Bank Asia

Sustainable SUBORDINATED BOND Framework

October, 2026



01 INTRODUCTION



1.1 About Bank Asia PLC

Bank Asia PLC ("Bank Asia" or the "Issuer") is a leading scheduled commercial bank incorporated under the Companies Act 1994 of Bangladesh and licensed by Bangladesh Bank under the Bank Companies Act 1991. The Bank's registered Head Office is situated at Bank Asia Tower, 32 and 34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215, Bangladesh.

Since its founding on 27 November 1999, Bank Asia has evolved from a predominantly corporate banking institution into one of Bangladesh's most diversified, technology-driven and sustainability-focused private commercial banks. The Bank pioneered agent banking in Bangladesh in 2014, launching what has now grown into a network of 5,057 agent banking outlets across all 64 districts of the country, a network that has become a cornerstone of national financial inclusion efforts. At the close of 2025, Bank Asia operated 131 branches (including 4 SME/Agri branches), 14 sub-branches, 15 Islamic windows, 4 SME Service Centers, 1 Offshore Banking Unit and 210 ATMs, and had three subsidiaries: BA Exchange Company (UK) Limited in London, BA Express USA Inc. in New York, and Bank Asia Securities Limited.

The Bank is led by Mr. Sohail R K Hussain, Managing Director, who brings a wealth of multifaceted experience in the banking profession. Bank Asia employs a workforce of 2,906 employees as at 31 December 2025, comprising 512 executives, 2,373 officers and 21 support staff.

Bank Asia has received sustained recognition for governance excellence. The Institute of Chartered Accountants of Bangladesh (ICAB) named the Bank Overall Winner, ranking it first among private sector banks for Corporate Governance Disclosures, the Best Presented Annual Report and Integrated Reporting, and the South Asian Federation of Accountants (SAFA) named it Overall Winner among the SAARC countries. In 2025 the Bank also received the WSBI SDG Award 2025 for its contribution to the UN Sustainable Development Goals. The Bank holds a long-term rating of 'AA+' and a short-term rating of 'ST-1', with a Stable outlook, from Credit Rating Information and Services PLC (CRISL), dated 30 June 2026 and valid until 29 June 2027.

Bank Asia's strategic identity is underpinned by a vision to build a poverty-free Bangladesh with equitable opportunities, and a mission to render high-quality, technology-driven services that support national economic growth. Its 'Going Green' goal - which commits the Bank to quantifying in-house energy consumption, promoting paperless operations and expanding its green banking and financing portfolio - represents a foundational pillar of this identity. The Bank has been a GRI-certified reporter since being awarded as the first Bangladeshi bank to achieve GRI certification, and publishes an Annual Integrated Report aligned with international sustainability disclosure standards.

In 2025 the Bank disbursed BDT 109,364 million of sustainable finance, including BDT 4,132 million in green finance. As of 31 December 2025, Bank Asia reported total assets of BDT 589,487 million, deposits of BDT 456,483 million, loans and advances of BDT 294,682 million and a Capital to Risk-Weighted Asset Ratio (CRAR) of 15.32% on a solo basis.

1.2 Issue (Bond) Features

The key features of the proposed issuance are set out in the table below:

Bond Feature	Details
Instrument Type	Subordinated Bond (qualifying as Tier-II Regulatory Capital)
Issuer	Bank Asia PLC
Issue Size	BDT 8,000 Million
Tenor	7 years
Security	Unsecured
Convertibility	Non-convertible
Redemption	Redeemable at par in 5 equal annual instalments commencing from the end of the 3rd year from the Subscription Closing Date / Deemed Date of Allotment, and each 12 months thereafter
Coupon	Coupon-bearing at [Reference Rate + Coupon Margin] per annum, payable semi-annually. Reference Rate to be determined in accordance with Bangladesh Bank approval
Use of Proceeds	Financing and refinancing of Eligible Green Projects and Eligible Social Projects as defined in this Framework
Regulatory Treatment	Tier-II Capital as per Bangladesh Bank Risk-Based Capital Adequacy (RBCA) Guidelines
Listing	Main Board, Stock Exchange
External Review	Second Party Opinion by S&P Global Ratings; post-issuance independent verification annually until full allocation
Governing Law	Laws of Bangladesh

1.3 Regulatory and International Standards

This Framework has been prepared in accordance with the following regulatory and international standards:

- Bangladesh Bank Policy on Green Bond Financing for Banks and Financial Institutions (SFD Circular No. 05, September 2022) and its accompanying Green Bond Taxonomy (Annex-1)
- Bangladesh Bank Guidelines on Risk-Based Capital Adequacy (RBCA) - requirements for Tier-II capital instruments
- Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, as amended (including the amendments notified on 07 April 2026 covering sustainable bonds) (including Schedule E / Annexure-E, Part-01)
- ICMA Green Bond Principles (GBP) 2025 - Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting
- ICMA Social Bond Principles (SBP) 2025 - Applicable to the Eligible Social Projects financed under this Framework
- ICMA Sustainability Bond Guidelines (SBG) 2021 - Applicable to the Bond, as its proceeds finance a combination of Green and Social Projects
- ICMA Pre-Issuance Checklist for Green Bonds / Green Bond Programs (June 2023)

Bank has received external credit rating reports for the issues from ECRL (Emerging Credit Rating Ltd).

02
BANK ASIA'S SUSTAINABILITY STRATEGY



Bank Asia's sustainability strategy is integral to its corporate identity and operational model. The Bank views sustainable finance not as a peripheral activity but as a core driver of long-term value creation for shareholders, clients, communities and the broader Bangladeshi economy. This section summarizes the overarching sustainability framework within which the Sustainable Subordinated Bond is positioned, as recommended by the ICMA GBP and the ICMA Pre-Issuance Checklist for Green Bonds.

2.1 Environmental Sustainability Strategy

Bank Asia's environmental sustainability strategy is anchored in four principal objectives that align with both the ICMA Green Bond Principles' environmental objectives and Bangladesh Bank's Green Bond Taxonomy:

i. **Climate Change Mitigation:** The Bank actively finances renewable energy (primarily solar parks), energy efficiency improvements, and low-carbon alternatives. These investments are designed to reduce annual greenhouse gas (GHG) emissions across the Bank's lending portfolio, contributing directly to Bangladesh's NDC commitment to reduce GHG emissions by 5% by 2030 compared to a business-as-usual scenario (and up to 15% conditional on international support).

ii. **Climate Change Adaptation:** Through sustainable agriculture financing, resilient rural infrastructure support, and agent banking in climate-vulnerable geographies, Bank Asia facilitates the adaptive capacity of smallholder farmers and rural communities - populations disproportionately exposed to the consequences of climate change in Bangladesh.

iii. **Natural Resource Conservation:** The Bank's green lending portfolio includes wastewater treatment, water management systems, and sustainable agricultural practices that are designed to reduce water consumption, prevent soil degradation and conserve natural capital.

iv. **Pollution Prevention and Control:** Financing for biological and chemical effluent treatment plants (ETPs), wastewater treatment plants and recycling facilities (plastic, paper, battery) directly addresses industrial and municipal pollution, a significant environmental challenge in Bangladesh's rapidly industrializing economy.

