Assessment finalized
2005	2006-2007	Assessment finalized
2006	2007-2008	Assessment finalized
2007	2008-2009	Assessment finalized
2008	2009-2010	Assessment finalized
2009	2010-2011	Assessment finalized
2010	2011-2012	At Honorable High Court stage
2011	2012-2013	At Honorable High Court stage
2012	2013-2014	Assessment finalized
2013	2014-2015	Assessment finalized
2014	2015-2016	Assessment finalized
2015	2016-2017	Assessment finalized
2016	2017-2018	Assessment finalized
2017	2018-2019	Assessment finalized
2018	2019-2020	Assessment finalized
2019	2020-2021	Assessment Under DCT Level
2020	2021-2022	Return Submitted

# Bank Asia Limited

## Details of Large Loan

Annex E

as at 31 December 2021

	2021	2020
<b>Number of clients</b>	13	6
<b>Amount of outstanding advances (Taka)</b>	68,681	33,712
<b>Amount of classified advances (Taka)</b>	4,457	NIL
<b>Measures taken for recovery (Taka)</b>	4,457	NIL

### Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2021			Outstanding (Taka) 2020		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Meghna Group	493	7,241	7,733	-	-	-
2	Bashundhara Group	4,770	2,119	6,889	3,986	2,806	6,792
3	CITY Group	404	5,557	5,961	-	-	-
4	Ahmed Group	-	5,865	5,865	82	5,133	5,215
5	Pran Group	2,463	2,646	5,109	-	-	-
6	Echotex Group	1,228	3,809	5,038	2,072	2,733	4,806
7	MAX Group	3,333	1,539	4,873	-	-	-
8	Saiham Group	3,020	1,768	4,787	1,449	3,436	4,885
9	Spectra Group	2,076	2,708	4,784	2,680	2,951	5,631
10	AA Group	2,147	2,542	4,689	-	-	-
11	Western Marine Group	4,351	106	4,457	-	-	-
12	Bulk Trade International Ltd	82	4,227	4,309	-	-	-
13	Gemcon Group	3,116	1,073	4,188	-	-	-
14	BRAC	-	-	-	6,373	11	6,383
	<b>Total</b>	27,483	41,198	68,681	16,642	17,070	33,712

# Bank Asia Limited

## Names of Directors and their interest in different entities

Annex F

as at 31 December 2021

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	<b>Mr. A Rouf Chowdhury</b>	Chairman	Agro Food Services Ltd.
			Ranks Motorbikes Ltd.
			Bank Asia Limited
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Mavis Ispat Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Holdings Limited
			Rancon Motor Bikes Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Appliances Limited
			Ranks Commercial Vehicles Ltd.
			Ranks Dolonchapa Express Ltd
			Ranks FC Properties Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Sea Fishers Limited
Sea Resources Agencies Limited			
Sea Resources Cold Storage Limited			
Sea Resources Limited			
Seamans Dockyard & Fish Meal Ltd.			
Shield Security Services Limited			
Softex Communication Limited			
The Daily Star			
Ranks Electrode & Electronics Ind. Limited			
Ranks Food & Beverage Ltd.			

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
2.	<b>Mr. Mohd. Safwan Choudhury</b> (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	Anandaniketan Ltd.
			Bank Asia Limited
			FIVDB
			JVS Ltd.
			M. Ahmed Cold Storage Ltd.
			M. Ahmed Food & Spices Ltd.
			M. Ahmed Real Estates Ltd.
			M. Ahmed Tea & Lands Co. Ltd.
			Phulbari Tea Estates Ltd.
			Premier Dyeing & Calendering Ltd.
			Agro Food Services Ltd
			Bank Asia Limited
3.	<b>Mr. Romo Rouf Chowdhury</b>	Vice Chairman	Deep Sea Fishers Limited
			Fishers Shipyard Ltd.
			Inspace Architects Limited
			Metro Foils Limited
			Rancon Auto Industries Ltd.
			Rancon Automobiles Limited
			Rancon Car Hubs Limited
			Rancon Eccessories Limited
			Rancon Electronics Limited
			Rancon Engineering Limited
			Rancon FC Properties Limited
			Rancon Holdings Ltd.
			Rancon Hospitality Limited
			Rancon Industrial Solutions Ltd
			Rancon Infrastructures and Engineering Limited
			Rancon Motor Bikes Ltd.
			Rancon Motors Limited
			Rancon Oceana Limited
			Rancon Sea Fishing Limited
			Rancon Trucks & Buses Ltd
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Bioteq Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Telecom Limited
			Sea Fishers Limited
			Sea Resources Agencies Ltd.
			Sea Resources Cold Storage Limited
			Sea Resources Limited
Seamans Dockyard and Fish Meal Ltd			
Shield Security Services Limited			
Softex Communication Limited			
4.	<b>Mr. Rume A Hossain</b>	Director	Bank Asia Limited
			Rangs Industries Ltd.
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Petroleum Ltd.
			Ranks Telecom Limited
5.	<b>Ms. Hosneara Sinha</b>	Director	Romask Limited
			Bank Asia Limited
			Pritha Fashions Ltd.
			Sattar Jute Mills Ltd.
			Sinha Auto Spinning Mills Ltd.



Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
6.	<b>Ms. Naheed Akhter Sinha</b>	Director	Bank Asia Limited
			Cluster World Pte. Ltd. (Singapore)
			Enterprise Cluster Pte. Ltd. (Singapore)
			Lafarge Holcim Bangladesh Limited
7.	<b>Ms. Romana Rouf Chowdhury</b> (Representing Maya Limited)	Director	Agro Food Services Ltd
			Amiran Romana Limited
			Amreen Romana Limited
			Bank Asia Limited
			Deep Sea Fishers Limited
			Fishers Shipyard Ltd.
			Mavis Ispat Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Romask Limited
			Sea Fishers Limited
			Sea Natural Food Limited
			Sea Natural Limited
			Sea Resources Agencies Ltd.
			Sea Resources Cold Storage Limited
Sea Resources Limited			
Seamans Dockyard and Fish Meal Ltd			
Shield Security Services Limited			
SRL Marine Products Ltd.			
8.	<b>Major General Mohammad Matiur Rahman (retd.)</b> (Representing Sinha Fashions Ltd.)	Director	Bank Asia Limited
			Venture Properties Limited
			Jenphar Bangladesh Ltd.
9.	<b>Ms. Farhana Haq</b>	Director	Ali Estates Limited
			Bank Asia Limited
			DHS Automobiles Limited
			DHS Motors Limited
			FAR Limited
			Platform Services Limited
			Platform Solutions Limited
Surja Soft Limited			

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
10.	<b>Mr. Enam Chowdhury</b> (Representing Zest Polymers Limited)	Director	Agro Food Services Ltd.
			ASAP Healthy Food Limited
			Bank Asia Limited
			Deep Sea Fishers Limited
			Nessbit Technologie Limited
			Rangs Pharmaceuticals Limited
			SEAMUMS Cold Storage Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
Sea Resources Limited			
Tiger Digital Ventures Limited			
11.	<b>Ms. Tania Nusrat Zaman</b> (Representing Amiran Generations Limited)	Director	Bank Asia Limited
			General Advisory Services Limited
12.	<b>Mr. Nafees Khundker</b>	Director	Ranks Telecom Limited
			Rangs Pharmaceuticals Limited
			Sash Limited
			Ranks Interiors Limited
			Rangs Motors Workshop Limited
			DHS Motors Limited
			Ranks Commercial Vehicles Ltd.
			Truck Lond Limited
			SRK Limited
			Streat Limited
Bank Asia Limited			
Premier Dyeing & Calendaring Ltd.			
13.	<b>Mr. Dilwar H Choudhury</b> (Independent Director)	Director	Bank Asia Limited
			Golden Harvest Fintech Ltd.
			Jubilant Golden Harvest Ltd.
14.	<b>Mr. Ashraful Haq Chowdhuryz</b> (Independent Director)	Director	Latif Center
			Bank Asia Limited
14.	<b>Mr. Md. Abul Quasem</b> (Independent Director)	Director	Star Allied Venture Limited
			Bank Asia Limited
15.	<b>Mr. Md. Abul Quasem</b> (Independent Director)	Director	Bank Asia Limited
15.	<b>Mr. M. A. Baqui Khalily</b> (Independent Director)	Director	Bank Asia Limited
17.	<b>Mr. Helal Ahmed Chowdhury</b> (Independent Director)	Director	Bank Asia Limited
			Baraka Patenga Power Ltd.
			Baraka Power Ltd.
			PKSF (Palli Karma-Sahayak Fundation)

# Bank Asia Limited

## Islamic Banking Operations

Annex G

as at and for the year ended 31 December 2021

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-HIKMAH.

### 1. Deposit Collection and income Sharing Ratio (ISR) based Profit Distribution

For procuring funds from depositors, our Islamic Banking follows Al-Wadiah and Mudaraba principles. In case of Al-Wadiah Account, no profit is allowed at present. But for Mudaraba depositors, Bank Asia as the first Bank in Bangladesh, follows Income Sharing technique. It is different from traditional Weightage System so far practiced by almost all Islamic Banking operators in the country.

Income sharing module of Bank Asia has been appreciated by different quarters/institutions/organizations, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Income Sharing Ratio (ISR) for each type of depositor and the Bank. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75 : 25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudaraba depositors and the Bank (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

#### The ISR declared on Mudaraba deposits for the year 2021

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.12.2021	
	Client	Bank
1. Mudaraba Term Deposit Account (MTDA) 1 month	40%	60%
2. Mudaraba Term Deposit Account (MTDA) 2 months	40%	60%
3. Mudaraba Term Deposit Account (MTDA) 3 months (Individual)	90%	10%
4. Mudaraba Term Deposit Account (MTDA) 3 months (Institutional)	65%	35%
5. Mudaraba Term Deposit Account (MTDA) 6 months (Individual)	90%	10%
6. Mudaraba Term Deposit Account (MTDA) 6 months (Institutional)	82%	18%
7. Mudaraba Term Deposit Account (MTDA) 12 months (Individual)	90%	10%
8. Mudaraba Term Deposit Account (MTDA) 12 months (Institutional)	90%	10%
9. Mudaraba Term Deposit Account (MTDA) 24 months (Individual)	90%	10%
10. Mudaraba Term Deposit Account (MTDA) 24 months (Institutional)	90%	10%
11. Mudaraba Term Deposit Account (MTDA) 36 months (Individual)	90%	10%
12. Mudaraba Term Deposit Account (MTDA) 36 months (Institutional)	90%	10%
13. Mudaraba Term Deposit Account (MTDA) 60 months (Individual)	90%	10%
14. Mudaraba Term Deposit Account (MTDA) 60 months (Institutional)	90%	10%
15. Corporate Term Deposit Account (CTDA) 3 months	65%	35%
16. Corporate Term Deposit Account (CTDA) 6 months	82%	18%
17. Corporate Term Deposit Account (CTDA) 12 months	90%	10%
18. Mudaraba Savings Account (MSA)	45%	55%
19. Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
20. Smart Junior Saver (School Banking) Account	50%	50%
21. Mudaraba Special Notice Deposit Account (MSND)	40%	60%

22. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 year	80%	20%
23. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 2 years	82%	18%
24. Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	85%	15%
25. Mudaraba Deposit Pension Scheme (MDPS) 3-12 Years	85%	15%
26. Mudaraba Hajj Savings Scheme (MHSA) 1- 10 Years	90%	10%
27. Cash Waqf	90%	10%

## 2. Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

- Fixed return based investment
- Variable return based investment

Fixed return based investment system is applicable for our Bai-Murabaha Muajjal Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit /mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method.

Variable return based income is applied for our Musaharaka mode of investment. In these cases, only ratio of Income Sharing is stated in the agreement. Bank bags income on the basis of the concerned venture according to the agreed ratio (comparable to our Mudaraba deposit products). Genuine loss, if any, is borne according to capital ratio of the client & the Bank.

## 3. Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

### For Bai-Murabaha Muajjal Investment

While creating each deal, in case of Bai-Murabaha Muajjal mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

### For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis.

If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc.

All accrual income is subject to prevailing classification and provisioning rules of Bangladesh Bank.

### For Musharaka Investment

In recognizing the revenue from Musharaka Investment we follow the actual (cash/ realization) basis instead of accrual i.e. no income is recognized until the result of the venture is arrived at.

## 4. Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure/ supervise Shariah compliance in banking operation, Bank Asia has a knowledgeable Shariah Supervisory Committee comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

# Bank Asia Limited Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2021

Amount in Taka

	31 Dec 2021	31 Dec 2020
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>	1,576,470,464	977,044,058
Cash in hand (including foreign currencies)	68,253,888	32,928,013
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	1,508,216,576	944,116,045
Balance with other banks and financial institutions	1,600,531,809	200,611,490
In Bangladesh	1,600,531,809	200,611,490
Outside Bangladesh	-	-
<b>Placement with other banks and financial institutions</b>	-	-
<b>Investments in shares and securities</b>	4,817,750,000	4,823,710,000
Government	4,317,750,000	4,783,710,000
Others	500,000,000	40,000,000
<b>Investments</b>	17,338,653,338	16,409,426,612
General Investment	17,333,027,938	16,408,036,612
Bills purchased and discounted	5,625,400	1,390,000
<b>Fixed assets including premises, furniture and fixtures</b>	3,569,921	3,484,699
<b>Other assets</b>	2,044,544,763	1,549,634,621
<b>Non - banking assets</b>	-	-
<b>Total assets</b>	<u>27,381,520,295</u>	<u>23,963,911,480</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from other banks, financial institutions and agents</b>	-	-
<b>Deposits and other Accounts</b>		
Al-wadeeah current and other deposits accounts, etc.	897,305,856	1,023,697,578
Bills payable	132,400,064	130,359,220
Mudaraba savings deposits	4,486,939,825	3,553,025,320
Mudaraba term deposits	19,544,150,991	17,655,569,247
	25,060,796,736	22,362,651,365
<b>Other liabilities</b>	2,320,723,559	1,601,260,115
<b>Total liabilities</b>	<u>27,381,520,295</u>	<u>23,963,911,480</u>
<b>OFF- BALANCE SHEET ITEMS</b>		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	407,396,858	571,286,809
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<u>407,396,858</u>	<u>571,286,809</u>



# Bank Asia Limited Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2021

	Amount in Taka	
	31 Dec 2021	31 Dec 2020
<b>Operating income</b>		
Investment income	987,456,843	874,546,219
Profit paid on deposits, borrowings, etc.	929,506,372	918,307,146
<b>Net investment income</b>	57,950,471	(53,760,927)
Profit on Investment with bank and financial institutions	204,920,737	52,458,317
Commission, exchange and brokerage	61,606,578	51,644,010
Other operating income	11,997,587	10,529,155
<b>Total operating income</b>	336,475,373	60,870,555
Salaries and allowances	92,785,684	91,293,218
Rent, taxes, insurance, electricity, etc.	11,579,114	9,598,412
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	1,274,997	1,064,244
Stationery, printing, advertisement, etc.	1,462,096	1,432,590
Depreciation and repair of Bank's assets	2,225,126	3,261,650
Other expenses	29,971,739	39,268,512
<b>Total operating expenses</b>	139,298,756	145,918,626
<b>Profit before provision</b>	197,176,617	(85,048,071)