The Bank has committed to expanding its green lending portfolio in alignment with Bangladesh's Perspective Plan 2041, Delta Plan 2100, and the UN Sustainable Development Goals. Not every activity described in this section is eligible for Bond proceeds; eligibility is limited to the categories and criteria in Section 3.3.

Bank Asia's Annual Integrated Report 2025, themed 'Stability in Motion', details the Bank's quantitative environmental performance metrics including carbon emission reductions achieved through paperless banking, energy-efficient branch design and renewable energy project financing. The Bank intends to develop a forward-looking, quantified de-carbonization trajectory consistent with Bangladesh's NDC commitments and, over time, aligned with the goals of the Paris Agreement.

The Bank has set a target to reduce its GHG emissions by 5% by 2030 against a 2026 baseline. Bank Asia has not yet made a net-zero commitment. Its de-carbonization plan, with sector targets and timelines, is under development and will be disclosed once approved by the Board. The Bank conducts environmental and social risk assessments of its financing, and climate stress testing of its performing (STD and SMA) loan portfolio in the climate-vulnerable districts identified in the Disaster-Prone Area Atlas published by the Bangladesh Bureau of Statistics.

2.2 Social Sustainability Strategy

Bank Asia's social sustainability strategy is premised on the conviction that responsible banking must create measurable social value alongside financial returns. The Bank's principal social objectives are:

i. **Financial Inclusion:** Bank Asia's agent banking network - comprising 5,057 outlets across all 64 districts - has created over 20,000 jobs and delivered banking services to geographically dispersed, rural and underserved populations. Complementing this, the Bank provides digital banking access through 1,123 digital post offices under the national Post Office network, and has partnered with a2i, USAID, BRAC, the World Food Program, UNDP, IFC, ADB and the Bill and Melinda Gates Foundation to deepen financial inclusion across multiple dimensions.

ii. **Support for Women Entrepreneurs and Marginalized Communities:** The Bank has designed specific product programs for women entrepreneurs and smallholder farmers. In 2025, financial literacy programs targeting women, school banking via agent banking outlets, and RMG digital banking booths for garment workers were among the key social initiatives.

iii. **SME and Agricultural Financing:** The Bank maintains a well-diversified portfolio with deliberate lending towards low-risk, high-impact sectors including agriculture and SMEs. The Bank's 2025 Annual Integrated Report highlights that progress remains responsible, resilient & future-oriented.

iv. **Corporate Social Responsibility (CSR):** In 2025 the Bank spent BDT 42.49 million on CSR, of which BDT 34.18 million went to health, BDT 5.00 million to disaster management, including blankets and emergency relief for flood-affected people, BDT 0.43 million to education and BDT 2.88 million to other causes.

v. **Human Capital Development:** The Bank operates its own dedicated Training Institute, supports continuous professional development and maintains a performance appraisal system designed to retain and reward talent while ensuring a dignified and safe working environment for its 2,906 employees.

The Bank's social strategy is closely integrated with its green and sustainable finance activities - recognizing that climate transition in Bangladesh must be 'just', preserving livelihoods and creating new economic opportunities in affected communities and sectors. This aligns with the ICMA's encouragement for issuers to consider 'just transition' principles within their sustainability strategies.

2.3 Sustainability Governance

Bank Asia's sustainability governance framework operates across three tiers:

i. **Board of Directors:** The Board bears ultimate oversight responsibility for the Bank's sustainability strategy, risk management and capital allocation. The Board reviews and approves the Bank's Sustainable Finance Policy, sustainable bond framework and related ESG commitments. Board-level oversight of sustainability is conducted through the Board Risk Management Committee (BRMC), which reviews the Bank's Environmental and Social Management System (ESMS) and Climate Risk Policy. The Board composition reflects a combination of independent and non-executive directors with diverse professional and sector expertise.

ii. **Sustainable Finance Committee (SFC):** Bank Asia has established a Sustainable Finance Committee comprising senior management representatives from sustainability, credit risk management, and finance and treasury functions. The SFC is responsible for: (i) reviewing and approving the Bank's Sustainable Finance Policy and Sustainable Bond Framework; (ii) overseeing the evaluation and selection of Eligible Sustainable Projects; (iii) monitoring proceeds allocation and ensuring compliance with this Framework; (iv) overseeing impact reporting; and (v) engaging with external reviewers and regulatory authorities on sustainability matters. Final approval authority for the Sustainable Portfolio rests with the Board of Directors, on recommendation from the SFC.

iii. **Operational Level:** Sustainable Finance Unit (SFU), a unit under the Credit Risk Management (CRM) Division, is responsible for initial screening of loans and projects against Bangladesh Bank and BSEC green and sustainable taxonomies, conducting Environmental and Social Due Diligence (ESDD), and maintaining the sustainable bond portfolio register.

2.4 Alignment with International Standards, Frameworks and Reporting

Bank Asia's sustainability strategy and reporting are informed by, and aspire to align with, the following international standards and frameworks:

i. **Global Reporting Initiative (GRI):** Bank Asia has been a GRI-certified reporter since becoming the first Bangladeshi bank to obtain GRI certification. The Bank's Summary Sustainability Report within its Annual Integrated Report is structured in accordance with GRI Standards.

ii. **Integrated Reporting (<IR> Framework):** The Bank's Annual Integrated Report follows the International Integrated Reporting Framework, as recognized by its ICAB and SAFA awards for integrated reporting best practice.

iii. **UN Sustainable Development Goals (SDGs):** Bank Asia explicitly maps its activities and investments to the SDGs, with material alignment across SDGs 1, 2, 5, 6, 7, 8, 9, 11, 12 and 13 as detailed in Section 3.3.8 of this Framework.

iv. **IFC Performance Standards:** The Bank references IFC Performance Standards in its ESDD processes for higher-risk project categories, applying internationally recognized social and environmental safeguards.

v. **ICMA Green Bond Principles (GBP) 2025:** This Framework is explicitly structured to align with the four core components of the GBP 2025, as detailed in Sections 3.2 to 3.6.

vi. **ICMA Social Bond Principles 2025:** The Eligible Social Projects are aligned with the ICMA Social Bond Principles 2025.

vii. **ICMA Sustainability Bond Guidelines 2021:** The Bond as a whole aligns with the ICMA Sustainability Bond Guidelines 2021.

2.5 Bank Asia's Strengths in Deploying the Bond Proceeds

The capabilities below, each described in more detail elsewhere in this Framework, support Bank Asia's ability to allocate the net proceeds to Eligible Sustainable Projects within the committed period and to report on their use:

i. **Eligible portfolio ready for allocation:** Bank Asia's existing eligible green and socially responsible lending already exceeds the BDT 8,000 million issue size, so proceeds can be allocated within the 24-month period set in Section 3.5.1 and the unallocated balance kept small.

ii. **Sustainable finance origination:** In 2025 the Bank disbursed BDT 109,364 million of sustainable finance, of which BDT 4,132 million was green finance. Annual sustainable finance targets are set by SFU for the business segments and form part of individual employee KPIs.

iii. **Reach to the social target population:** 5,057 agent banking outlets across all 64 districts and an existing NGO/MFI linkage portfolio give the Bank established channels to the rural, peri-urban and women borrowers defined in Section 3.3.5.

iv. **Screening and governance in operation:** ESRM Guidelines and a Sustainable Finance Policy approved by the Board, a 17-member Sustainable Finance Committee chaired by the Chief Credit Officer, and a Sustainable Finance Unit that screens projects and maintains the Sustainable Bond Portfolio Register.

v. **Climate risk and emissions measurement:** The Bank measures its financed emissions with the Joint Impact Model toolkit and conducts climate stress testing of its performing loan portfolio in climate-vulnerable districts.

vi. **Disclosure record:** Bank Asia was the first Bangladeshi bank to obtain GRI certification, and its integrated reporting was recognized by ICAB (Overall Winner) and SAFA (Overall Winner among the SAARC countries). Under this Framework it will publish quarterly allocation reports until full allocation, annual impact reports and annual external verification.

vii. **Capital market record:** The Bank has issued four subordinated bonds and one perpetual bond since 2015 and holds a long-term rating of AA+ (Stable) from CRISL.

03
THE SUSTAINABLE BOND FRAMEWORK



3.1 Rationale of the Sustainable Subordinated Bond

Bangladesh is among the countries most exposed to climate change. Its updated Nationally Determined Contribution (2021) commits to reducing GHG emissions by 5% unconditionally, and by up to 15% with international support, by 2030 against a business-as-usual baseline. The Perspective Plan 2041 and the Bangladesh Delta Plan 2100 rely on sustained investment in mitigation and adaptation, while access to formal credit remains limited for low-income rural households and micro-entrepreneurs.

Bank Asia is issuing the Bond for three reasons:

i. **To finance eligible green and social lending:** The net proceeds will be allocated to the Eligible Sustainable Projects defined in Section 3.3. This allocation applies irrespective of the Bond's Tier-II capital treatment.

ii. **To strengthen Tier-II capital:** The Bond qualifies as Tier-II regulatory capital under Bangladesh Bank's RBCA Guidelines and supports the Bank's Capital to Risk-Weighted Asset Ratio (CRAR) as its sustainable lending grows.

iii. **To give investors a labelled instrument:** The Bond offers investors a transparent way to fund green and social lending in Bangladesh, with allocation and impact reported against the commitments in this Framework.

The Framework is designed to align with the ICMA Green Bond Principles 2025, Social Bond Principles 2025 and Sustainability Bond Guidelines 2021, and with the requirements of the Bangladesh Bank Policy on Green Bond Financing for Banks and FIs and the BSEC (Debt Securities) Rules, 2021 (as amended). S&P Global Ratings has been appointed to provide a pre-issuance Second Party Opinion on its alignment with the ICMA Principles.

3.2 Alignment with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines

The four core components (use of proceeds, process for project evaluation and selection, management of proceeds and reporting) are common to the ICMA Green Bond Principles 2025 and Social Bond Principles 2025. The Sustainability Bond Guidelines 2021 apply both sets of principles to bonds that finance Green and Social Projects together, with the GBP governing the Green Projects and the SBP the Social Projects. The table below summarizes how Bank Asia meets each component for the Bond as a whole:

ICMA Core Component (GBP/SBP/SBG)	ICMA Requirement	Bank Asia's Approach
1. Use of Proceeds	All proceeds exclusively applied to eligible Green Projects (GBP) and Social Projects (SBP) with clear environmental or social benefits	Net proceeds allocated exclusively to Eligible Green Projects for environmental benefit and Eligible Social Projects for social benefit as defined in this Framework, aligned with BB Green Taxonomy (Annex-1), BSEC Schedule-E Part-01(A) and (B) and BSEC Debt Securities Rules, 2021.
2. Process for Project Evaluation and Selection	Clear governance process; defined inclusion/ exclusion criteria; social and environmental risk management	Sustainable Finance Committee-led evaluation; mandatory ESDD; BB and BSEC taxonomy alignment; exclusion list enforced; IFC Performance Standards applied where relevant
3. Management of Proceeds	Proceeds tracked through a sub-account or internal sub-ledger; temporary placement disclosed	Dedicated Sustainable Bond Proceeds Account maintained; internal sub-ledger tracking with audit oversight; unallocated proceeds held in cash, liquid instruments or government securities
4. Reporting	Allocation reporting at least annually until full allocation and on a timely basis for material developments; impact reporting with qualitative and quantitative indicators	Quarterly allocation reports to the Trustee and on www.bankasia-bd.com until full allocation and annually thereafter (BSEC Rule 4(3)(D)); quarterly reports to Bangladesh Bank; half-yearly utilization reports under BSEC Rule 12(6); annual impact report; annual external verification until full allocation (Section 3.6)

3.3 Use of Proceeds

The net proceeds of the Sustainable Subordinated Bond will be applied exclusively to finance or refinance a portfolio of Eligible Green Projects (the "Green Portfolio") and Eligible Social Projects (the "Social Portfolio"; together, the "Sustainable Portfolio"). Eligible Green Projects are defined as loans, investments or project financing extended to activities that fall within the Green Bond Taxonomy established under Bangladesh Bank's Policy on Green Bond Financing for Banks and FIs (Annex-1) and the eligible categories specified in BSEC Debt Securities Rules, 2021 (Schedule E / Annexure-E, Part-01), and which are consistent with the project categories recognized by the ICMA Green Bond Principles 2025. Eligible Social Projects are defined in the social eligibility criteria below, with reference to BSEC Schedule-E Part-01(B) and the ICMA Social Bond Principles 2025.