# Bank Asia Limited Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2021

	Notes	31 Dec 2021		31 Dec 2020	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>					
	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		1,050,823	89,162,292	923,016	77,487,164
		1,050,823	89,162,292	923,016	77,487,164
<b>Investments</b>					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Loans and advances</b>					
	4				
Loans, cash credits, overdrafts, etc.		43,647,689	3,703,506,372	44,951,597	3,773,686,591
Bills purchased and discounted		304,612,984	25,846,411,723	175,394,142	14,724,338,222
		348,260,673	29,549,918,095	220,345,739	18,498,024,813
<b>Fixed assets including premises, furniture &amp; fixtures</b>					
		-	-	-	-
<b>Other assets</b>					
	5	337,617	28,646,829	5,424,971	455,426,291
<b>Non - banking assets</b>					
		-	-	-	-
<b>Total assets</b>		<b>349,649,113</b>	<b>29,667,727,216</b>	<b>226,693,726</b>	<b>19,030,938,268</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions and agents</b>					
	6	342,230,510	29,038,258,798	222,808,269	18,704,754,165
<b>Deposits and other accounts</b>					
	7				
Current deposits		6,724,448	570,569,454	3,341,160	280,490,384
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		649,751	55,131,354	537,732	45,142,618
Bearer certificate of deposit		-	-	-	-
		7,374,199	625,700,808	3,878,677	325,614,911
<b>Other liabilities</b>	8	44,403	3,767,610	6,780	569,192
<b>Total liabilities</b>		<b>349,649,113</b>	<b>29,667,727,216</b>	<b>226,693,726</b>	<b>19,030,938,268</b>
<b>OFF- BALANCE SHEET ITEMS</b>					
<b>Contingent liabilities</b>					
Acceptances and endorsements	9	-	-	49,533	4,158,295
Letters of guarantee		6,610	560,859	6,610	554,910
Irrevocable letters of credit	10	188,860	16,024,771	366,400	30,759,280
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		195,470	16,585,630	422,543	35,472,485
Other commitments		-	-	-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>195,470</b>	<b>16,585,630</b>	<b>422,543</b>	<b>35,472,485</b>

# Bank Asia Limited

## Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2021

	Notes	31 Dec 2021		31 Dec 2020	
		USD	Taka	USD	Taka
<b>Operating Income</b>					
Interest income	11	10,227,814	861,488,771	11,395,921	955,775,932
Interest paid on deposits and borrowings, etc.	12	5,417,868	456,347,026	6,735,461	564,903,098
<b>Net interest/net profit on investments</b>		4,809,946	405,141,745	4,660,461	390,872,834
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	52,873	11,841,128	65,458	9,810,218
Other operating income	14	201,002	16,930,358	197,046	16,526,219
<b>Total operating income (A)</b>		5,063,820	433,913,231	4,922,964	417,209,271
		-	-	-	-
Salaries and allowances		31,833	2,681,267	-	-
Rent, taxes, insurance, electricity, etc.		3,077	259,191	3,090	259,134
Legal expenses		-	-	16,852	1,413,377
Postage, stamp, telecommunication, etc.		6,973	587,372	8,261	692,846
Stationery, printing, advertisements, etc.		400	33,668	592	49,664
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		316,031	26,619,317	248,692	20,857,837
<b>Total operating expenses (B)</b>		358,314	30,180,815	277,487	23,272,858
<b>Profit before provision (C=A-B)</b>		4,705,506	403,732,416	4,645,477	393,936,413

# Off-shore Banking Unit (OBU)

## Notes to the Financial Statements

Annex H-2

as at and for the year ended 31 December 2021

### 1 Status of the unit

Off-shore banking Unit ("the Unit") is a separate business unit of Bank Asia Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore banking unit permission vide letter no.BRPD(P-3)744(94)/2007-1853 dated 21 June 2007 under Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985. The Bank commenced the operation of its Off-shore Banking Unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong.

### 2 Significant accounting policies and basis of preparations

#### 2.1 Basis of preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, Bangladesh Bank BRPD Circular No. 02 dated 25 February 2019 & subsequent amendment circulars, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

#### 2.2 Foreign currency

Items included in the financial statements of the Unit are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Unit are presented in US Dollar (USD) and Taka where USD is the functional currency and Taka are the Unit's presentation currency.

#### 2.3 Loans and advances

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation. Interest is not charged on bad and loss loans and advances/investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad loss loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5%

#### 2.4 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 84.85 (2020 : BDT 83.95). Income and expenses are translated at an average rate @ USD 1 = BDT 84.23 (2020 : BDT 83.87). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 85.80

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh	-	-	-	-
Outside Bangladesh				
Commerzbank A.G, Frankfurt	10,244	869,242	50,922	4,274,883
Habib American Bank, New York	1,040,573	88,292,605	872,089	73,211,840
Sonali Bank (UK) Limited, London	5	445	5	441
	<u>1,050,823</u>	<u>89,162,292</u>	<u>923,016</u>	<u>77,487,164</u>
<b>4 Loans and advances</b>				
Loans, cash credit, overdrafts etc. (Note 4.1)	43,647,689	3,703,506,372	44,951,597	3,773,686,591
Bills purchased and discounted (Note 4.2)	304,612,984	25,846,411,723	175,394,142	14,724,338,222
	<u>348,260,673</u>	<u>29,549,918,095</u>	<u>220,345,739</u>	<u>18,498,024,813</u>

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
<b>4.1 Loans, cash credit, overdrafts etc.</b>				
Term loan industrial	43,213,399	3,666,656,897	44,571,237	3,741,755,387
Loan against trust receipts	130,996	11,115,043	-	-
Demand loan	100,994	8,569,315	380,360	31,931,204
Overdraft	202,300	17,165,117	-	-
	<u>43,647,689</u>	<u>3,703,506,372</u>	<u>44,951,597</u>	<u>3,773,686,591</u>
<b>4.2 Bills purchased and discounted</b>				
Payable in Bangladesh	304,612,984	25,846,411,723	175,394,142	14,724,338,222
Payable outside Bangladesh	-	-	-	-
	<u>304,612,984</u>	<u>25,846,411,723</u>	<u>175,394,142</u>	<u>14,724,338,222</u>
<b>5 Other assets</b>				
Branch adjustment account	169,698	14,398,875	169,698	14,246,142
Prepaid expenses	167,919	14,247,954	329,543	27,665,117
Receivable From DBO	-	-	4,925,730	413,515,032
	<u>337,617</u>	<u>28,646,829</u>	<u>5,424,971</u>	<u>455,426,291</u>
<b>6 Borrowings from other banks, financial institutions and agents</b>				
Borrowing from other banks (Note 6.1)	213,322,478	18,100,412,216	82,400,177	6,917,494,901
Borrowing from Bank Asia Treasury Division	73,765,000	6,258,960,250	51,038,750	4,284,703,063
Borrowing - ECA	21,809,699	1,850,552,942	24,369,341	2,045,806,201
Borrowing from IFC	33,333,334	2,828,333,390	65,000,000	5,456,750,000
	<u>342,230,510</u>	<u>29,038,258,798</u>	<u>222,808,269</u>	<u>18,704,754,165</u>
<b>6.1 Borrowing from other banks</b>				
Yes Bank, Mumbai	2,000,000	169,700,000	-	-
SCB Singapore	10,000,000	848,500,000	-	-
National Bank of RAK, UAE	15,000,000	1,272,750,000	-	-
Bank Muscat, Oman	8,000,000	678,800,000	-	-
Abu Dhabi Commercial bank	15,000,000	1,272,750,000	-	-
Mashreq Bank, UAE	10,000,000	848,500,000	-	-
Axis Bank Limited, Singapore	15,000,000	1,272,750,000	-	-
Caixa Bank, Barcelona	33,000,000	2,800,050,000	29,177,700	2,449,467,915
Standard Chartered Bank, Thailand	10,000,000	848,500,000	5,000,000	419,750,000
HDFC, Gift City, Mumbai	10,000,000	848,500,000	-	-
Nabil Bank Limited, Nepal	-	-	5,000,000	419,750,000
Indusind Bank Limited	5,000,000	424,250,000	-	-
Commercial Bank of Dubai	15,000,000	1,272,750,000	10,000,000	839,500,000
State Bank of India, Hongkong	19,400,000	1,646,090,000	5,000,000	419,750,000
State Bank of India, Dubai	10,000,000	848,500,000	10,200,000	856,290,000
Nepal Bangladesh Bank Limited	-	-	5,000,000	419,750,000
The Commercial Bank, Qatar	5,000,000	424,250,000	8,000,000	671,600,000
DBS Bank Singapore	30,900,000	2,621,865,000	5,000,000	419,750,000
Banca Valsabbina SCPA Vestone Italy	22,478	1,907,216	22,477	1,886,986
	<u>213,322,478</u>	<u>18,100,412,216</u>	<u>82,400,177</u>	<u>6,917,494,901</u>
<b>7 Deposits and other accounts</b>				
Customer deposits and other accounts (Note 7.1)	7,374,199	625,700,808	3,878,677	325,614,911
<b>7.1 Customer deposits and other accounts</b>				
Foreign currency (Current)	5,373,244	455,919,766	2,590,556	217,477,204
Other demand deposits(Current)	1,351,204	114,649,688	750,604	63,013,180
Fixed deposit	649,751	55,131,354	537,517	45,124,527
	<u>7,374,199</u>	<u>625,700,808</u>	<u>3,878,677</u>	<u>325,614,911</u>



## Off-shore Banking Unit (OBU) Notes to the Financial Statements

	31 Dec 2021		31 Dec 2020	
	USD	Taka	USD	Taka
<b>8 Other liabilities</b>				
Provision for loans and advances	1,302,521	110,518,933	(127,925)	(10,739,326)
Provision for off balance sheet items	(2,226)	(188,869)	493	41,403
Due to Head Office	(1,300,295)	(110,330,064)	127,432	10,697,923
FDR on Export Bill	27,877	2,365,363	6,780	569,192
Interest suspense account	16,526	1,402,247	-	-
	<u>44,403</u>	<u>3,767,610</u>	<u>6,780</u>	<u>569,192</u>
<b>9 Acceptances and endorsements</b>				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	-	-	49,533	4,158,295
	<u>-</u>	<u>-</u>	<u>49,533</u>	<u>4,158,295</u>
<b>10 Irrevocable letters of credit</b>				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	188,860	16,024,771	366,400	30,759,280
	<u>188,860</u>	<u>16,024,771</u>	<u>366,400</u>	<u>30,759,280</u>
<b>11 Interest income</b>				
Demand loan	22,119	1,863,085	30,684	2,573,430
Loan against trust receipt	16,281	1,371,338	8,743	733,274
Term loan - industrial	920,353	77,521,295	1,320,685	110,765,831
Foreign bill purchased	9,264,367	780,337,605	10,002,227	838,886,771
Lease finance	-	-	33,583	2,816,626
Payment against documents	95	8,028	-	-
Overdraft	4,600	387,420	-	-
	<u>10,227,814</u>	<u>861,488,771</u>	<u>11,395,921</u>	<u>955,775,932</u>
<b>12 Interest paid on deposits and borrowings etc.</b>				
Interest on deposit	10,218	860,681	15,967	1,339,137
Interest on borrowings	5,407,650	455,486,345	6,719,494	563,563,961
	<u>5,417,868</u>	<u>456,347,026</u>	<u>6,735,461</u>	<u>564,903,098</u>
<b>13 Commission, exchange and brokerage</b>				
Commission on L/C	5,991	504,623	5,154	432,300
Commission on L/G	-	-	26	2,181
Commission on export	35,984	3,030,920	51,595	4,327,286
Commission on PO, DD, TT, TC, etc	10,898	917,938	8,682	728,160
Foreign exchange gain and charges	-	7,387,647	-	4,320,291
	<u>52,873</u>	<u>11,841,128</u>	<u>65,458</u>	<u>9,810,218</u>
<b>14 Other operating income</b>				
SWIFT charge recovery	4,530	381,562	5,615	470,913
Other	196,472	16,548,796	191,431	16,055,306
	<u>201,002</u>	<u>16,930,358</u>	<u>197,046</u>	<u>16,526,219</u>

# Bank Asia Limited

## Statement of outstanding unreconciled entries (nostro account)

as at 31 December 2021

Annex I

Amount in USD

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	USD	No.	USD	No.	USD	No.	USD
1	Less than 1 month	23	3,893,001	240	11,723,618	168	15,002,285	574	24,846,773
2	More than 1 month but less than 3 months	-	-	-	-	1	50	2	33,107
3	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
4	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
5	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
6	More than 12 months	-	-	-	-	-	-	-	-
	Total	23	3,893,001	240	11,723,618	169	15,002,335	576	24,879,881

# Bank Asia Limited

## Reconciliation between Bangladesh Bank statement and Bank's book

Annex J

as at 31 December 2021

The reconciling items relates to clearing of the following:

- Bangladesh Bank cheques
- Foreign currency demand drafts
- Government bonds, Sanchayapatra, etc

Local currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	26,465,511,264.11	26,617,685,495.43	(152,174,231.32)
Bangladesh Bank, Dhaka (Al-wadeeah current account)	1,508,216,575.98	1,508,216,575.98	-
Bangladesh Bank, Chittagong	265,418,574.49	265,418,574.49	-
Bangladesh Bank, Sylhet	23,698,180.52	23,698,180.52	-
Bangladesh Bank, Khulna	51,974,350.16	51,974,350.16	-
Bangladesh Bank, Rajshahi	27,983,209.55	27,983,209.55	-
Bangladesh Bank, Bogra	21,823,757.01	21,823,757.01	-
Bangladesh Bank, Barishal	20,351,956.54	20,351,956.54	-
Bangladesh Bank, Rangpur	2,522,006.41	2,522,006.41	-
Total	28,387,499,874.77	28,539,674,106.09	(152,174,231.32)

Bank credited but not debited by Bangladesh Bank	-
Bank debited but not credited by Bangladesh Bank	33,516,644.80
Bangladesh Bank credited but not debited by Bank	37,468,453.80
Bangladesh Bank debited but not credited by Bank	156,126,040.32
	(152,174,231.32)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	6,542,236.66	2,039,984.07	175,030,633.21	4,502,252.59
Total	6,542,236.66	2,039,984.07	175,030,633.21	4,502,252.59

Bank credited but not debited by Bangladesh Bank	3,417,535.56
Bank debited but not credited by Bangladesh Bank	437.57
Bangladesh Bank credited but not debited by Bank	1,096,671.06
Bangladesh Bank debited but not credited by Bank	11,516.46
	4,502,252.59

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	14,564.70	14,564.70	1,675,668.74	-
	14,564.70	14,564.70	1,675,668.74	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	5,796.70	5,796.70	554,935.39	-
	5,796.70	5,796.70	554,935.39	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	34,380.88	-
	45,238.00	45,238.00	34,380.88	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-
Total (BDT)			28,716,969,724	