3.3.1 Eligible Green Projects

The table below sets out the Eligible Green Project Categories and their alignment with the ICMA GBP project categories, Bangladesh Bank Green Taxonomy, BSEC Debt Securities Rules, 2021, relevant SDGs and anticipated environmental impact:

ICMA GBP Project Category	BB Green Category	BSEC Green Category	Description of Eligible Projects	SDG Alignment	Expected Environmental Impact
Renewable energy	Renewable Energy	Renewable Energy (Green)	Solar Parks	SDG 7 SDG 13	Installed capacity (MW); GHG emissions avoided (tCO_2e/yr)
Energy efficiency	Energy and Resource Efficiency	Energy Efficiency (Green)	Energy efficient Machinery, Improved Rice Parboiling System	SDG 7, SDG 13	GHG emission reductions; lowered energy intensity
Sustainable water and wastewater management	Liquid Waste Management	Sustainable Water and Wastewater Management (Green)	Combination of Biological and Chemical ETP, wastewater treatment plant,	SDG 6	Reduced wastewater pollution; improved water quality
Pollution prevention and control; Circular economy adapted products, production technologies and processes	Circular Economy and Eco-Projects	Pollution Prevention and Control; Solid and Liquid Waste Management; Eco-efficient / Circular-economy Products (Green)	Recycling & recyclable goods manufacturing plants	SDG 6 SDG 12	Reduced landfill waste; prevented soil and water contamination
Green buildings that meet regional, national or internationally recognized standards or certifications	Green/Env. Friendly Establishment	Green Buildings; Services to Support Low-Carbon Green Economy (Green)	Establishment of Certified green industry and certified green buildings	SDG 6, SDG 11 SDG 12	Resource-efficient low-carbon operations; reduced emissions





3.3.2 Eligible Social Projects

The table below sets out the Eligible Social Project category and its alignment with the ICMA Social Bond Principles 2025, BSEC (Debt Securities) Rules, 2021 (Schedule-E Part-01(B)), relevant SDGs and the expected social outcome. Bangladesh Bank has not issued a social or sustainable bond taxonomy; the category is classified as Socially Responsible Financing under the Bangladesh Bank Sustainable Finance Policy for Banks and FIs (2020), and BSEC Schedule-E Part-01(B) is the applicable regulatory reference. The eligibility criteria for Social Projects are set out below.

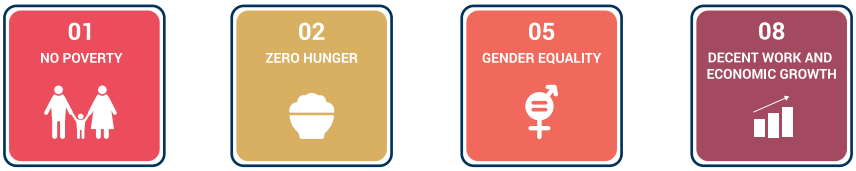
ICMA SBP Project Category	BB Reference	BSEC Social Category	Description of Eligible Projects and Target Population	SDG Alignment	Expected Social Outcome
Access to essential services (financing and financial services); Employment generation, including through the potential effect of SME financing and microfinance	Socially Responsible Financing under the Bangladesh Bank Sustainable Finance Policy for Banks and FIs (2020); Bangladesh Bank has no social or sustainable bond taxonomy	Social Projects – BSEC Schedule-E Part-01(B)(b) (ii) access to essential services (financing and financial services) and (iv) employment generation (microfinance)	Financing through NGO/MFI linkage mode to MRA-licensed NGO-MFIs for on-lending to income-generating activities. Target population (Schedule-E Part-01(B)(d)): people living below the poverty line, women, and underserved rural and peri-urban households and micro-entrepreneurs	SDG 1, SDG 2, SDG 5, SDG 8	Access to affordable formal credit; micro-enterprises supported and jobs created; greater economic participation of women

3.3.3 Baseline Eligibility Criteria for Green Projects

All Eligible Green Projects are required to meet the following baseline criteria prior to inclusion in the Green Portfolio:

i. **Technical Screening:** The project must satisfy the technical screening thresholds and performance criteria stipulated in Bangladesh Bank Annex-1 for the relevant sector activity, including any minimum GHG emission reduction thresholds, energy efficiency standards, or certification requirements. In addition, each project must meet the category-specific criteria set out below.

ii. **Do No Significant Harm (DNSH):** The project must comply with the DNSH requirements stipulated in the Bangladesh Bank Green Bond Taxonomy, ensuring that any activity for one of the six environmental objectives does not cause significant harm to any other of the remaining five. The six environmental objectives are: climate change mitigation, climate change adaptation, sustainable water use, circular economy, pollution prevention, and biodiversity protection. The DNSH screening applied to each eligible category is summarized in Annex B.



iii. **Environmental and Social Due Diligence (ESDD):** Each project must undergo a comprehensive ESDD review in accordance with Bank Asia's Environmental and Social Management System (ESMS), Bangladesh Bank prescribed ESDD checklists, BSEC prescribed checklists, and IFC Performance Standards where applicable.

iv. **Regulatory Compliance:** All projects must have applicable environmental clearances, licenses and permits as required under the Bangladesh Environment Conservation Rules 2023 (ECR-2023).

3.3.4 Category-Specific Eligibility Criteria for Green Projects

In addition to the baseline criteria, Eligible Green Projects must meet the following category-specific criteria, assessed by the SFU and confirmed by the SFC before allocation:

i. **Renewable Energy – Solar Parks:** Grid-connected or captive solar PV generation where no more than 15% of electricity is generated from non-renewable back-up sources. Equipment must meet applicable national standards like Sustainable and Renewable Energy Development Authority (SREDA) or Bangladesh Standards and Testing Institution (BSTI) and borrowers must have a plan for the end-of-life handling of panels and batteries in line with DoE hazardous waste rules. Sites must not involve conversion of forest, wetland or other High Conservation Value land; project design must account for local flood and cyclone risk; and module and battery suppliers are subject to supply-chain due diligence, including screening for forced labour.

ii. **Energy Efficiency – Energy and Resource Efficiency:** Eligible projects must reduce lifecycle GHG emissions and/or energy use by at least 20% over the lifetime of the change against the replaced machinery/equipment, evidenced by an energy audit report, manufacturer specification or ISO 50001/SREDA-based assessment; where Bangladesh Bank sets a stricter threshold, the stricter threshold applies. Equipment powered by fossil fuels, or used in fossil fuel extraction, processing or transport, is ineligible, and improved rice parboiling systems must be fired by biomass (e.g. rice husk) or electricity, not coal. Eligible technologies include high-efficiency electric motors (IE3 or above) and variable-speed drives, waste-heat recovery systems, energy-efficient industrial machinery replacing older equipment, efficient (LED) lighting and energy management systems (ISO 50001). Efficiency upgrades to fossil-fuel boilers or generators are ineligible.