## Bank Asia Limited Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating segment"

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit		Outside Bangladesh		Inter company transaction		
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd			
Interest income	16,491,827,298	987,456,843	861,488,771	18,340,772,912	231,094,069	-	-	(149,649,645)	18,422,217,336
Interest paid on deposits and borrowings, etc	11,315,036,164	929,506,372	456,347,026	12,700,889,562	176,722,894	-	-	(149,649,645)	12,727,962,811
<b>Net interest income</b>	5,176,791,134	57,950,471	405,141,745	5,639,883,350	54,371,175	-	-	-	5,694,254,525
Investment income	6,643,913,696	204,920,737	-	6,848,834,433	-	-	-	-	6,848,834,433
Commission, exchange and brokerage	3,094,938,547	61,606,578	11,841,128	3,168,386,253	294,493,388	23,534,818	76,182,143	-	3,562,596,602
Other operating income	1,007,376,835	11,997,587	16,930,358	1,036,304,780	148,131,302	631,997	253,613	-	1,185,321,692
<b>Total operating income (A)</b>	15,923,020,212	336,475,373	433,913,231	16,693,408,816	496,995,865	24,166,815	76,435,756	-	11,596,752,727
Salaries and allowances	3,774,647,003	92,785,684	2,681,267	3,870,113,954	86,960,433	13,337,732	24,609,230	-	3,995,021,349
Rent, taxes, insurance, electricity, etc	468,920,182	11,579,114	259,191	480,758,487	8,075,242	2,215,594	13,982,599	-	505,031,922
Legal expenses	16,556,291	-	-	16,556,291	461,598	71,519	469,357	-	17,558,765
Postage, stamp, telecommunication, etc	116,454,894	1,274,997	587,372	118,317,263	2,166,306	385,400	380,061	-	121,249,030
Stationery, printing, advertisements, etc	114,598,165	1,462,096	33,668	116,093,929	743,405	1,241,108	778,408	-	118,856,850
Managing Director's salary and fees	20,401,265	-	-	20,401,265	-	-	-	-	20,401,265
Directors' fees	4,040,000	-	-	4,040,000	319,000	-	-	-	4,359,000
Auditors' fees	977,625	-	-	977,625	76,667	720,909	1,622,149	-	3,397,350
Depreciation and repairs of Bank's assets	864,024,150	2,225,126	-	866,249,276	20,197,492	292,598	1,666,069	-	888,405,435
Other expenses	1,950,777,604	29,971,739	26,619,317	2,007,368,660	24,213,486	8,807,334	23,883,134	-	2,064,272,614
<b>Total operating expenses (B)</b>	7,331,397,179	139,298,756	30,180,815	7,500,876,750	143,213,629	27,072,194	67,391,007	-	7,738,553,580
<b>Profit before provision (C=A-B)</b>	8,591,623,033	197,176,617	403,732,416	9,192,532,066	353,782,236	(2,905,379)	9,044,749	-	9,552,453,672
<b>Provision:</b>									
Provision for loans and advances/investments				4,150,796,085	192,443,649	-	-	-	4,343,239,734
Provision for off-balance sheet items				485,000,000	-	-	-	-	485,000,000
Provision for diminution in value of investments				-	51,208,223	-	-	-	51,208,223
Other provisions				150,000,000	-	-	-	-	150,000,000
<b>Total provision (D)</b>				4,785,796,085	243,651,872	-	-	-	5,029,447,957
<b>Profit before tax provision (E=C-D)</b>				4,406,735,981	110,130,364	(2,905,379)	9,044,749	-	4,523,005,715
<b>Provision for taxation</b>				1,700,000,000	94,735,436	-	-	-	1,794,735,436
<b>Profit after tax provision</b>				2,706,735,981	15,394,928	(2,905,379)	9,044,749	-	2,728,270,279



# Bank Asia Limited Segment Reporting

Annex K-1

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating segment"

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries				Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit	Total	In side Bangladesh		Outside Bangladesh			
	Conventional Banking	Islamic Banking			Bank Asia Securities Ltd	Bank Asia Company (UK) Ltd	BA Express USA Inc.			
<b>PROPERTY AND ASSETS</b>										
Cash	31,788,414,123	1,576,470,464	-	33,364,884,587	15,772	152,086	29,617	-	-	33,365,082,062
Balance with other banks and financial institutions	38,671,775,694	1,600,531,809	89,162,292	40,361,469,795	787,729,362	21,446,588	196,824,591	(78,856,747)		41,288,613,589
Money at call and on short notice	6,400,000,000	-	-	6,400,000,000	-	-	-	-	-	6,400,000,000
Investments	72,203,440,521	4,817,750,000	-	77,021,190,521	930,243,433	-	-	-	-	77,951,433,954
Loans and advances/investments	215,378,130,332	17,338,653,338	29,549,918,095	262,266,701,765	4,244,364,917	-	-	(1,511,582,711)		264,999,483,971
Fixed assets including premises, furniture and fixtures	6,035,571,983	3,569,921	-	6,039,141,904	102,516,206	179,831	3,432,529	-	-	6,145,270,470
Other assets	10,766,708,269	2,044,544,763	28,646,829	12,839,899,861	441,051,132	11,470	122,035,610	(2,526,690,681)		10,876,307,392
Non - banking assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>381,244,040,922</b>	<b>27,381,520,295</b>	<b>29,667,727,216</b>	<b>438,293,288,433</b>	<b>6,505,920,822</b>	<b>21,789,975</b>	<b>322,322,347</b>	<b>(4,117,130,139)</b>		<b>441,026,191,438</b>
<b>LIABILITIES AND CAPITAL</b>										
Liabilities										
Borrowings from other banks, financial institutions and agents	18,797,892,571	-	29,038,258,798	47,836,151,368	1,511,582,711	-	-	(1,511,582,711)		47,836,151,368
Subordinated Non-Convertible Zero Coupon Bond	8,600,000,000	-	-	8,600,000,000	-	-	-	-	-	8,600,000,000
Deposits and other accounts	292,095,937,358	25,060,796,736	625,700,808	317,782,434,902	721,351,710	-	-	(78,856,747)		318,424,929,865
Other liabilities	34,341,753,905	2,320,723,559	3,767,610	36,718,063,544	2,218,069,633	68,483,295	368,082,914	(411,334,541)		38,961,364,845
<b>Total liabilities</b>	<b>353,835,583,834</b>	<b>27,381,520,295</b>	<b>29,667,727,216</b>	<b>410,936,649,814</b>	<b>4,451,004,054</b>	<b>68,483,295</b>	<b>368,082,914</b>	<b>(2,001,773,999)</b>		<b>413,822,446,078</b>
Total shareholders' equity	27,356,638,619	-	-	27,356,638,619	2,054,916,768	(46,693,320)	(45,760,567)	(2,115,356,140)		27,203,745,360
Total liabilities and shareholders' equity	381,192,222,451	27,381,520,295	29,667,727,216	438,293,288,433	6,505,920,822	21,789,975	322,322,347	(4,117,130,139)		441,026,191,438

# Bank Asia Securities Limited

## Independent Auditor's Report to the Shareholders of Bank Asia Securities Limited

### Opinion

We have audited the financial statements of Bank Asia Securities Limited (the "Company") which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respect, of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 3, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company's so far as it appeared from our examination of those books; and
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Dhaka, 15 March 2022  
DVC No: 2203150770AS878459

*Sabbir Ahmed.*

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

# Bank Asia Securities Limited

## Statement of Financial Position

as at 31 December 2021

		<i>Amount in Taka</i>	
	<b>Notes</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	102,516,205	100,737,789
Demutualization membership of DSE	5	114,839,239	114,839,239
<b>Total non- current assets</b>		<b>217,355,444</b>	<b>215,577,028</b>
<b>Current Assets</b>			
Advances, deposits and prepayments	6	98,661,790	102,247,249
Investment in shares	7	815,404,194	540,787,905
Margin loans	8	4,244,364,917	4,810,787,426
Accounts receivable	9	3,495,881	45,861,115
Advance income tax	10	338,893,462	285,922,331
Deferred tax assets	23	3,596,494	2,746,078
Cash and cash equivalents	11	787,745,134	563,894,325
<b>Total current assets</b>		<b>6,292,161,872</b>	<b>6,352,246,429</b>
<b>Total assets</b>		<b>6,509,517,316</b>	<b>6,567,823,456</b>
<b>Shareholders' equity and liabilities</b>			
Share capital	12	2,000,000,000	2,000,000,000
Capital reserve	12.1	150,947	-
Retained earnings	13	58,362,315	42,267,918
<b>Shareholders' equity</b>		<b>2,058,513,262</b>	<b>2,042,267,918</b>
<b>Non-current liabilities</b>			
Financial lease obligation	14	56,158,627	55,506,820
<b>Total non- current liabilities</b>		<b>56,158,627</b>	<b>55,506,820</b>
<b>Current Liabilities</b>			
Customer deposits	15	721,351,710	519,066,108
Loans and borrowings	16	1,511,582,711	2,120,969,217
Accounts payable	17	105,665,304	72,410,677
Other liabilities	18	30,429,024	28,253,904
Interest suspense account	19	890,799,214	890,799,214
Provision for diminution in value of investments	20	84,911,772	33,703,549
Provision for client margin loan	21	754,937,818	562,494,169
Provision for corporate income tax	22	295,167,874	242,351,881
<b>Total current liabilities</b>		<b>4,394,845,426</b>	<b>4,470,048,719</b>
<b>Total liabilities</b>		<b>4,451,004,054</b>	<b>4,525,555,538</b>
<b>Total equity and liabilities</b>		<b>6,509,517,316</b>	<b>6,567,823,456</b>

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

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

*Sabbir Ahmed.*

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

Dhaka, 15 March 2022  
DVC No: 2203150770AS878459

# Bank Asia Securities Limited

## Statement of Profit or loss and Other Comprehensive Income

for the year ended 31 December 2021

		<i>Amount in Taka</i>	
	<b>Notes</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>Brokerage commission</b>	24	294,493,388	119,829,921
Interest income	25	231,094,069	193,809,470
Interest expense	26	(176,722,894)	(188,373,820)
<b>Net interest income</b>		54,371,175	5,435,650
Other operating income/(loss)	27	148,131,302	30,881,002
<b>Total operating income</b>		496,995,865	156,146,573
Operating expenses	28	(143,213,629)	(108,555,526)
<b>Profit before provision</b>		353,782,236	47,591,047
Provision for diminution in value of investments	20	(51,208,223)	-
Provision for client margin loan	21	(192,443,649)	(8,000,000)
<b>Profit /(Loss) before tax</b>		110,130,364	39,591,047
Current tax expense	22	(94,735,436)	(39,192,514)
Deferred tax Income/(expense)	23	850,416	1,110,938
<b>Income tax expense</b>		(93,885,020)	(38,081,576)
<b>Profit/ (Loss) after tax</b>		16,245,344	1,509,471
<b>Appropriation</b>			
Capital reserve		(150,947)	-
<b>Total comprehensive income</b>		16,094,397	1,509,471
<b>Earnings per share</b>	29	0.81	0.08

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

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

*Sabbir Ahmed.*

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

Dhaka, 15 March 2022  
DVC No: 2203150770AS878459



# Bank Asia Securities Limited

## Statement of Cash Flows

for the year ended 31 December 2021

	<i>Amount in Taka</i>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>
<b>A. Cash flows from operating activities</b>		
Cash received from		
Interest income	231,094,069	193,809,470
Brokerage commission	294,493,388	119,829,921
Cash payment for		
Interest expenses	(149,649,645)	(158,386,429)
Operating expenses	(120,841,017)	(99,482,269)
Customers' deposits	202,285,602	144,057,403
Margin loan to customers	677,370,928	(159,913,524)
Other assets	45,950,693	(99,367,962)
Accounts Payable	33,254,627	71,707,490
Income tax paid	(94,890,574)	(44,578,121)
<b>Net cash flows from/ (used in) operating activities</b>	<u>1,119,068,071</u>	<u>(32,324,020)</u>
<b>B. Cash flows from investing activities</b>		
Investment in shares	(274,616,289)	(61,235,154)
Acquisition of property, plant and equipment	(11,214,467)	-
<b>Net cash from/ (used in) investing activities</b>	<u>(285,830,756)</u>	<u>(61,235,154)</u>
<b>C. Cash flows from financing activities</b>		
Loans and borrowings	(609,386,506)	267,244,749
<b>Net cash from financing activities</b>	<u>(609,386,506)</u>	<u>267,244,749</u>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	223,850,809	173,685,575
E. Opening cash and cash equivalents	563,894,325	390,208,750
<b>F. Closing cash and cash equivalents</b>	<u>787,745,134</u>	<u>563,894,325</u>

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

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

# Bank Asia Securities Limited

## Statement of Changes in Equity

for the year ended 31 December 2021

Particulars	Amount in Taka			
	Share capital	Capital reserve	Retained earnings/ (Accumulated Losses)	Total
<b>Year ended 31 Dec 2020</b>				
Opening balance	2,000,000,000	-	40,758,447	2,040,758,447
Net profit for the period	-	-	1,509,471	1,509,471
<b>Closing balance</b>	<b>2,000,000,000</b>	<b>-</b>	<b>42,267,918</b>	<b>2,042,267,918</b>
<b>Year ended 31 Dec 2021</b>				
Opening balance	2,000,000,000	-	42,267,918	2,042,267,918
Net profit for the period	-	-	16,245,344	16,245,344
Transfer during the period		150,947	150,947	-
<b>Closing balance</b>	<b>2,000,000,000</b>	<b>150,947</b>	<b>58,362,315</b>	<b>2,058,513,262</b>

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

-sd-  
Chairman

-sd-  
Director

-sd-  
Chief Executive Officer

# Bank Asia Securities Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2021

### 1. REPORTING ENTITY

Bank Asia Securities Limited (“the Company”), a majority owned subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2nd Floor), 2 Dilkusha Commercial Area, Dhaka 1000.

The Company obtained permission from Bangladesh Securities and Exchange Commission on 16 March 2011 to operate as a full fledged stock broker and stock dealer bearing registration nos. Reg/3.1/DSE-237/2011/463 and Reg/3.1/DSE-237/2011/464 respectively.

The main objective of the Company is to act as a full fledged stock broker and stock dealer to execute buy and sell orders and to maintain own portfolio as well as customers portfolio under the discretion of customers. The Company also performs the other activities relates to capital market as and when regulators permits the company to carry out activities as per their guidelines.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance following International Financial Reporting Standards (IFRSs)/International Accounting Standards (IASs), The Companies Act-1994, and other laws and rules applicable in Bangladesh. Wherever appropriate, such principles are explained in succeeding notes

#### 2.2 Components of the financial statements

The financial statements referred to here comprise:

- a) Statement of Financial Position;
- b) Statement of Profit or loss and Other Comprehensive income;
- c) Statement of Cash Flows;
- d) Statement of Changes in Equity; and
- e) Notes to the Financial Statements.

#### 2.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- \* Property, Plant and Equipment
- \* Provision on margin loan and Investment in shares
- \* Deferred Tax Asset/Liabilities

#### 2.4 Statement of cash flows

Statement of Cash Flows has been prepared as per International Accounting Standard IAS-7 under direct method. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

#### 2.5 Reporting period

These financial statements cover period from 1 January 2021 to 31 December 2021.

#### 2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 15 March, 2022.

#### 2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company's functional currency.

#### 2.8 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

#### 2.9 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

#### 2.10 Investment in securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend incomes which are reported at fair value. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment as per BSEC guideline.

### 2.11 Provision, Contingent asset and contingent liabilities

As per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank Asia Securities Limited recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognised because:

- \* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- \* the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

### 2.12 Taxation Current tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time

#### Deferred Tax

Deferred Tax is calculated as per International Accounting Standard IAS-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

### 2.13 Branch Details

The Company has a total five number of Branch offices, One Extension Office (excluding Head Office), with no overseas branch as on December 31, 2021.

Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

### 3.1 Revenue Recognition

In terms of provision of IFRS-15 on revenue and disclosures in the financial statements of the company the following items have been recognized as mentioned

#### Brokerage commission

Income from brokerage is recognised on daily basis in the Statement of Comprehensive Income after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited, at which point performance is assured to be completed

#### Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity

clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

#### Dividend income and profit/ (loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

### 3.2 Interest paid and other expenses

In terms of the provisions of IAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

### 3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2021 as per International Accounting Standard IAS- 33 "Earnings Per Share".

### 3.4 Property, plant and equipment

Items of property, plant and equipment, are measured at cost less accumulated depreciation and impairment losses, as per IAS-16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

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**Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of day-to-day servicing items of property, plant and equipment are expensed when incurred.

**Depreciation**

Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed.

Asset category	Rate of depreciation (%)
Computer and accessories	20
Furniture and fixtures	20
Office equipment	20
Office renovation	20

**3.5 Intangible assets**

**Computer software**

Computer software acquired by the Company which have finite useful lives are measured at cost less accumulated amortisation.

**Subsequent costs**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss.

**Amortisation of intangible assets**

Computer software are amortised @ 20% per annum in a straight-line method.

**3.6 Lease assets**

The company has applied "IFRS 16: Lease" using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4

**3.7 Advance, deposits and prepayments**

- Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment etc.
- Deposits are measured at payment value.
- Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Comprehensive Income.