iii. **Sustainable Water and Wastewater Management – Liquid Waste Management:** The eligible liquid-waste projects include biological ETP, chemical ETP, and a combination of biological and chemical ETP, conversion of chemical ETP into biological ETP, wastewater treatment plant, and sewage water treatment plant. The technology must be appropriately designed for the effluent stream, meet at minimum the discharge standards of the Environment Conservation Rules, 2023 (with periodic monitoring records) and satisfy Bank Asia's ESDD/DNSH review. Each ETP/WTP shall deliver recycling or reuse of at least 80% of treated water with no untreated liquid discharge. ETPs serving facilities in excluded sectors are ineligible. Sludge must be managed and disposed of in accordance with DoE requirements; open burning or uncontrolled incineration of sludge is ineligible.

iv. **Pollution prevention, waste management and recycling – Circular Economy and Eco-Projects:** Eligible projects are limited to PET bottle recycling, plastic waste (PVC, PP, LDPE etc.) recycling, paper recycling, recyclable bag manufacturing, battery (solar, lead acid, lithium ion) recycling, and biodegradable items manufacturing projects. For recycling projects, the activity converts 50%, by weight, of the waste into secondary raw materials that can be substituted for virgin materials in production processes. Secondary raw materials (such as plastics) cease to be waste and are sold to be

used as secondary raw material. For manufacturing projects, activity uses 50%, by weight, of its primary feedstock from recycled (secondary raw) materials or can otherwise demonstrate that the percentage of recycled (secondary raw) materials is at least equal to current best practice in Bangladesh.

v. **Green Buildings – Green/Env. Friendly Establishment:** New or existing buildings and industrial establishments at the minimum levels should have LEED Gold or Platinum certification, or SREDA Building Energy Efficiency and Environment Rating exceeding 100 points, or Buildings are EDGE certified, or BREEAM certified to 'Very good' standard, or Green Rating for Integrated Habitat Assessment of 86 points or more, or CASBEE Rating of 4 stars or more. The projects shall have a minimum 20% reduction in lifecycle GHG emissions. The final certification for the projects must be obtained within 36 months of completion; projects that do not obtain it will be removed from the Green Portfolio and replaced. Certified green industrial establishments whose primary energy source is a coal-fired boiler or captive fossil-fuel generation are ineligible. New buildings with direct fossil-fuel-based heating, cooling or hot-water systems are ineligible. Existing buildings are eligible only where the financed works neither install nor extend direct fossil-fuel-based heating or cooling capacity.

Illustrative examples of projects meeting these criteria are set out in Annex A.

3.3.5 Eligibility Criteria for Social Projects (ICMA SBP 2025; BSEC Schedule-E Part-01(B))

i. **Social issue addressed:** Financial inclusion of low-income rural and peri-urban households and micro-entrepreneurs, who lack collateral and formal credit histories and depend on informal lenders.

ii. **Target population:** The target population, as defined under BSEC Schedule-E Part-01(B)(d), is people living below the poverty line (household income below the upper poverty line published by the Bangladesh Bureau of Statistics), women, and underserved rural and peri-urban households and micro-entrepreneurs without adequate access to formal financial services; at least 75% of end-borrowers (by number) are to be women and at least 80% located in rural or peri-urban areas.

iii. **Eligible intermediaries:** NGO-MFIs licensed by the Microcredit Regulatory Authority (MRA), with good MRA rating and reputation.

iv. **Eligible end-borrowers:** Eligible end-borrowers are members meeting MRA microcredit definitions who borrow for income-generating activities, with an average loan size of BDT 50,000 per end-borrower including marginal farmers, small households, rural housewives, and very small businesses.

v. **Affordability:** The all-in end-borrower rate, including fees and charges, must not exceed the MRA ceiling (currently 24% per annum on a declining-balance basis). Bank Asia's on-lending rate to the MFI and the weighted-average end-borrower rate will be disclosed in allocation reporting, and any concessional pricing extended by Bank Asia must be passed through to end-borrowers.

vi. **Contractual safeguards:** Each linkage agreement must require use of funds solely for eligible end-borrowers, application of Bank Asia's exclusion list, responsible-lending and over-indebtedness safeguards in line with Microcredit Regulatory Authority (MRA) rules. Linkage agreements must also require quarterly reporting to Bank Asia of the number, gender, location and loan size of end-borrowers financed; credit-information checks to prevent multiple borrowing and over-indebtedness; client-protection standards on transparent pricing and fair collection; and a grievance mechanism for end-borrowers. Bank Asia will verify on a sample basis that on-lending reaches the target population.

3.3.6 Exclusion Criteria

Proceeds of this Bond shall not be allocated to any activities prohibited under Bangladesh Bank policies, BSEC rules, or applicable international conventions. Excluded activities include, but are not limited to:

i. Fossil fuel exploration, extraction, processing or transportation (including coal, oil and natural gas)

ii. Fossil fuel-based power generation

iii. Coal mining

iv. Large-scale hydropower projects (greater than 25 MW) without recognized sustainability certification

v. Activities causing significant harm to High Conservation Value (HCV) areas or protected ecosystems

vi. Production or trade in illegal substances, weapons and ammunition, military equipment, tobacco, gambling, or adult entertainment

vii. Activities involving forced or child labour

viii. Projects under the ship-breaking industry

ix. Peat and deforestation projects

x. Any activity in violation of Bangladesh Bank or BSEC exclusion lists, or in contravention of applicable international environmental conventions

xi. Borrowers whose revenues depend primarily on fossil fuel extraction, processing or power generation

3.3.7 Environmental and Social Benefits

All designated Eligible Green Projects are expected to generate clear, measurable and attributable environmental benefits. These benefits include, but are not limited to:

i. Reduction of annual greenhouse gas (GHG) emissions, measured in tonnes of carbon dioxide equivalent (tCO_2e) per annum, through renewable energy generation and energy efficiency improvements.

ii. Increased clean energy generation capacity (MW), contributing to Bangladesh's national renewable energy targets as set out in the 2100 Delta Plan and Power Sector Master Plan.

iii. Reduction of industrial and municipal water pollution through effluent treatment and wastewater management, improving water quality for downstream users and ecosystems.

iv. Diversion of solid waste from landfill through recycling and circular economy projects, reducing methane emissions and soil/water contamination.

v. Improvement in energy efficiency and resource productivity across industrial and commercial sectors, reducing the economy's overall carbon and resource intensity.

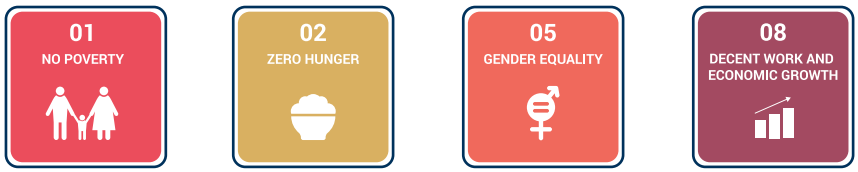
vi. Wider access to affordable formal credit for low-income, rural and women borrowers through Eligible Social Projects, supporting income-generating activity and self-employment.

Where feasible and where data is available, Bank Asia will quantify environmental and social benefits at the project level prior to allocation of proceeds and report against quantitative impact metrics as set out in Section 3.6 of this Framework.

3.3.8 SDG Alignment

The Eligible Project categories contribute to the United Nations Sustainable Development Goals (SDGs) shown below. The mapping follows the ICMA High-Level Mapping to the Sustainable Development Goals, and the same SDGs are used in the eligibility tables in Sections 3.3.1 and 3.3.2 and in the reporting indicators in Section 3.6.3.

SDG	SDG Title	ICMA Project Category	Eligible Projects / Products (indicative allocation)	Contribution of the Bond
SDG 1	No Poverty	Access to essential services (financing and financial services) – SBP	Financing through NGO/ MFI linkage mode	Microcredit with average ticket size of BDT 50,000 per end-borrower for income-generating activities by households below the upper poverty line.
SDG 2	Zero Hunger	Employment generation, including through microfinance – SBP	Financing through NGO/ MFI linkage mode	Credit to marginal farmers for crop, livestock and fisheries activities, supporting the incomes of small-scale food producers.
SDG 5	Gender Equality	Access to essential services (financing and financial services) – SBP	Financing through NGO/ MFI linkage mode	At least 75% of end-borrowers to be women, widening women's access to financial resources.
SDG 6	Clean Water and Sanitation	Sustainable water and wastewater management; Green buildings – GBP	Biological and chemical ETPs, WWTPs and sewage treatment plants; certified green buildings	Treatment to the Environment Conservation Rules, 2023 discharge standards with at least 80% reuse of treated water; water savings in certified buildings.
SDG 7	Affordable and Clean Energy	Renewable energy; Energy efficiency; Green buildings – GBP	Solar parks; energy-efficient machinery and improved rice parboiling systems; certified green industry and buildings	New solar generation capacity and lower energy use in financed machinery and certified buildings.
SDG 8	Decent Work and Economic Growth	Employment generation, including through microfinance – SBP	Financing through NGO/ MFI linkage mode	Working capital for micro-enterprises and self-employment in rural and peri-urban areas.
SDG 11	Sustainable Cities and Communities	Green buildings – GBP	Certified green buildings	Lower energy and water use in certified new and existing buildings.
SDG 12	Responsible Consumption and Production	Pollution prevention and control; Circular economy adapted products, production technologies and processes – GBP	PET, plastic, paper and battery recycling; recyclable bag and biodegradable item manufacturing (BDT 300 million)	Recovery of waste as secondary raw material, diverted from landfill.



Bank Asia reports its SDG contributions annually in the Summary Sustainability Report within its Annual Integrated Report and will report SDG impact indicators for the Bond in its Annual Impact Report.

3.3.9 Indicative Allocation of Proceeds

The proceeds of this Bond will be allocated across a diversified portfolio of multiple Eligible Sustainable Projects drawn from the categories described above. This portfolio approach is consistent with Bank Asia's existing green and sustainable lending operations and enables a diversified, risk-managed deployment of proceeds across sectors, geographies and borrower profiles within Bangladesh. The estimated allocation of the BDT 8,000 million in bond proceeds across the eligible categories is outlined in the table below.

SL	BB Sector	Green Product	Allotment of Proceeds* (BDT Mln)	% of Total
1	Renewable Energy	Solar Park	400.00	5.00%
2	Energy & Resource Efficiency	Energy efficient Machinery	1,000.00	12.50%
		Improved Rice Parboiling System	200.00	2.50%
3	Liquid Waste Management	Combination of Biological and Chemical ETP	300.00	3.75%
		Waste Water Treatment Plant	300.00	3.75%
4	Circular Economy & Eco-Projects	Recycling & Recyclable Goods Manufacturing	300.00	3.75%
5	Green/Env. Friendly Establishment	Establishment of Certified Green Industry	1,500.00	18.75%
		Establishment of Certified Green Building	800.00	10.00%
6	Socially Responsible Financing	Financing through NGO/MFI Linkage Mode	3,200.00	40.00%
Total			**8,000.00**	**100.00%**

* Actual allocations may vary from these estimates and will be disclosed in periodic allocation reports.

3.3.10 Refinancing and Look-back Period

A portion of the Bond proceeds may be used to refinance existing Eligible Sustainable Projects already in Bank Asia's green and sustainable lending portfolio. The Bank's current disbursement record - as reflected in the allocation table above - constitutes the primary eligible refinancing portfolio. In accordance with ICMA GBP and SBP guidance, the following principles apply to any refinancing:

Eligible Green Projects and Eligible Social Projects qualify for refinancing as long as they remain operational, continue to satisfy the eligibility criteria applicable at the time of issuance, including the category-specific criteria above, and continue to generate meaningful environmental or social impact.

The look-back period for refinanced Eligible Sustainable Projects, including Eligible Social Projects, shall not exceed three (3) years, measured from the date of initial disbursement to the date of issuance of the Bond. This is the maximum look-back period permitted under Rule 4(3)(A)(iv) of the BSEC (Debt Securities) Rules, 2021 (as amended).

Where the actual split between new financing and refinancing is not known at the time of issuance, Bank Asia will disclose the share of new financing versus refinancing in its first Allocation Report published following issuance. Estimated new financing and refinancing will be 60% and 40%, respectively.

3.4 Process for Project Evaluation and Selection

3.4.1 Evaluation and Selection of Eligible Projects

Bank Asia has established a formal, multi-stage governance process for the evaluation, selection and ongoing monitoring of Eligible Green Projects and Eligible Social Projects. This process is administered by the Sustainable Finance Unit (SFU) within the Credit Risk Management (CRM) Division, under the oversight of the Sustainable Finance Committee (SFC) and with final approval authority vested in the Board of Directors.