**3.8 Advance Income tax**

The amount of advance income tax are mainly deduction at sources by DSE on daily transaction of broker & dealer operation. Tax deduction on interest income and dividend income are also included.

**3.9 Related party**

As per International Accounting Standards IAS-24 "Related Party Disclosures", A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

**3.10 Events after reporting period**

As per IAS-10 "Events after Reporting Period" are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).



### 3.11 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

### 3.12 Departures from IFRS

The Financial Reporting Council (FRC) has been formed, but no financial reporting standards have yet been issued as per the provisions of the Financial Reporting Act (FRA), 2015. Hence, the financial statements of the Company as at and for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and as per the requirements of the provisions, circulars, rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and The Income Tax Ordinance 1984. In case any requirements of the BSEC provisions, circulars, rules and regulations differ from those of IFRS, the requirements of BSEC provisions, circulars rules and regulations shall prevail, and such departures from IFRS have been followed accordingly. In addition, there has been a departure from the provisions of IFRS-9 with regard to interest income. Material departures from the requirements of IFRS are as follows

#### i) Provision for impairment of client margin loan

**IFRS:** In accordance with IFRS-9, an entity should recognize a loss allowance for expected credit losses on a financial asset and shall not reduce the carrying amount of the financial asset in the statement of financial position. The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis considering all reasonable and supportable information, including that which is forward-looking. An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**BSEC:** As per BSEC press release #BSEC/Mukhopatro(5<sup>th</sup> Khondo)/2019/159 dated January 07, 2020, provision has been made for impairment of margin loan arising out of year-end (31.12.2019) revaluation of shares purchased through margin loan complying with the relevant instruction. Bank Asia Securities Limited has opted for the option to maintain minimum 20% of total impairment of margin loan arising from diminution in value of investments as provision as on 31.12.2019 in accordance with the aforesaid press release.

#### ii) Recognition of interest income from margin loan

**IFRS:** In accordance with IFRS-9, interest revenue should be calculated by using the effective interest method by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income should be recognized when the financial asset is no longer credit-impaired and the improvement can be related objectively.

**Departure:** The Company recognized interest from margin loan when the loan is no longer credit-impaired. However, some margin loan interest was recognized as income from credit-impaired when the account become positive.

#### iii) Valuation of shares of DSE

**IFRS:** As per para-5.2.2 of IFRS-9, an entity shall apply the impairment requirements to financial assets that are measured at amortized cost in accordance with paragraph 4.1.2 of IFRS-9 and to financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS-9.

**Departure:** There is no active market for shares in DSE and the sale price to Strategic Investor, Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), has been determined through negotiation. The sale had to be made within the time limit as given in the Exchange Demutualization Act-2013 and approved by the Bangladesh Securities and Exchange Commission (BSEC). This was not a transaction in active market. And we strongly believe that with the involvement of the strategic partners and the development of capital market under the guidance of the BSEC, the share price of the exchanges will increase significantly.

### 3.13 Others

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

### 3.14 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following International Accounting Standards (IASs) are applicable for the financial statements for the period under review:

- IAS- 1 Presentation of Financial Statements
- IAS- 7 Statements of Cash Flows
- IAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS- 10 Events after the Reporting Period
- IAS- 12 Income Taxes
- IAS- 16 Properties, Plant and Equipment
- IAS- 19 Employees Benefit
- IAS- 24 Related Party Disclosure
- IAS- 32 Financial Instruments Presentation
- IAS- 33 Earning Per shares
- IAS- 37 Provisions, Contingent Liabilities and Contingent Assets

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IAS- 38 Intangible Assets  
IFRS- 7 Financial Instruments : Disclosures;  
IFRS- 9 Financial Instruments  
IFRS- 13 Fair Value Measurement  
IFRS- 15 Revenue from Contracts with Customers

**3.15 New and amended standards and interpretations:  
IFRS 16 Leases**

The Company has applied “ IFRS 16: Lease” using the modified retrospective approach as per paragraph C8 of IFRS 16 with necessary adjustment as stated in IAS 8 and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 . IFRS 16 supersedes IAS 17 and applicable from January 01, 2019.

**Leases previously classified as operating leases**

- a) Bank Asia Securities Limited recognize a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17 and measure that lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate at 9% at the date of initial application i.e. January 01, 2020.
- b) Recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17 and choose, on a lease-by-lease basis, to measure that right-of-use asset; an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset is reduced by impairment losses as per IAS 36, and adjusted for certain measurements of the lease liability if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is premeasured when there is a change in future lease payments arising from a change in an index or rate, if there is change in estimate of the amount expected to be payable under a residual value guarantee, or if changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company may elect not to apply the IFRS 16 for short-term leases and leases for which the underlying asset is of low value.

**4. Property, plant and equipment**

	31 Dec 2021	31 Dec 2020
Opening balance	27,269,864	35,734,740
Add: Addition during the period	11,214,467	-
Less: Depreciation charge for the period	9,033,312	8,464,876
A. Closing balance	<u>29,451,019</u>	<u>27,269,864</u>

**4.1 Right of use of assets**

Opening balance	73,467,925	-
Add: Addition during the year	13,075,282	86,256,785
	86,543,206	86,256,785

	31 Dec 2021	31 Dec 2020
Less: Depreciation charge for right of use of assets	11,164,181	12,788,860
B. Closing balance	73,065,185	73,467,925
<b>Grand Total (A+B)</b>	<b>102,516,205</b>	<b>100,737,789</b>

Details are given in Annex I

#### 5. Demutualization membership of Dhaka Stock Exchange

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk 153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk 10 each, totaling Tk 72,151,060.

Under section 14(Ka) of Demutualization Act 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) and completed the sale of 25% (Twenty-five percent) DSE shares to SZSE and SSE. In this connection, BASL sold 1,803,777 number of share at the rate of Tk.21 per share totaling Tk. 37,879,317. Currently BASL holding 5,411,329 shares at a cost of totaling Tk. 114,839,239

The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more that the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

#### 6. Advances, deposits and prepayments

Advance for DSE Nikunjo office	-	850,000
Advance for Renovation of New Branch	-	841,525
Security Deposit for CSE TREC	30,000,000	-
Advance for Legal Advice	84,290	127,590
Advance for NFLP	-	232,909
Own subscription in IPOs but not yet allotted	22,037,500	-
Subscription in IPOs but not yet allotted for Client	46,540,000	-
Member Margin Deposit to DSE	-	100,000,000
Advance for Software	-	195,225
	<b>98,661,790</b>	<b>102,247,249</b>

#### 7. Investment in shares (Details are given in Note 7.1, 7.2 & 7.3)

815,404,194

540,787,905

#### 7.1 Investment in shares in Dealer Account

459,548,598

502,165,195

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Sufficient provision has maintained as per BSEC guidelines against this unrealized loss. Please see note 20.00 for details.

#### 7.2 Investment In share Under SFCM

355,855,596

38,622,709

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Investment made under Bangladesh Bank DOS circular No. 01 dated February 10, 2020

#### 7.3 Proprietary positions in securities and specified investments (Investments in shares)

Proprietary positions in Equity securities		
Value of "A" category instruments	733,646,328	-
Value of "B/G/N/..." category instruments	30,026,552	-
Value of "Z" category instruments		-

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	31 Dec 2021	31 Dec 2020
Value of Non-Listed Instruments	46,400	-
Proprietary positions in MFs & CISs	-	-
Value of listed funds	51,684,914	-
Value of non-listed funds	-	-
Value of AIFs	-	-
	<u>815,404,194</u>	<u>-</u>

**8. Margin loans to customers**

Opening balance	4,810,787,426	4,649,980,291
Add: Interest charged during the period	200,593,893	171,916,746
	5,011,381,319	4,821,897,037
Less: Repayment of Margin Loan during the period/(addition)	767,016,402	11,109,611
Closing balance	<u>4,244,364,917</u>	<u>4,810,787,426</u>

The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ratio during the year based on directives issued by Bangladesh Securities and Exchange Commission.

**8.1 Margin loans to customers (Account receivable from margin clients)**

Receivable to Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)	3,141,687,584	-
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	5,441,988	-
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	119,762,579	-
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	977,472,766	-
Total margin loan	<u>4,244,364,917</u>	<u>-</u>

**9. Accounts receivable**

Receivable from Dhaka Stock Exchange Ltd (Broker)	3,482,812	7,230,805
Receivable from Dhaka Stock Exchange Ltd (Dealer)	-	-
Receivable Dividend (Dealer)	13,069	7,317,310
Cheques in transit (Consolidated Customer A/C)	-	31,313,000
	<u>3,495,881</u>	<u>45,861,115</u>

**10. Advance income tax**

Opening balance	285,922,331	241,344,210
Tax deducted at source from brokerage commission	66,108,703	25,930,755
Tax deducted at source from dividend income	5,044,490	3,141,165
Advance Tax as per Section 64 & 74	11,068,309	13,341,052
Advance Tax on sales of Fixed Assets	3,000	-
Advance Tax for Appeal to Appellate Tribunal/High Court	9,610,964	-
Tax deducted at source from bank interest	3,055,108	2,165,148
	94,890,574	44,578,121
Less: Adjusted during the period	41,919,443	-
<b>Closing balance</b>	<u>338,893,462</u>	<u>285,922,331</u>

## 11. Cash and cash equivalents

	31 Dec 2021	31 Dec 2020
Cash in hand (note 11.1)	15,772	7,019
Cash at Bank (note 11.2)	787,729,362	563,887,306
	<u>787,745,134</u>	<u>563,894,325</u>

### 11.1 Cash in hand

Head-office	15,772	7,019
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### 11.2 Cash at Bank

Bank Asia Limited (Consolidated Customer A/C-00836000674)	78,791,998	33,823,840
ONE Bank Limited (Consolidated Customer A/C-0015025406003)	613,819,302	339,266,992
Midland Bank Ltd (Consolidated Customer A/C-0001-1060000011)	93,883,863	171,153,302
Bank Asia Limited (Current Deposit Account-00833007917)	64,749	42,587
Bank Asia Limited (IPO-00836000676)	-	19,391,593
ONE Bank Limited (Dealer Account-0015025405007)	1,169,450	203,314
NRB Bank Limited (A/C-1081030004752)	-	5,678
	<u>787,729,362</u>	<u>563,887,306</u>

## 12. Share capital

Authorized capital :

20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
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Issued, subscribed and paid up capital:

20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
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The Company's shareholding position as at 31 December 2020 was as under:

Name of shareholder	No. of shares	% of holding	Value/Taka
Bank Asia Limited	19,999,300	99.997%	1,999,930,000
Mr. Anisur Rahman Sinha	100	0.0005%	10,000
Mr. A. Rouf Chowdhury	100	0.0005%	10,000
Ms. Romana Rouf Chowdhury	100	0.0005%	10,000
Mr. Md. Nuzrul Huda	100	0.0005%	10,000
Mr. Md. Arfan Ali	100	0.0005%	10,000
Mr. Md. Sazzad Hossain	100	0.0005%	10,000
Mr. Mohammad Ibrahim Khalil	100	0.0005%	10,000
	<u>20,000,000</u>	<u>100.00%</u>	<u>2,000,000,000</u>

### 12.1 Capital reserve)

Opening balance	-	-
Add: Addition during the year	150,947	-
Less: Adjusted during the period	150,947	-
Closing balance	-	-
	<u>150,947</u>	<u>-</u>

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company maintained a capital reserve by 10% on profit after tax of last year.



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**13. Retained earnings**

	31 Dec 2021	31 Dec 2020
Opening balance	42,267,918	40,758,447
Less: Dividend paid	-	-
	42,267,918	40,758,447
Add: Total comprehensive income during the period	16,245,344	1,509,471
Less: Transfer to capital reserve	(150,947)	
<b>Closing balance</b>	<b>58,362,315</b>	<b>42,267,918</b>

**14. Financial lease obligation**

Opening balance	55,506,820	-
Add: Addition during the year	13,075,282	71,132,984
	68,582,101	71,132,984
Less: Conversion to short term	12,423,474	15,626,164
<b>Closing balance</b>	<b>56,158,627</b>	<b>55,506,820</b>

**15. Customer deposits**

721,351,710	519,066,108
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Customer deposits represent uninvest funds lying with the Company's account at the reporting date.

**16. Loans and borrowings**

Bank Asia Limited	1,152,611,494	2,082,302,300
Bank Asia Limited-(SFCM)	358,971,217	38,666,918
	<b>1,511,582,711</b>	<b>2,120,969,217</b>

**17. Accounts payable**

Payable for IPO Application Process	69,395,000	37,934,400
Interest Payable	27,073,249	29,987,391
Dhaka Stock Exchange Ltd (Broker)	9,197,055	4,488,885
	<b>105,665,304</b>	<b>72,410,677</b>

**18. Other liabilities**

30,429,024	28,253,904
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**18.1 Liabilities for expenses**

18,715,491	18,307,065
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The amount represents provisions against operating expenses during the period.

**18.2 Current portion of lease obligation**

Opening balance	9,946,839	-
Add: Interest charge during the year	5,617,075	
Add: Conversion from long term	12,423,474	15,626,164
	27,987,388	15,626,164
Less: Paid during the period	16,273,855	5,679,325
Closing balance	<b>11,713,533</b>	<b>9,946,839</b>

## 19. Interest suspense account

	31 Dec 2021	31 Dec 2020
Opening balance	890,799,214	890,799,214
Add: Interest suspense during the year	-	-
<b>Closing Balance</b>	<b>890,799,214</b>	<b>890,799,214</b>

The amount represents interest income from loan accounts of the clients who have negative equity with Bank Asia Securities Limited. The amount will be recognized as income when client equity become positive balance.

## 20. Provision for diminution in value of investments

Opening Balance	33,703,549	33,703,549
Add: Provision made during the period	51,208,223	-
<b>Closing balance</b>	<b>84,911,772</b>	<b>33,703,549</b>

## 21. Provision for Client Margin Loan (Note 21.1 & 21.2)

Opening Balance	562,494,169	554,494,169
Add: Provision made during the period for unrealized loss arising for client margin loan	150,000,000	-
Add: Provision made during the period for outstanding margin loan	42,443,649	8,000,000
<b>Closing Balance</b>	<b>754,937,818</b>	<b>562,494,169</b>

### 21.1 Provision for unrealized loss arising for client margin loan

Opening Balance	562,494,169	554,494,169
Add: Provision made during the period	150,000,000	8,000,000
<b>Closing Balance</b>	<b>712,494,169</b>	<b>562,494,169</b>

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent press release no. BSEC/Surveillance/Mukhopatro(5th Khondo)/2019/196; Date: 16 July 2020 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss arising from provision for client margin loan within 2023.

### 21.2 Provision for outstanding margin exposure

Opening balance	-	-
Add: Provision made during the period	42,443,649	-
	42,443,649	-
Less: Adjusted during the period	-	-
<b>Closing balance</b>	<b>42,443,649</b>	<b>-</b>

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company also maintained a mandatory provision by 1% on outstanding margin exposures. Add or adjustment will depend on size of outstanding margin loan for the respective year.

## 22 Provision for corporate income tax

Opening balance	242,351,881	203,159,368
Add: Provision made during the period	94,735,436	39,192,514
Less: Adjusted during the period	41,919,443	-
<b>Closing balance</b>	<b>295,167,874</b>	<b>242,351,881</b>

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**23. Deferred Tax**

	31 Dec 2021	31 Dec 2020
Opening balance	2,746,078	1,635,140
Add: Provision for the during year	-	-
Less: Adjustment during the year	(850,416)	(1,110,938)
<b>Closing balance</b>	<b>3,596,494</b>	<b>2,746,078</b>
WDV of fixed assets as per accounts	29,451,020	27,269,865
WDV of fixed assets as per tax base	41,439,335	35,719,337
<b>Temporary difference</b>	<b>(11,988,315)</b>	<b>(8,449,472)</b>
Applicable tax rate	30.00%	32.50%
Deferred tax liabilities/(assets)	(3,596,494)	(2,746,078)

**24. Brokerage commission**

Brokerage commission	346,524,345	140,655,224
Less: Hawla charges	2,900	11,850
Laga charges	33,018,108	12,940,895
Service charge from clients for CDBL	19,009,950	7,872,557
	<b>294,493,388</b>	<b>119,829,921</b>

**25. Interest income**

Income from bank deposits	30,500,176	21,892,724
Income from margin loan	200,593,893	171,916,746
	<b>231,094,069</b>	<b>193,809,470</b>

**26. Interest expense**

Interest on loan	149,649,645	188,373,820
Interest expense agnt. customer deposit	27,073,249	-
	<b>176,722,894</b>	<b>188,373,820</b>

**27. Others operating income**

BO account opening fees	1,908,500	1,761,500
Margin account renewal fees	764,000	618,000
Income from transfer/transmission/corporate action	1,084,369	275,367
Margin account opening fees	192,000	134,000
BO account maintenance fees	978,300	624,000
Other income	347,555	153,205
Capital gain from sales of fixed assets	6,547	411,192
Dividend Income	18,205,048	17,061,241
Capital gain from investment in shares (Note # 27.01)	124,644,983	9,842,498
	<b>148,131,302</b>	<b>30,881,002</b>

**27.1. Capital gain from investment in shares**

Sales price of shares	569,461,907	85,904,436
Less: Cost Price of Shares	(444,816,924)	(76,061,939)
Capital gain from shares investment	<b>124,644,983</b>	<b>9,842,498</b>

**28. Operating expenses**

	31 Dec 2021	31 Dec 2020
Audit fees	76,667	76,667
Bank charges	354,803	297,225
Bank guarantee commission	2,239,567	935,333
Business and promotional expenses	473,700	236,253
Cleaning expenses	444,359	318,554
Computer accessories	389,863	72,190
Traveling & Conveyance	1,182,885	156,647
Depreciation	20,197,492	21,253,736
Directors' remuneration	319,000	275,000
Entertainment	1,967,781	750,944
Fuel and oil	33,100	11,900
Insurance premium	490,386	378,134
Internet charges	1,750,918	1,392,696
Internship Allowance	105,000	90,000
License and renewal fees	12,745,362	2,381,342
Newspaper	177,252	26,605
Rent & others (Note: 28.1)	5,617,075	6,507,111
Others	288,850	49,205
Postage and courier	18,348	12,400
Printing and stationery	743,405	374,971
Legal expenses	461,598	93,408
Repair and maintenance	1,299,631	931,480
Salaries and allowances	86,960,433	69,044,948
Telephone & Mobile Bill	397,040	106,463
Training Expenses	66,900	51,111
Utilities	4,412,215	2,731,205
<b>Closing balance</b>	<b>143,213,629</b>	<b>108,555,526</b>

**Bank Asia  
Securities Limited  
Notes to the Financial Statements**

**28.1 Rent & others**

	31 Dec 2021	31 Dec 2020
Office rent	-	809,038
Interest portion on lease liabilities	5,617,075	5,698,073
	<u>5,617,075</u>	<u>6,507,111</u>

Total rent expenses for the period was Tk. 16,273,854.54 as per IAS 17. To implement “IFRS16: Lease” this rent expense has been adjusted with depreciation arises against right of use of assets (ref: Annex I) and interest expenses arises against lease liabilities.

**29. Earning per shares**

Profit After Tax	16,245,344	1,509,471
Number of Ordinary Shares	20,000,000	20,000,000
<b>Earning per shares</b>	<u>0.81</u>	<u>0.08</u>

**30. Disclosure on Payments/ Perquisites to Directors and Key Management Personnel (As per requirement of Companies Act 1994, Schedule-XI, part-II)**

**30.1 Paid to Directors**

Board Meeting Attendance Fees	<u>319,000</u>	<u>275,000</u>
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**30.2 Paid to Key Management Personnel**

Key management Personnel are those Persons having authority and responsibility for Planning, Directions and Controlling the activities of the Company.

- i) No Compensation/ Other allowance/ commission was allowed to Directors including Managing Director, Managing Agent or manager of the company except as stated above.
- ii) There is no amount payable to Directors including Managing Director, Managing Agent or manager of the Company for any sort of commission on purchases, profit or guarantee.
- iii) BOD Meeting attendance fee for attending each Board Meeting was Tk. 10,000 for each director.

**31. Number of Employee:**

The number of employees receiving remuneration of Tk. 36,000 or above per employee per year were 64 in 2021. (2020: 62)



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BA EXCHANGE COMPANY (UK) LIMITED

## Opinion

We have audited the financial statements of BA Exchange Company (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BA EXCHANGE COMPANY (UK) LIMITED

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the financial reporting framework, the Companies Act 2006 and the relevant tax compliance regulations.

We considered the provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which may be fundamental to the ability of the Company to operate and hence may affect the Company's ability to continue as a going concern. These include compliance with Regulation (EU) 2015/847 on information accompanying transfers of funds (the Payments Regulation), Payment Services Regulations 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Proceeds of Crime Act 2002. In addition there are other laws in relation to Terrorism Finance and Anti Bribery and Corruption which are relevant.

We understood how the Company is complying with those frameworks by making enquiries of management, staff and consultants and those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquires through our review of minutes and papers provided by the Company and in during the review of the Company's reporting to the Financial Conduct Authority.

We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur, by discussing with the local director, where he considered there was a susceptibility to fraud.

Our audit planning identified fraud risks in relation to management override. We considered the processes and controls the Company had established to address risks identified or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.

We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business, together with enquires of the local directors and staff.

Our audit procedures were designed to respond to risks of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Forhad Ahmed (Senior Statutory Auditor)

For and on behalf of AGP Consulting      Date: March 10, 2022

Chartered Accountants  
Statutory Auditor  
Q West  
Great West Road Brentford  
TW8 0GP

# BA EXCHANGE COMPANY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	211,193	281,564
Cost of sales		(76,165)	(57,405)
<b>Gross profit</b>		135,028	224,159
Administrative expenses		(160,418)	(218,891)
(Loss)/Profit before taxation		(25,390)	5,268
Tax on(Loss)/profit		-	-
<b>(Loss)/Profit for the financial year</b>		<u>(25,390)</u>	<u>5,268</u>

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		1,591		1
<b>CURRENT ASSETS</b>	9				
Debtors		101		8,400	
Cash at bank and in hand		187,530		159,526	
		<u>187,631</u>		<u>167,926</u>	
Creditors: amounts falling due within one year	10	(601,698)		(555,013)	
<b>NET CURRENT LIABILITIES</b>			(414,067)		(387,087)
<b>TOTAL ASSET LESS CURRENT LIABILITIES</b>			<u>(412,476)</u>		<u>(387,086)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			300,000		300,000
Profit and loss reserves			(712,476)		(687,086)
<b>Total equity</b>			<u>(412,476)</u>		<u>(387,086)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on March 10, 2022 and are signed on its behalf by:

Mr A K H Azad  
**Director**

**Company Registration No. 7314397**

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

#### Company information

BA Exchange Company (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 131 Whitechapel Road (First Floor), London, England, E1 1DT.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bank Asia Limited. These consolidated financial statements are available from its registered office. Head Office Bank Asia Corporate Office, Rangs Tower 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1000, Bangladesh

#### 1.2 Going concern

The Company reported a loss during the year in an ongoing competitive market, and the company is carrying accumulated losses. The results are in line with expectations.

The directors consider that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds through and alternative means possibly by way of a loan from one of the directors and the Board of the Bank has approved this, to allow the Company to be able to meet all its commitments as they fall due.

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2021

#### 1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Commission income

Income from remittance services is recognised when a customer gives instructions to the Company to make a remittance on their behalf.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings 25% Reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

## 1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

## 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

## 1.8 Leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

## 1.9 Foreign exchange

### Functional and presentation currency

The Company's functional and presentational currency is GBP.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non - monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

### 1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



## 2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological advances. Residual value consider such things as projected disposal values.

## 3 Turnover and other revenue

100% Turnover of the company for the year ended 31 December 2021 (2020 - 100%) have arisen from within the United Kingdom.

## 4 Operating (loss)/profit

	2021 £	2020 £
Operating (Loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	398	16,562
Operating lease charges	16,800	35,283

## 5 Auditor's remuneration

Fees payable to the company's auditor and associates:

### For audit services

Audit of the financial statements of the company	3,000	3,000
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## 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

Management	1	1
Counter Staff	6	6
	7	7

Their aggregate remuneration comprised:

Wages and salaries	116,558	133,342
	116,558	133,342

## 7 Directors' remuneration

Remuneration paid to directors	60,200	61,909
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## 8 Tangible fixed assets

	Plant and machinery (etc)
At 1 January 2021	19,914
Addition	1,988
At 1 December 2021	21,902
Depreciation and impairment	
At 1 January 2021	19,913
Depreciation charged in the year	398
At 31 December 2021	20,311
Carrying amount	
At 31 December 2021	1,591
At 31 December 2020	1

## 9 Debtors

Amounts falling due within one year:	2021 £	2020 £
Other debtors	101	8,400

## 10 Creditors: amounts falling due within one year

Trade creditors	569,391	495,543
Taxation and social security	6,244	1,716
Other creditors	26,063	57,754
	<u>601,698</u>	<u>555,013</u>

## 11 Reserves

Profit and loss account

The profit and loss account consists of the profits retained within the business and is recorded at historic cost.

## 12 Related party transactions

### Transactions with related parties

During the year the company entered into the following transactions with related parties:

All of the Company's remittances are routed through its parent entity Bank Asia Limited as part of the normal business cycles, these transactions are at arms length, these amounts have no transactional value and purely for settlement. All commission income is earned from the remitters. There is a position at the year end included in Trade Creditors of £562,800 (2020 - £495,244)

## 13 Parent company

The Company's ultimate parent undertaking is Bank Asia Limited, a company incorporated in Bangladesh. The accounts for this entity may be obtained from Head Office Bank Asia Corporate Office, Rangs Tower, 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar Dhaka-1000, Bangladesh or on their website [www.bankasia-bd.com](http://www.bankasia-bd.com).

BA EXPRESS USA INC.

## INDEPENDENT AUDITOR'S REPORT

### MONIS J. SIDDIQUI, CPA P.C.

Certified Public Accountant

www.mons.com

516.730.6064

#### REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

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To the Stockholders and Board of Directors BA Express USA, Inc  
Jackson Heights, New York

We have audited the accompanying financial statements of BA Express USA, Inc. (the "Company") (a New York corporation), which comprise the balance sheet as of December 31, 2021, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BA Express USA, Inc as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Monis Siddiqui, CPA P.C.*

Bellerose, New York

March 23, 2022

# BA EXPRESS USA INC.

## BALANCE SHEET

Year Ended December 31, 2021

<b>Assets</b>	<b>2021 (\$)</b>
Current Assets:	
Cash, cash equivalents and investments	2,320,026
Accounts receivable	1,375,946
Other current assets	16,435
Total current assets	3,712,406
Furniture, equipment & leasehold improvements, net	40,454
Other assets	
Organization costs, net	6,706
Security deposits	39,165
Total other assets	45,871
Total assets	3,798,731
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
<b>Liabilities</b>	
Remittance payable	4,250,911
Due to beneficiary	60,978
Other liabilities	18,463
Withholding taxes	7,691
<b>Total liabilities</b>	4,338,043
<b>Stockholder's equity</b>	(539,311)
<b>Total liabilities and stockholder's equity</b>	3,798,731

# BA EXPRESS USA INC.

## STATEMENT OF OPERATIONS

Year Ended December 31, 2021

	2021 (\$)
<b>Revenue</b>	
Commissions & fees	457,271
Realized gain on foreign exchange	721,180
Interest income	3,011
Other income	-
Total revenues	1,181,462
<b>Expenses</b>	
Payroll and wages	262,457
Payroll taxes	23,890
Commission fees	273,997
Professional fees	24,831
Filing and regulatory costs	21,226
Rent and lease costs	156,575
General and administrative expenses	311,105
Total expenses	1,074,081
<b>NET LOSS BEFORE PROVISION FOR TAXES</b>	107,381
PROVISION FOR TAXES	-
<b>NET INCOME</b>	107,382

## STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2021

	Balance Beginning (\$)	Net Change (\$)	Balance Ending (\$)
Common stock, no par value			
Paid-in capital	960,000	-	960,000
Deficit	(1,606,693)	107,382	(1,499,311)
Stockholders' equity	(646,693)	107,382	(539,311)



# BA EXPRESS USA INC.

## STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

	2021 (\$)
<b>Cash flows from operating activities :</b>	
Net Profit	107,382
Adjustments to reconcile net income to net cash provided in operating activities	
Depreciation	19,780
Amortization	877
Changes in operating assets and liabilities	
Accounts receivable	(62,910)
Remittance payable	1,133,401
Other liabilities	269
Due to beneficiary	(22,035)
Withholding taxes	176
Net cash provided by operating activities	1,176,939
<b>Cash flows from investing activities</b>	
Furniture, equipment & leasehold improvements	(4,123)
<b>Net increase in cash and cash equivalents</b>	1,172,816
<b>Cash, cash equivalents and investments - beginning of year</b>	1,147,210
<b>Cash, cash equivalents and investments - ending of year</b>	2,320,026

# BA EXPRESS USA INC.

## NOTES TO FINANCIAL STATEMENTS

*For the Year Ended December 31, 2021*

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Business**

BA Express USA, Inc (the "Company") is a New York Corporation formed on September 20, 2011 for the purpose of conducting business as an international money transmitter registered with the New York Department of Financial Services. The primary objective of the Company is to uphold the image and be a leading remittance service providing company in USA. The Company maintains its central office in Jamaica, New York. BA Express USA, Inc is a 100% owned subsidiary of Bank Asia Limited.

#### **Basis of Accounting**

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### **Accounts Receivable**

The Company performs credit evaluations of its customers and generally does not require collateral. The Company does not believe significant credit risks exist at December 31, 2021, with respect to its accounts receivable. No allowance for doubtful accounts has been provided for based on prior years' experience and Management's analysis of possible bad debts.

#### **Revenue Recognition**

The primary source of the Company's revenues is comprised of the transaction-based fees, which typically constitute a percentage of dollar volume processed, per transaction processed, or some combination thereof. Fees from money transfers are based on the principal amount of the transaction and location where the funds are to be transferred and is recorded as income at the time of the sale.

The secondary source of the Company's revenues is generated by buying and selling currency at favorable rates.

#### **Foreign Currency Translation**

Accounts with balances denominated in currencies other than U.S. dollars are translated into U.S. dollars at applicable exchange rates as of the date of the transaction. Amounts denoted in a foreign are converted into U.S. dollars, and the exchange differences are included in the costs and revenues under the related account.

#### **Furniture, Equipment and Leasehold Improvements**

Furniture, Equipment and Leasehold Improvements are stated at cost, less accumulated depreciation. Depreciation is recorded using a straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

#### **Income Taxes**

No provision for income taxes has been made in the financial statements due to the current year excess of expenses over income. The Company has approximately \$1,505,913 of net operating loss carryforwards for federal income tax purposes as of December 31, 2021. Because the future utilization of these tax carryforward losses is uncertain, no related deferred tax asset has been reflected in the accompanying financial statements.

Management of the Company did not identify any uncertain tax positions taken or expected to be taken in an income tax return which would require adjustment to or disclosure in its financial statements. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

# BA EXPRESS USA INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities are carried at fair value, or are carried at amounts which approximate fair value as the market value of such items is not materially sensitive to shifts in market interest rates due to the limited term to maturity of these instruments.