The six-stage evaluation and selection process is as follows:

i. **Stage 1 - Identification and Initial Screening:** The SFU conducts initial screening of proposed loans, advances and project financing against the Bangladesh Bank Green Bond Taxonomy (Annex-1) and BSEC Debt Securities Rules 2021 (Schedule E) to identify potential Eligible Green Projects, and against the criteria in Section 3.3.5 to identify potential Eligible Social Projects. Projects are categorized by green sector, sub-sector and activity type in accordance with the taxonomy.

ii. **Stage 2 - Environmental and Social Due Diligence (ESDD):** Shortlisted projects undergo a comprehensive ESDD review, including assessment of environmental risk category (as per Bangladesh Bank environmental risk rating methodology), site visits where required, review of applicable permits and clearances, and evaluation against IFC Performance Standards for higher-risk projects. ESDD conclusions are documented and form part of the credit file.

iii. **Stage 3 - Exclusions and DNSH Screening:** Each project is subjected to mandatory negative screening against the exclusion list defined in Section 3.3.6 and the Do No Significant Harm criteria set out in the Bangladesh Bank Green Bond Taxonomy. Projects failing any exclusion criterion are ineligible for inclusion in the Sustainable Portfolio regardless of other characteristics.

iv. **Stage 4 - Credit and Risk Assessment:** Eligible projects proceed to standard credit evaluation under Bank Asia's credit policies and risk rating framework, assessing borrower creditworthiness, project viability, collateral and covenant structure. Green eligibility does not substitute for, or override, robust credit underwriting.

v. **Stage 5 - SFC Review and Recommendation:** The SFC reviews each project's ESDD findings, green taxonomy classification (or, for Social Projects, compliance with the target-population, affordability and contractual criteria), DNSH compliance and credit assessment, and recommends the project for inclusion in the Sustainable Portfolio. The SFC also reviews the overall portfolio composition to ensure appropriate diversification across sectors, geographies and project types.

vi. **Stage 6 - Board Approval and Allocation:** Final approval for inclusion of projects in the Sustainable Portfolio and allocation of Bond proceeds is granted by the Board of Directors. The Finance and Treasury departments are responsible for operationalizing the allocation and maintaining the Sustainable Bond Proceeds Account.

The SFC conducts periodic reviews of the Sustainable Portfolio - at minimum annually - to verify that included projects continue to satisfy all eligibility criteria and to identify any projects that may need to be removed and replaced due to refinancing, project cancellation, or failure to meet ongoing eligibility standards. In such cases, substitute Eligible Sustainable Projects shall be identified and approved in accordance with the same process.

3.4.2 Associated Risks and Mitigants

Bank Asia recognizes that certain Eligible Sustainable Project categories may carry environmental, social or governance risks that, if not appropriately managed, could undermine the environmental or social integrity of the Sustainable Portfolio or the social acceptability of associated activities. The following risk categories and corresponding mitigants have been identified:

i. **Environmental Risk:** Projects in energy, waste management and industrial categories may involve environmental hazards (air emissions, water pollution, and hazardous waste). Mitigants include mandatory ESDD reviews; requirement for Environmental and Social Due Diligence certification and Environmental Clearance Certificates from the Department of Environment; ongoing monitoring of regulatory compliance throughout the loan lifecycle; and application of DNSH criteria as a pre-condition for eligibility.

ii. **Social Risk:** the microfinance (NGO/MFI linkage) category may expose end-borrowers to over-indebtedness, mis-selling or unfair collection practices, and may involve informal labour in micro-enterprises. Mitigants include the affordability, client protection and contractual safeguards in Section 3.3.5, responsible lending checks in line with MRA rules, and social safeguards (labour rights, occupational health and community engagement) in ESDD where applicable.

iii. **Greenwashing Risk:** Risk that proceeds are misallocated to activities that do not meet the eligibility criteria or do not deliver the expected environmental or social benefits. Mitigants include rigorous multi-stage evaluation and selection process; mandatory DNSH screening; independent external verification of proceeds allocation; and annual public reporting.

iv. **Portfolio Concentration Risk:** Risk of over-concentration in a single sector or borrower category. Mitigant: the portfolio approach across the eligible categories set out in Section 3.3, with internal diversification guidelines maintained by the SFC.

Bank Asia's Sustainable Finance Policy is already in place after being approved by the Board of Directors. The Bank's Climate Risk Management Policy has been drafted in accordance with Bangladesh Bank's guidelines and is currently under scrutiny. It is scheduled for Board approval within 2026. It will further formalize the Bank's approach to identifying, assessing and managing physical and transition climate risks across its lending portfolio.

3.4.3 Taxonomies, Standards and Certifications Referenced

In evaluating and selecting Eligible Projects, Bank Asia references the following official and market-based taxonomies, standards and certifications:

i. **Bangladesh Bank Green Bond Taxonomy (SFD Circular No. 05, Annex-1, September 2022):** The primary national taxonomy, which sets out eight eligible sectors, activity definitions, and technical screening criteria specifically calibrated to Bangladesh's green investment priorities and regulatory context.

ii. **BSEC (Debt Securities) Rules, 2021 - Schedule E / Annexure-E, Part-01:** The regulatory framework governing green bond issuances in Bangladesh's capital markets, providing supplementary category definitions and disclosure requirements.

iii. **ICMA Green Bond Principles 2025:** The internationally recognized voluntary process guidelines providing the overarching framework for the four core components of this Sustainable Bond Framework.

iv. **ICMA Social Bond Principles 2025 and Sustainability Bond Guidelines 2021:** The guidelines applicable to the Eligible Social Projects and to the Bond, which finances a combination of Green and Social Projects.

v. **IFC Performance Standards (2012):** Referenced for social and environmental risk management in higher-risk project categories, providing internationally accepted standards for environmental and social due diligence.

vi. **Green Building Standards (LEED, EDGE, BREEAM, SREDA rating, GRIHA, CASBEE):** Projects in the Green Buildings – Green/Env. Friendly Establishment category must meet at least one of the nationally or internationally recognized green building certification standards referenced in the Bangladesh Bank Taxonomy. The minimum certification levels are set out in the Category-Specific Eligibility Criteria above.

3.5 Management of Proceeds

3.5.1 Proceeds Account and Tracking

The net proceeds of the Sustainable Subordinated Bond will be credited to a dedicated Sustainable Bond Proceeds Account (the "Proceeds Account") maintained within Bank Asia's treasury operations or tracked through an internal sub-ledger system within the Bank's core banking platform. This dedicated tracking mechanism constitutes a formal internal process attesting to the allocation of net proceeds to Eligible Green Projects and Eligible Social Projects, in accordance with the ICMA GBP and SBP requirements on management of proceeds. In accordance with Rule 4(3)(C) of the BSEC (Debt Securities) Rules, 2021 (as amended) and Chapter-3 of the Bangladesh Bank Green Bond Policy, the Proceeds Account shall be an escrow or specified bank account, and all utilization of proceeds shall be made from that account. Any change in the utilization of proceeds shall require the prior consent of the Commission, supported by a duly approved Board resolution and a No-Objection Certificate from the Trustee.