The Company adopted SFAS No. 157, which defines fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability.

The Company categorizes the fair value of its financial assets and liabilities according to the hierarchy established by the Financial Accounting Standards Board, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1:** Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. These Level 1 assets represent quoted prices in active markets and, therefore, do not require significant management judgment.

**Level 2:** Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, for the asset or liability such as: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in less active markets; or other inputs that can be derived principally from, or corroborated by, observable market data.

**Level 3:** Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities. Unrealized gains and losses are included in earnings and are reported in the Statement of Income as a component of other income and losses. Generally, for all trading securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. As of December 31, 2021, the Company was liquid in its security positions.

### NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following for the year ended December 31, 2021:

FDIC insured amount	\$	616,951
Bank deposits in-excess of insured amounts		1,203,075
Certificate of deposits		500,000
Cash, cash equivalents and investments	\$	<u>2,320,026</u>

The certificates of deposit are restricted. The Company has a \$500,000 certificate of deposit used as collateral to satisfy the signed agreement with New York State Department of Financial Services.

### NOTE 4: FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following for the year ended December 31, 2021:

Furniture and fixtures	\$	12,561
Equipment		21,953
Leasehold improvements		154,295
		<u>188,809</u>
Less: accumulated depreciation		(148,355)
Furniture, equipment and leasehold improvements, net	\$	<u>40,454</u>

Depreciation expense for the year ended December 31, 2021 was \$19,780.

### NOTE 5: ORGANIZATION COSTS

Organization costs consist of the following for the year ended December 31, 2021:

Capitalized organization costs	\$	12,917
Less: accumulated amortization		(6,211)
Organization costs, net	\$	<u>6,706</u>

Amortization expense for the year ended December 31, 2021 was \$877.

# BA EXPRESS USA INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

### NOTE 6: OPERATING LEASES

The company conducts its operations from offices that are leased under a five-year noncancelable operating lease expiring February 28, 2024. There is an option to renew the lease for an additional period of five years at an increased monthly rental.

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2021 for each of the next five years are:

2022	39,400
2023	40,600
2024	6,800
Total base rent obligation	\$ <u>86,800</u>

On February 20, 2020, the Company entered into a ten-year lease agreement for a retail space in Jackson Heights, New York. The lease, commenced on March 1, 2020, provides for base rent of approximately \$6,500 per month with a 3.5% annual increase. Total base rent payable over the lease period is approximately \$915,000. The Company has an option to extend the term of the lease for an additional ten-year period.

Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2021 for each of the next five years are:

2022	83,550
2023	86,500
2024	89,500
2025	92,650
2026	95,950
Thereafter	321,150
Total base rent obligation	\$ <u>769,300</u>

Rent expense for the year ended December 31, 2020 was \$156,575.

### NOTE 7: RELATED PARTY TRASACTIONS

The Company is a 100% owned subsidiary of Bank Asia Limited. The Company signed paying agent agreement with Bank Asia Limited. For the year ended December 31, 2021, there was no expense paid for related party agent fee.

### NOTE 8: CONCENTRATION OF CREDIT RISK

The company may be subject to credit risk to its cash and cash equivalents. The Federal Deposit Insurance Corporation ("FDIC") insured up to \$250,000 for substantially all depository accounts. From time to time, the Company mad have amounts on deposits in-excess of FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2021, the Company has \$1,207,268 in cash and cash equivalents in- excess of the FDIC limits.

### NOTE 9: SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred subsequent to the date of the financial statements through March 23, 2022 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

As a result of the spread of the COVID19 coronavirus, economic uncertainties have arisen which are likely to negatively affect operations. Therefore, the Company expects this matter to negatively impact its net income. However, the related financial impact and duration cannot be reasonably estimated at this time.

# Management & Executives

## **President and Managing Director**

- Mr. Md. Arfan Ali

## **Deputy Managing Director**

- Mr. Md. Sazzad Hossain
- Mr. Mohammad Ziaul Hasan Molla
- Mr. S.M. Iqbal Hossain
- Mr. Shafiuzzaman
- Mr. Alamgir Hossain
- Mr. Areef Billah Adil Chowdhury

## **Senior Executive Vice President**

- Mr. Md. Zahid Hossain
- Mr. Md. Zia Arfin
- Mr. Tanfiz Hossain Chowdhury
- Mr. Arshadul Kabir Bhuiyan

## **Executive Vice President**

- Mr. Sheikh Mohammad Anisuzzaman
- Mr. Md. Arshad Mahmud Khan
- Mr. A.K.M. Shaiful Islam Chowdhury
- Mr. Md. Shaminoor Rahman
- Mr. Md. Mostafizur Rahman
- Mr. Arequl Arefeen
- Mr. Tahmidur Rashid
- Mr. Md. Abdul Latif
- Mr. Farhad Ahmad Khan
- Mr. Md. Murshid-Al-Amin
- Mr. Mohammed Aminul Islam Mintu, FCCA
- Mr. Hossain Ahmad
- Mr. Md. Ekramul Hossain

## **Senior Vice President**

- Mr. Humayun Yusuf Kabir
- Mr. Md. Jahangir Alam
- Mr. Md. Saiful Islam Laskar
- Mr. Ali Tarek Parvez
- Mr. Zahirul Haque
- Mr. Golam Gaffar Imtiaz Chowdhury
- Mr. Mohammed Rashidul Kabir Rajib

- Mr. Md. Amanullah
- Mr. Md. Saiful Islam
- Mr. Mohammad Ibrahim Khalil, FCA
- Mr. M. Esamul Arephin
- Mr. Quazi Mortuza Ali
- Mr. Mohammad Jakirul Islam
- Mr. Md. Anisuzzaman Molla

## **Vice President**

- Mr. Mohammad Burhan Uddin Khondker
- Mr. Mohammad Ismail Hossain
- Mr. Saiful Islam
- Mr. Mehbub Hasan
- Mr. M.R. Chowdhury Rashed
- Mr. A.K.M. Mohsin Uddin
- Mr. Mohammad Mainul Islam
- Mr. Md. Mazibur Rahman
- Mr. Syed Humayun Kabir
- Mr. Hasan A. Saimoom
- Mr. M.M. Shariful Islam
- Ms. Suraiya Afroz
- Mr. Zahirul Islam Khan
- Mr. Mahbub A Alam
- Mr. A.M. Saifur Rahman
- Mr. Md. Mansur Ali Miah
- Mr. S.M. Salahuddin
- Mr. Md. Kamruzzaman
- Mr. Rakibul Hasan
- Mr. Mahbubur Rahman
- Mr. M. Hasibul Alam
- Mr. Md. Fayezur Rahman
- Mr. Md. Ashraf Hossain
- Mr. Sheikh Munirul Hakim
- Mr. Mohammad Moinul Islam
- Mr. Mohammad Murad Hossain
- Mr. Md. Aminur Roshid
- Mr. A.K.M. Fakhruul Ahsan
- Mr. Md. Rezaul Islam



## Branches at a Glance

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Corporate Branch</b>	Noor Tower (1 <sup>st</sup> floor), 110, Bir Uttam C.R. Dutta Road, Dhaka	Ph: 880-2-9674501-2 9677031, 9614061-3 Fax: 880-2-9677032	BALBDDH002
<b>Principal Office Branch</b>	Tea Board Building, 111-113, Motijheel C/A, Dhaka - 1000	Ph: 880-2-9571450-1, 9563652, 9571020-1, 9571023 Fax: 880-2-9566223	BALBDDH003
<b>Gulshan Branch</b>	Bay's Galleria, 57, Gulshan Avenue (Ground Floor) Dhaka - 1212	Ph: 880-2-9889268-9, 8828103, 8828387 Fax: 880-2-8816739	BALBDDH004
<b>Agrabad Branch</b>	69, Agrabad C/A, Chittagong	Ph: 880-31-714665, 724876, 714703, 2517303 Fax: 880-31-714548	BALBDDH005
<b>Malkhanagar Branch</b>	Union Parishad Bhaban, Taltola Bazar, Malkhanagar, Munshigonj	Ph: 01711831040 Fax: 06924-63225	
<b>Scotia Branch</b>	"Rangs Bhaban" Holding # 117/A, Old Airport Road, Tejgaon, Dhaka	Ph: 880-2-8142290, 9137512-5 Fax: 880-2-8155858	BALBDDH007
<b>MCB Dilkusha Branch</b>	4, Dilkusha C/A, Dhaka	Ph: 880-2-9568871 - 3 Fax: 880-2-9563649	BALBDDH008
<b>MCB Sk. Mujib Road Branch</b>	1269/b Sk. Mujib Road, Agrabad C/A, Chittagong	Ph: 880-31-715125 - 7 Fax: 880-31-710352	BALBDDH009
<b>Sylhet Main Branch</b>	60, Niloy Darga Gate, Chowhatta, Sylhet	Ph: 880-821-724722, 712256 Fax: 880-821-722616	
<b>Tarail Branch</b>	Tarail Bazar, Kishoreganj	Ph: 09434-75099 Fax: 09434-75099	
<b>MCB Banani Branch</b>	A. R. Tower, 24, Kamal Ataturk Road, Banani, Dhaka - 1213	Ph: 880-2-9885610, 9894699, 9889104 Fax: 880-2-9882181	BALBDDH012
<b>Khatunganj Branch</b>	Asia Center, 273/268 Khatunganj, Chittagong	Ph: 880-31-610036, 638013-4, 618419, 63841 Fax: 880-31-632905	BALBDDH013
<b>Lohagara Branch</b>	Mostafa Centre, Lohagara, Chittagong.	Ph: 03034-56304 Fax: 03034-56305	
<b>North South Road Branch</b>	89, Shaheed Syed Nazrul Islam Shoroni, (16, 16/1, Malitola Lane) North South Road, Dhaka- 1100	Ph: 880-2-9563768-9, 9567671 Fax: 880-2-9563223	BALBDDH017
<b>Uttara Branch</b>	House # 79A, Road #07, Uttara Model Town, Dhaka	Ph: 880-2-8957427 – 9 Fax: 880-2-8957431	BALBDDH015
<b>Ashulia Branch</b>	Chowdhury Plaza (1 <sup>st</sup> Floor), Zamgara Bazar, Ashulia, Savar, Dhaka	Ph: 880-2-7702447 Fax: 880-2-7790448	

## Branches at a Glance

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Mitford Branch</b>	Bismillah Tower (1st & 2nd floor), 147/148, Mitford Road, Dhaka	Ph: 880-2-7320620 - 1 Fax: 880-2-7314999	BALBBDDH014
<b>CDA Avenue Branch</b>	665, CDA Avenue, East Nasirabad, Panchlaish, Chittagong	Ph: 880-31-2850091-2, 2863640 Fax: 880-31-612933	BALBBDDH018
<b>Sylhet Uposhohor Branch</b>	Sylhet Tower, Subhani Ghat, Bishwa Road, Sylhet	Ph: 880-821-2833448-9 Fax: 880-821-2830791	
<b>Dhanmondi Branch</b>	Meher Plaza, House # 13/A (2 <sup>nd</sup> Floor), Road # 5, Dhaka-1205	Ph: 880-2-9668361, 8624872-5, 9675918 Fax: 880-2-9664640	
<b>Station Road Branch</b>	Mohiuddin Market ( 1 <sup>st</sup> floor), 170, Station Road, Chittagong	Ph: 88-031-2850934-5 Fax: 88-031-2850936	BALBBDDH022
<b>Bashundhara Branch</b>	Plot # 25, Block-A, Avenue Road, Bashundhara R/A, Dhaka.	Ph: 880-2-8402021, 8845182 Fax: 880-2-8401322, 8845181	
<b>Khulna Branch</b>	Al-Mashah Complex, 44, Mojid Sarani, KDA Avenue (Shib Bari Mor), Khulna-9100	Ph: 88-041-2830136-7, 2831451, 2831361 Fax: 041-2830135	
<b>Rajshahi Branch</b>	Ahmed Plaza, 182, Alu Patti Mor, Rajshahi-6100	Ph: 880-721-812503-4 Fax: 880-0721-812502	
<b>Chatkhil Branch</b>	Khilpara Road, 3147 Chatkhil Bazar, Chatkhil, Noakhali	Ph: 03222-75179 Fax: 03222-75179, 75224	
<b>EPZ Branch</b>	Zone Service Complex (Ground Floor), CEPZ, Chittagong	Ph: 880-31-800340, 800406 Fax: 880-31-801391	BALBBDDH027
<b>Mohakhali Branch</b>	82, Mohakhali C/A, Dhaka-1212	Ph: 02-9857236, 9857420, 9857429 Fax: 8855431	BALBBDDH028
<b>Mirpur Branch</b>	Nishi Plaza, Plot # 1, Avenue 4, Section 6, Block C, Pallabi, Mirpur, Dhaka-1216	Ph: 9013814, 9013841, 9013844 Fax: 880-2-9012122	
<b>Anderkilla Branch</b>	184, J.M Sen Avenue, Anderkilla, Chittagong	Ph: 880-31-2854882-3, 2854556 Fax: 880-31-2854881	BALBBDDH030
<b>Rohitpur Branch</b>	Rima Plaza, Rohitpur Boarding, Keranigonj, Dhaka	Ph: 880-2-7766677 Fax: 880-2-7766600, 7766444	
<b>Bogra Branch</b>	Jamil Shopping Centre, Baragola, Bogra	Ph: 880-51-51642-3 Fax: 880-5178641	
<b>Jessore Branch</b>	Jess Tower (1 <sup>st</sup> Floor), 39/M.K. Road, Jessore	Ph: 0421-67783-4, 67748 Fax: 0421-67738	
<b>Bahadderhat Branch</b>	Mamtaz Tower, 4540 Bahadderhat, Chittagong	Ph: 031-2553741-3 Fax: 88-031-2553745	BALBBDDH018

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Shantinagar Branch</b>	Treasure Island, 42/43, Siddeshwari Circular Road, Dhaka-1217	Ph: 8333979, 8332836, 8312729 Fax: 8333978	
<b>Tongi Branch</b>	Mariom Tower (1 <sup>st</sup> floor), 13 Anarkoli Road, Tongi Bazar, Tongi, Gazipur	Ph: 9816303-4 Fax: 880-9816306	
<b>Konabari Branch</b>	Rupjan Tower, Nilnagar ,Konabari, Gazipur	Ph: 02-9298882-3 Fax: 02-9298885	
<b>Bhatiary Branch</b>	Bhatiary Bazar, Sitakunda, Chittagong	Ph: 031-2781077-79 Fax: 031-2781080	
<b>Progoti Shoroni Branch</b>	Venus Complex, Pragati Shoroni ,Badda, Dhaka	Ph:8824653,8824467, 8824687 Fax: 8825368	
<b>Ishwardi Branch</b>	Central Jame Masjid Market (1 <sup>st</sup> floor), Station Road, Ishwardi, Pabna.	Ph: 0732664463-5 Fax: 0732664462	
<b>Savar Branch</b>	B-70/1 Bazar Road, Savar, Dhaka	Ph: 88-02-7744857, 7744889, 7744890 Fax: 7744891	
<b>Beani Bazar Branch</b>	Tajma shopping Center (1 <sup>st</sup> floor), Beani Bazar, Sylhet	Ph: 08223-56103-4 Fax: 08223-56105	
<b>Donia Branch</b>	Hossain tower (1 <sup>st</sup> & 2 <sup>nd</sup> Floor), 1050, Donia, Dhaka Ctg high way, Shampur, Dhaka	Ph: 880-2-7540055, 7540095 Fax: 880-2-7551188	
<b>Moghbar Branch</b>	Tropical M.L. Point (1 <sup>st</sup> Floor), 43, New Circular Road, Moghbar, Dhaka-1217	Ph: 8321578, 8321245 Fax: 8312056	
<b>Kamal Bazar Branch</b>	Kabir Tower, Kamal Bazar, Mohora Kalurghat, Chittagong	Ph: 031-2572872-3 Fax: 031-2572874	
<b>Cox's Bazar Branch</b>	J.N Plaza (1 <sup>st</sup> Floor), Plot # 226 (New), Tekpara Main Road, Cox's Bazar	Ph: 88-0341-52240-42 Fax: 88-0341-52244	
<b>Faridpur Branch</b>	Plot #2354, Goalchamot, Chak Bazar, Thana Road, Faridpur	Ph: 0631-67206-7 Fax: 0631-67204	
<b>Narayangonj Branch</b>	Jahan plaza (1 <sup>st</sup> Floor),20, Sirajuddoula Road, Falpatty, Narayangonj	Ph: 88-02-7648801-5 Fax: 88-02-7648805	
<b>Paltan Branch</b>	Rangs Tower (1 <sup>st</sup> Floor), 68, Purana Paltan, Dhaka-1000	Ph: 7113844, 7110488, 7115594, 7119664 Fax: 7111164	
<b>Jagannathpur Branch</b>	76, T&T Road, Ward-07, Haji Ashid Ullah Market, Jagannathpur Bazar, Sunamganj	Ph: 0872-756013 Fax: 0872-756014	
<b>Moulvibazar Branch</b>	Shah Mostafa Garden City, M. Saifur Rahman Road (Central Road), Moulavi Bazar	Ph: 0861-63601, 63602 Fax: 0861-636000	

## Branches at a Glance

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Bhairab Branch</b>	167 Kalibari Road, East Bhairab, Bhairab Bazar, Bhairab, Kishoregonj	Ph: 09424-72328-31 Fax: 09424-72332	
<b>Strand Road Branch</b>	S. A. Chamber (1 <sup>st</sup> Floor), Strand Road, Majhirghat, Chittagong	Ph: 031-2513611-2317 Fax: 031-2513906	
<b>Shyamoli Branch</b>	23/4 Khiljee Road, Block B, Shyamoli, Dhaka	Ph: 02-9103565-6 Fax: 02-9115239	
<b>Patherhat Branch</b>	Ibrahim Sobhar Tower (1 <sup>st</sup> Floor), Patherhat, Noapara, Raozan, Chittagong	Ph: 031-2573111-2 Fax: 031-2573113	
<b>Tejgaon Link Road Branch</b>	Shanta Western Tower, 186, Tejgaon I/A, Dhaka	Ph: 88-02-8870081-4 Fax: 88-02-8870086	
<b>Rupnagar Branch</b>	Plot #34 (1 <sup>st</sup> Floor), Road#16, Rupnagar, Mirpur, Dhaka	Ph: 9016692-3 Fax: 9008757	
<b>Laldighirpar Branch</b>	Laldighirpar Main Road, Laldighirpar, Sylhet	Ph: 0821-719901, 719904 Fax: 0821-719907	
<b>Madhabdi Branch</b>	Shitlabari Bazar Road, Narshigndi	Ph: 880-2-9446553-4 Fax: 880-2-9446555	
<b>Barisal Branch</b>	Fakir Complex, 112, Birsreshtho Captain Mohiuddin Jahangir Sarak, Barisal	Ph: 0431-2177510-1 Fax: 0431-62227	
<b>Oxygen Moor Branch</b>	422, Oxygen Moor, Kulgaon, Bayezid Bostami, Chittagong	Ph: 031-2583701-2 Fax: 031-2583704	
<b>Elephant Road Branch</b>	64, Elephant Road, Dhaka	Ph: 9669351, 9669331 Fax: 880-2-9669296	
<b>Lalmatia Branch</b>	Plot 4/3, Block-D, Lalmatia Housing Estate, Dhaka	Ph: 8100067, 8100071-2 Fax: 880-2-8100070	
<b>Dohazaria Branch</b>	Sadek Tower (1 <sup>st</sup> Floor), Dohajari, Chandanaish, Chittagong	Ph: 01755591572-74	
<b>Haziganj Branch</b>	Munshi Plaza (1 <sup>st</sup> Floor), Main Road, Haziganj, Chandpur	Ph: 88424-75142 Fax: 08424-75144	
<b>KEPZ Branch</b>	Zone Service Complex (Ground Floor), North Potenga, Chittagong	Ph: 031-2502391-3 Fax: 031-2502934	
<b>Aglabazar Branch</b>	Shophy Plaza, Aglabazar, Nawabgang, Dhaka	Mob: 01911403703, 01713920853	
<b>Hemayetpur Branch</b>	Molla Market (1 <sup>st</sup> Floor), Hemayetpur Bus stand, Tetuljhora Union, Savar, Dhaka	Mob: 01711072110	
<b>Dakkhinkhan Branch</b>	KC Plaza (1 <sup>st</sup> Floor), Noapara, Dakkhinkhan bazar, Uttara, Dhaka	Mob: 0119818707 Fax: 07426-75173	
<b>Mohadevpur Branch</b>	Saif Uddin Haider & Sons Complex, Mohadevpur, Naogaon	Ph: 01426-75194	
<b>Nimtala Branch</b>	Hemanta Shopping Complex (1 <sup>st</sup> Floor), Nimtala, Sirajdikhan, Munshiganj	Mob: 01712942590	
<b>Comilla Branch</b>	Chowdhury Plaza 2, House-465/401, Race Course, Comilla	Mob: 01717578720, 01771425266	
<b>Sonaimuri Branch</b>	United Plaza, Bank Road, Sonaimuri Bazar, Noakhali	Mob: 01711008820	

<b>Branch Name</b>	<b>Address</b>	<b>Phone/Fax Number</b>	<b>Swift Code</b>
<b>Feni Branch</b>	Holding No.- 34, Ward No.- 10, S.S.K. Road, Feni	Mob:01714112681	
<b>Satmasjid Road Branch</b>	Plot # 78, Bir Uttam M A Rob Sarak, Zigatola, Dhanmondi, Dhaka	Phone 9634926-7	
<b>Paragram Branch</b>	Mamtaj Plaza, Koilail Union Parishad, Nawabgonj, Dhaka	HOB-01713378991, 04470009132	
<b>Sonargaon Janapath Road Branch</b>	"Circle Windflower" Plot No.-30, Sonargaon Janapath Road, Section-11, Uttara, Dhaka	HOB-01670761210; 04470009678, MOB-01819185190	
<b>Dinajpur Branch</b>	"Torab Uddin Complex", Road No.-01, Butibabu Road, Ward No.-3, Kotwali, Dinajpur	HOB-01712 192519	
<b>Lichubagan Branch</b>	"Al-Emarat Shopping Complex", Chandragona Kadamtola Union Parishad, Rangunia, Chittagong	HOB-01818 127403	
<b>Gazipur Branch</b>	"Akbar Trade Centre", BIDC Road, Ward No. - 26, Gazipur City Corporation, Gazipur Sadar, Gazipur	HOB-01913 494546	
<b>Kalatiya Branch</b>	"Kalatiya Shopping Centre", Kalatiya Union Parishad, Keranigonj, Dhaka	769182,7769183,7769184 Mob:01777-792164	
<b>Chandragonj Branch</b>	"Sharif Plaza", Chandragonj, Lakshimpur	HOB-0172776063	
<b>Bank Asia Bhaban Branch</b>	"Bank Asia Bhaban", Agrabad C/A, Sabder Ali Road, Ward No.- 28, Chittagong City Corporation, Doublemuring, Chittagong	HOB-01713106206	
<b>Kushtia Branch</b>	"Hira Super Market", Siraj-ud-Dowla Road, Ward No- 03, Kushtia Sadar, Kushtia	HOB-01971 733140	
<b>Holy Family Red Crescent Medical College Hospital Branch</b>	"OPD Building" HFRCMCH, 1 Eskaton Garden, Moghbazar Road, Ward No.- 19, Dhaka South City Corporation, Ramna, Dhaka	Cell: 01715023337	
<b>Fatullah Branch</b>	"Swiss Point", (opposite of Fatullah Police Station), Fatullah, Narayanganj	Cell: 01711663609	
<b>BSMMU Branch</b>	"Nurses Hostel Building" 1170, Paribagh, Kazi Nazrul Islam Avenue, Shahbagh, Dhaka	Cell: 01819299518	



## Branches at a Glance

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Ring Road Branch</b>	Plot No- 842, North Adabar, Ring Road, Shyamoli, Adabar, Dhaka.	Cell-04470009363, 01711969794	
<b>Tangail Branch</b>	Al-hajj Super Market, 279, Masjid Road, Tangail Sadar, Tangail	HOB-01712965527 MOB-01714038273	
<b>Rangpur Branch</b>	"Rangpur Bhaban", Plot# 4737, Station Road, Kotwali, Rangpur	Cell: 01716438242	
<b>Muksudpur Branch</b>	Faridmia Complex, Muksudpur, Gopalganj	Cell: 01713462602 Ph: -7648801-4	
<b>Nangolkot Branch</b>	"Haji Nurul Amin Tower" Nangolkot, Comilla		
<b>Rupsha Branch</b>	"Ma Plaza" School Road, Rupsha, Faridgonj, Chandpur		
<b>Brahmanbaria Branch</b>	"Muktijoddha Complex Bhaban" (Ground & 1 <sup>st</sup> floor), Sadar Hospital Road, Brahmanbaria.	Cell: 01753711966	
<b>Mirpur-1 Branch</b>	"VTCB Tower Shopping Complex", Holding# 3 Main Road, Section-1, Mirpur, Dhaka-1216	Cell: 01715158993	
<b>Kazipara Branch</b>	"Kazipara Madrasha Complex" 559, Begum Rokeya Avenue, Kazipara, Mirpur, Dhaka	Cell- 01715912454	
<b>Mymensingh Branch</b>	"Shabit-Sharif Bhaban", 55 & 55/A, Boro Bazar, Mymensingh	HOB- 01713109434	
<b>Gopalganj Branch</b>	"Noor Hossain Complex", 70, DC Road, Gopalganj	MOB- 01715663251	
<b>Majidee Court Branch</b>	Noakhali Super Market, Ward: 03, Court Road, Majidee, Noakhali	MOB- 01727760638	
<b>Faridganj Branch</b>	Talukder Plaza, 640 (1 <sup>st</sup> floor), Faridgonj, Chandpur	Cell- 01712866834	
<b>Hatirdia Branch</b>	Hatirdia New Market, Hatirdia, Monohordi, Narshingdi	Cell- 01715627900	
<b>Companygonj Branch</b>	Hazi Shansul Hoque Market, Companygonj, Muradnagar, Comilla	MOB- 01724931400	
<b>Kashba Branch</b>	Shimanto Complex Bhaban-2, 462, Kuti-Kashba Road, Kashba, Brahmanbaria	HOB-01994437200 MOB-01749400026	
<b>Chandpur Branch</b>	Appollo Pal Bazar Shopping, 187-189, Mizanur Rahman Road, Chandpur	HOB-01718480639 MOB-01716928912	
<b>Bhola Branch</b>	Nabaroon Centre, 337-341, Sadar Road, Bhola Sadar, Bhola	HOB-01715087055	
<b>Boro Bazar Branch</b>	28, Sir Iqbal Road, Khulna Metropolitan City, Khulna	Ph: 041-731208-9 Fax: 041-723306	
<b>Chaktai Branch</b>	1676/G/1, River City Market (1 <sup>st</sup> floor), Shah Amanat Bridge Connecting Road, Chittagong	Ph: 031-2866395-6 Fax: 031-2866398	
<b>Gulshan-2 Branch</b>	"Gulshan Peledium", Holding No- 01, Road No. 95, Block- CEN(C), Ward No. 19, DNCC, Gulshan, Dhaka	Ph: 9617115100	

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Gouripur Branch</b>	Priyota Plaza, Nayagaon, Gouripur, Daudkandi, Comilla	HOB - 01713378987	
<b>Kaliakair Branch</b>	Ahmed Ali Plaza, College Road, Tengla Bari, Kaliakair, Gazipur	Cell: 01843036958 01626372729 HOB - 01715327113	
<b>Aganagar Branch</b>	Haji Anowar Hossain Complex, Shahid Delwar Hossain Road, Aganagar, Keranigonj, Dhaka	HOB - 01712205067	
<b>Pangsha Branch</b>	Mahmood Plaza, Pangsa Bazaar, Narayanpur, Pangsa, Rajbari	HOB - 01713462602	
<b>Banani-11 Branch</b>	Nur Empori, House#77, Road#11, Block-M, Banani, Gulshan, Dhaka-1223	Ph: 9885610,9889104, 9822326	
<b>Panchagar Branch</b>	Chowdhury Complex, 526, Tetulia highway, Panchagar		
<b>Chapai Nawabganj Branch</b>	"Taher Mansion" 26, Puratan Bazar, Chapai Nawabganj Sadar, Chapai Nawabganj	Cell: 01711076067	
<b>Jhenaidah Branch</b>	GM Tower, Plot# 818, Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	Cell: 01711279195	
<b>Bamundi Branch</b>	"Nazrul Tower-2", Plot#732 & 733, Bamundi, Gangni, Meherpur	Cell: 01725078196	
<b>Barura Branch</b>	"Manoda Mansion", College Road, Barura, Comilla	Cell: 01816586879	
<b>Matarbari Branch</b>	Coal Power Generation Co. Bd. Ltd., Matarbari, Moheskhal, Cox's Bazar	Cell: 01813727387, 01818571728	
<b>Bank Asia Tower Br.</b>	Bank Asia Tower, 32, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka	Cell: 01711053944	
<b>Payra Bandor Branch</b>	Multipurpose Bhaban (1st Floor), Payra Port, Kolapara, Patuakhali	Cell: 01730301122	
<b>Shukrabad Branch</b>	House # 02, Mirpur Road, Ward # 17, Dhaka South City Corporation, Sher-e-Bangla Nagar, Dhaka.	Cell: 8809617128100, 01755652398	
	<b>SME/Agri Branches</b>		
<b>Ashulia SME/Agri Branch</b>	Tanvir Super Market (1 <sup>st</sup> Floor), Ashulia Bazar Bus Stand, Ashulia, Savar, Dhaka	Ph: 88-02-7744975-6 Fax: 88-02-7744978	
<b>Baligaon SME/Agri Branch</b>	Dewan Super Market, Baligaon Bazar, Tongibari, Munshigonj	Ph: 0693251004-5 Fax: 0693251004	
<b>Shirajdikhan SME/Agri Branch</b>	Shirajdikhan Bazar, Sikder Market, Shirajdikhan, Munshigonj	Ph: 06924-63364 Fax: 06924-63225	
<b>Ramgonj SME/Agri Branch</b>	Anupom Super Market (1 <sup>st</sup> Floor), Bypass Road, Ramgonj, Laxmipur	Ph: 03824-75080,75171 Fax: 03824-75124	
	<b>Sub-Branches</b>		
<b>Echotex Sub-Branch</b>	Holding# A-30, Joydebpur-Tangail Highway, Ward# 7, Kaliakair Pawrashova, P.S.- Kaliakair, Dist.- Gazipur		
<b>Shomahar Sub-Branch</b>	Shomahar Sweaters Ltd. at A-99/1, Bokterpur, Kaliakair, Gazipur-1750		
<b>Sreenagar Sub-Branch</b>	Makka Complex, Bhagyakool Road, Sreenagar, Munshigonj		
<b>Louhajang Sub-Branch</b>	Hossen Market, College Road, Bornowpara, Louhajang, Munshigonj		
<b>Ashuganj Sub-Branch</b>	HaziZahirulHaqueMunshi Shopping Complex, Ashuganj Bazar, Ashuganj, Brahmanbaria		

## Branches at a Glance

Branch Name	Address	Phone/Fax Number	Swift Code
<b>Big Boss Sub-branch</b>	Aptech Industrial Park, 30, Sukorno Road, Kashimpur, Gazipur		
<b>Bancharampur Sub-branch</b>	Razzak Super Market, Holding#174, Bancharampur, Brahmanbaria		
	<b>SME CENTRES</b>		
<b>Jatrabari SME Service Center</b>	Noor Tower, 76/Ga, BibirBagicha, North Jatrabari, Dhaka	Ph: 7554863 Fax: 7554861-2	
<b>Rekabi Bazar SME Service Center</b>	Rekabi Bazar, Sylhet	Ph: 0821-710419, 710409 Fax: 0821-710406	
<b>Jurain SME Service Center</b>	Anaz Tower, 495 East Jurain, Kadamtali, Dhaka	Ph: 88-02-7453414-5 Fax: 88-02-7453416	
<b>Bashabo SME Service Center</b>	87, East Bashabo, Dhaka	Ph: 88-02-7218462-3 Fax: 88-02-7218460	
	<b>ISLAMIC WINDOWS</b>		
<b>Principal Office Branch</b>	Tea Board Building 111-113, Motijheel C/A. Dhaka - 1000.	Ph: 880-2-9571450, 9571451 Fax: 880-2-9566223	BALBDDH003
<b>Uttara Branch</b>	House # 79A, Road #07, Sector # 4, Uttara Model Town, Dhaka - 1230	Ph: 880-2-8957427 – 9 Fax: 880-2-8957431	BALBDDH015
<b>Shantinagar Branch</b>	Treasure Island 42-43, Siddeshwari Circular Road, Shantinagar, Dhaka-1217	Ph: 8333979, 8312729 Fax: 880-8333978	
<b>Bank Asia Bhaban Branch</b>	“Bank Asia Bhaban”, Agrabad C/A, Sabder Ali Road, Chittagong City Corporation, Doublemuring, Chittagong	Mobile: 88-01755650731	
<b>Sylhet Uposhohor Branch</b>	Sylhet Tower Subhanighat Bishwa Road, Sylhet	Ph: 880-821-2833448-9 Fax: 880-821- 2830791	
<b>Islamic Banking Division, Corporate Office</b>	Rangs Tower ,Corporate Office, 68 Purana Paltan, Dhaka-1000	Ph: 880-2- 7110062, bankasia@bankasia-bd.com	BALBDDH
Branch Name	Address	Phone/Fax Number	Swift Code
	<b>OFF SHORE BANKING UNIT</b>		
<b>EPZ Branch</b>	Zone Service Complex (Ground floor), CEPZ, Chittagong	Ph: 031-800320 Fax: 031-801391	
	<b>Collection Booth</b>		
<b>BGB Booth</b>	Border Guard Bangladesh (BGB) Head Quarter, Peelkhana, Dhaka		
<b>Motijheel Model School Collection Booth</b>	Motijheel Model School, Motijheel C/A, Dhaka		
<b>East West University Collection Booth</b>	EWU Campus, Plot# A/2,Aftabnagar, Dhaka		
<b>Begum Badrunnessa Govt. Girls College Booth</b>	Begum Badrunnessa Govt. Girls College, Bakshi Bazar Road, Dhaka		
<b>BSMMU Collection Booth</b>	OPD-1 Building at BSMMU, Paribagh, PS. Shabagh, Dhaka		

Branch Name	Address	Phone/Fax Number	Swift Code
<b>EPZ Road Collection Booth, Comilla</b>	Holding No. 0432-14, South Chartha, Comilla EPZ, Comilla		
<b>DESCO Bill Collection Booth</b>	Badda Sales & Distribution Division, Plot#16, Road#04, Block#D, Aftabnagar, Badda, Dhaka		
<b>Unique Height Collection Booth</b>	"Unique Heights" 117, Kazi Nazrul Islam Avenue, Dhaka		
<b>Govt. Bangabandhu College Collection Booth, Gopalganj</b>	Govt. Bangabandhu College, Gopalganj		
<b>BUBT Collection Booth</b>	BUBT Campus, Rupnagar, Mirpur-2, Dhaka-1216		
<b>BPBS Zonal Office Bill Collection Booth, Kashba</b>	Brahmanbaria Palli Bidyut Samity (BPBS) Zonal Office Kasba, Kharerha, Kasba, Brahmanbaria		
<b>BPBS Bill Collection Booth, Kashba</b>	Brahmanbaria Palli Bidyut Samity (BPBS), Sahilpur, Brahmanbaria		
<b>Subsidiary-1: Bank Asia Securities Limited</b>			
<b>Dilkusha (Head Office)</b>	Hadi Mansion (7 <sup>th</sup> Floor), 2 Dilkusha C/A, Dhaka-1000	Phone: 7124743, 7170896 Fax: 88-02-9567884 Email: cmd.bankasia@gmail.com	
<b>Dhanmondi Branch</b>	Meher Plaza, House # 13/A, R # 05 Dhanmondi, Dhaka	Phone: 8624874-5	
<b>Mirpur Branch</b>	Nishi Plaza, Plot # 01, Avenue-04 Section-06, Block-C, Mirpur, Dhaka	Phone: 9013814, 9013841	
<b>Khulna Branch</b>	28, Sir Iqbal Road (1 <sup>st</sup> Floor), Khulna	Phone: 041-2830136-7	
<b>Jurain Branch</b>	Anaz Plaza (2 <sup>nd</sup> Floor) 495, East Jurain Kadamtali, Dhaka	Phone: 7453414	
<b>Uttara Branch</b>	H # 79/A, (4 <sup>th</sup> Floor), R# 07, Sector # 04 Uttara Model Town, Dhaka-1000	Phone: 8958371	
<b>Banani Branch</b>	"Nur Empori" (1 <sup>st</sup> floor), House # 77, Road# 11, Block-M, Banani, Dhaka-1213	Ph: 9885610, 9889104, 9822326 Fax: 9822376	
<b>Extension Office</b>	158-160, Ground Floor Motijheel C/A, Dhaka-1000	Phone: 7124805, 7124816	
<b>Subsidiary-2: BA Exchange Company (UK) Ltd.</b>			
<b>Office in UK</b>	125 Whitechapel Road, London E1 1DT	Tel: 0203 005 4845-6 Fax: 0207 426 0097 Mob: 0795 081 4675	
<b>Subsidiary-3: BA EXPRESS USA Inc.</b>			
<b>Corporate Office</b>	37-17 74th street Suite # 1F Jackson Heights, NY 11372		
<b>Office in Jamaica</b>	87-58 168th Street Jamaica, NY 11432	CEO: 0019173487207	
<b>Office in Brooklyn</b>	484, Mc Donald Avenue (1 <sup>st</sup> floor), Brooklyn, NY-11218, New York, USA	CEO: 0019173487207	

## NOTICE OF THE TWENTY THIRD ANNUAL GENERAL MEETING (VIRTUAL MEETING THROUGH DIGITAL PLATFORM)

Notice is hereby given to all members of Bank Asia Limited (“the Company”) that the 23<sup>rd</sup> Annual General Meeting (23<sup>rd</sup> AGM) of the members of the Company will be held virtually by using digital platform through the following web-link, <https://agmbd.live/bankasia2022> {in pursuant with Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 and Letter No. SEC/SRMIC/94-231/91 dated March 31, 2021, both issued by Bangladesh Securities & Exchange Commission (BSEC)}, on April 28, 2022 at 11:00 a.m. to transact the following business and to adopt necessary resolutions:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended on December 31, 2021, and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend out of the profits for the year ended on December 31, 2021.
3. To elect/reelect Directors in accordance with the provisions of law and the Articles of Association of the Company.
4. To confirm the appointment of independent director(s).
5. To appoint Statutory Auditor of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To appoint Compliance Auditor as per Corporate Governance Code for the year 2022 and to fix their remuneration.
7. To transact any other business with the permission of the Chair.

Dated: April 04, 2022  
Dhaka

By order of the Board



S. M. Anisuzzaman  
Company Secretary

### Notes:

- a) The Record Date of the Company will be on **April 06, 2022**. Trading of the Company's shares in the Stock Exchanges will be suspended on the Record Date.
- b) The shareholders whose names appeared in the Register of Members of the Company as at the close of business on the Record Date, i.e., April 06, 2022, will be entitled to attend and vote at the AGM and to the dividend declared in the AGM, if any.
- c) In view of the Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 and Letter No. SEC/SRMIC/94-231/91 dated March 31, 2021 of BSEC, the ensuing 23<sup>rd</sup> AGM of the Company would be conducted virtually through digital platform or online platform. Therefore, the shareholders are requested to attend the 23<sup>rd</sup> AGM through online live portal to avoid serious health risk due to the Coronavirus pandemic. The detailed procedures to attend the meeting will be communicated to the shareholders' email ID in due course and it will also be available on Bank's website at 'www.bankasia-bd.com'.
- d) Shareholders may login to the system 48 (forty-eight) hours before and during the meeting. For any guidance and help during the meeting, the members may contact the cell no. +8801711198680.
- e) Any member of the Company entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the Company.
- f) The instrument appointing a proxy duly stamped and signed by the member must be submitted at the Registered Office of the Company or through email to 'ba.share@bankasia-bd.com' at least 48 (forty eight) hours before the AGM. The Proxy Form is enclosed.
- g) Election of Directors will be held in the vacant offices of Directors. Election schedule will be displayed in the notice board at the Registered Office in due course. Election rules will be available at the Registered Office of the Company and also on the Bank's website at 'www.bankasia-bd.com'.
- h) The concerned Brokerage Houses are requested to provide us with a statement having details of margin loan holders (i.e., Shareholders' name, BOID numbers, client-wise shareholding position, gross dividend receivable, applicable tax rate and net dividend receivable) as on the Record Date along with the name of the contact person of Brokerage House to the Company's Share Department or through email to 'ba.share@bankasia-bd.com' at Registered Office on or before April 17, 2022. The Brokerage Houses are also requested to provide us with their bank name, account number and routing number etc.
- i) As per BSEC Notification dated June 20, 2018, Annual Report 2021 will be duly sent in soft form to the members' email addresses available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of the Annual Report 2021 will also be available on the Bank's website at 'www.bankasia-bd.com'. The members may also collect the Annual Report 2021 from the Company's Share Department at Registered Office in person.





**Corporate Office** (Registered Office)  
 Bank Asia Tower  
 32 & 34, Kazi Nazrul Islam Avenue  
 Kawran Bazar, Dhaka-1215

### PROXY FORM

I/we, ..... of  
 .....  
 a Member of BANK ASIA LIMITED do hereby appoint Mr./Ms. .... of  
 ....., or failing him/her Mr./Ms. .... of  
 ..... as my/our proxy to vote for me/us and on my/our behalf at the Twenty-third Annual General Meeting of the Members of the Company to be held on the 28<sup>th</sup> April, 2022 (Thursday) and at any adjournment thereof.

In witness my hand this ..... day of ..... 2022.

		Signature of the Member :
Witnesses:	Revenue Stamp	Name :
1.		Folio No.
2.		BO ID : <input type="text"/>
		Signature of the Proxy :
		Folio No :
		BO ID : <input type="text"/>

### Shareholder's Attendance Slip



**Corporate Office** (Registered Office)  
 Bank Asia Tower  
 32 & 34, Kazi Nazrul Islam Avenue  
 Kawran Bazar, Dhaka-1215

I hereby record my presence at the Twenty-third Annual General Meeting of Bank Asia Limited held today the 28<sup>th</sup> April, 2022 (Thursday) at 11:00 a.m. virtually by using digital platform through the following web- link: <https://agmbd.live/bankasia2022>  
 I give my particulars and put my signature below.

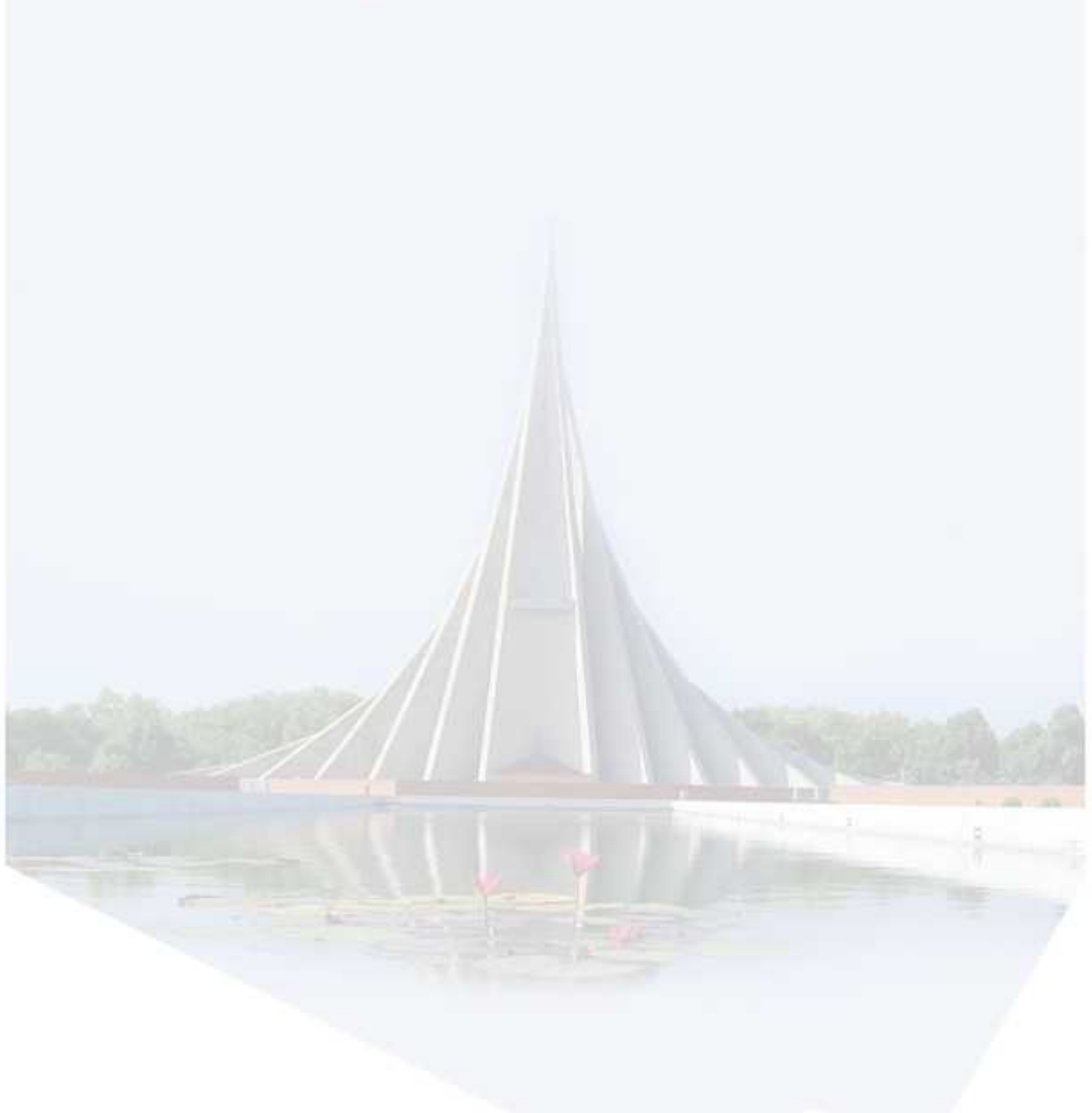
Name : \_\_\_\_\_

Folio No. \_\_\_\_\_

BO ID :

Signature \_\_\_\_\_

(Please complete this slip and deposit at the registration counter on the day of the meeting)



**Corporate Office**  
**Bank Asia Tower**  
32 & 34, Kazi Nazrul Islam Avenue  
Karwan Bazar, Dhaka-1215  
Tel +8809617001100 (IP)  
[www.bankasia-bd.com](http://www.bankasia-bd.com)

 **Bank Asia**