The management of proceeds will follow a portfolio approach, where an amount equal to the net proceeds of the Bond is maintained as a notional tracked balance, periodically adjusted to reflect allocations made to Eligible Sustainable Projects and any reductions arising from project repayments, disposals or removals from the portfolio.

Bank Asia acknowledges that robust management of proceeds is fundamental to the integrity of the Bond and the confidence of its investors. The Finance, Treasury and Risk functions are collectively responsible for ensuring that the proceeds tracking and allocation processes are maintained with the standards of accuracy and transparency throughout the life of the Bond.

3.5.2 Unallocated Proceeds

Pending full allocation to Eligible Green Projects and Eligible Social Projects, any balance of unallocated net proceeds will be held in a temporary investment of one or more of the following forms, in accordance with Bangladesh Bank regulations and internal liquidity policies:

- Cash or cash-equivalent deposits held with Bangladesh Bank or other scheduled commercial banks
- Short-term liquid instruments permitted under Bangladesh Bank's investment guidelines for scheduled banks
- Government of Bangladesh treasury securities (treasury bills and bonds)

Bank Asia will disclose the amount of unallocated proceeds and the temporary placement(s) utilized in each Allocation Report published under Section 3.6 below, until full allocation has been achieved.

3.6 Reporting

3.6.1 Allocation Reporting

The Bond is subject to three reporting regimes, which Bank Asia will meet through a single set of reports:

i. **BSEC (Debt Securities) Rules, 2021:** under Rule 4(3)(D), a quarterly report to the Trustee and on the Bank's website until full allocation and utilization, and annually thereafter for the life of the Bond, listing the projects financed, the amount allocated and utilized for each, and expected and actual impact indicators; and, under Rule 12(6), a half-yearly utilization and implementation status report to BSEC, the Trustee, the Issue Manager and the stock exchange(s) until full utilization.

ii. **Bangladesh Bank Policy on Green Bond Financing for Banks and FIs (Chapter-4, Sections 7 and 8):** a quarterly report to Bangladesh Bank listing the projects to which proceeds have been assigned, with a brief description, the amounts allocated and their estimated effect; and disclosure of green bond exposure on the Bank's website and in its annual report.

iii. **ICMA Green Bond Principles and Social Bond Principles:** allocation reporting at least annually until full allocation and on a timely basis in case of material developments, and impact reporting with qualitative and quantitative indicators, following the ICMA Harmonized Framework for Impact Reporting where practicable.

In line with Rule 4(3)(D) of the BSEC (Debt Securities) Rules, 2021 (as amended), Bank Asia commits to publishing a quarterly Allocation Report on the use of proceeds until full allocation and utilization of the net proceeds has been achieved, and an annual report thereafter for so long as the Bond remains outstanding. Each report will be submitted to the Trustee and disclosed on the Bank's website within 15 (fifteen) working days of publication, and any material change in allocation, utilization or impact will likewise be disclosed within 15 days. In addition, the general half-yearly utilization and implementation-status report required under Rule 12(6) will be submitted to BSEC, the Trustee, the Issue Manager and the relevant stock exchange(s) until full utilization, and a quarterly report will be submitted to Bangladesh Bank under Chapter-4 of its Green Bond Policy.

Each Allocation Report (quarterly until full allocation and annual thereafter) will be published on Bank Asia's official website (www.bankasia-bd.com) and, as required, filed with BSEC and the relevant stock exchange(s). Consistent with BSEC Rule 4(3)(D)(ii), Section 7 of the Bangladesh Bank Green Bond Policy and the ICMA Principles, each report will include the following information, on an aggregated portfolio basis:

- Total net proceeds of the Bond and total amount allocated to Eligible Green Projects and Eligible Social Projects as at the reporting date
- Unallocated balance (if any) and description of temporary placement
- Allocation breakdown by BB/BSEC taxonomy category and ICMA GBP/SBP project category, expressed in BDT millions and as a percentage of total proceeds
- Number of projects financed or refinanced in each category
- Geographic distribution of projects across Bangladesh, where applicable
- Share of financing vs. refinancing in the Sustainable Portfolio
- Description of any projects removed from the Sustainable Portfolio during the reporting period and the reason(s) therefor
- Expected and, where available, actual impact indicators for each eligible category
- For Eligible Social Projects, Bank Asia's on-lending rate to the MFIs and the weighted-average end-borrower rate

Where confidentiality obligations to borrowers limit the disclosure of project-level details, information will be presented in generic or aggregated terms consistent with the ICMA guidance on portfolio-level reporting.

3.6.2 Impact Reporting

Concurrent with each Annual Allocation Report, Bank Asia will publish an Annual Impact Report detailing the estimated and/or achieved environmental and social impacts of the Eligible Green Projects and Eligible Social Projects to which Bond proceeds have been allocated. Impact reporting will continue for the life of the Bond or until full allocation, whichever is longer, and will be based on available data and reasonable estimation methodologies. Each quarterly Allocation Report will also include a brief description of expected and actual impact indicators, as required by BSEC Rule 4(3)(D)(ii).

Impact metrics will be reported on a portfolio basis, aggregated by eligible project category. Ex-ante estimates (based on projections developed prior to or at the time of project approval) will be used where actual ex-post data is not yet available. As projects mature and operational data becomes available, ex-post impact metrics will progressively supplement or replace ex-ante estimates.

Impact reports will be made publicly available on Bank Asia's website with clear indication of the reporting period and date of preparation, in accordance with ICMA best practice.

3.6.3 Reporting Indicators

The following qualitative and quantitative impact indicators will be used to assess and communicate the environmental and social contribution of the Sustainable Portfolio. These indicators are drawn from the ICMA Harmonized Framework for Impact Reporting, Bangladesh Bank reporting guidelines and internationally recognized sector-specific metrics:

Green Project Category	Output Indicator	Outcome / Impact Indicator	Reporting Frequency	Methodology Reference
Renewable Energy (Solar Park)	Installed capacity (MW); No. of installations	Annual GHG emissions avoided (tCO_2e/yr); Annual clean energy generated (MWh/yr)	Annual	IEA/IRENA grid emission factor; BB reporting guidelines
Energy and Resource Efficiency	No. of projects; Estimated energy savings (MWh/yr)	Lifecycle GHG reductions (tCO_2e); Energy intensity improvement (%)	Annual	ISO 50001; BB Annex-1 criteria
Wastewater / Liquid Waste Mgmt	No. of ETP/ WWTP projects commissioned	Volume of wastewater treated (m^3/yr); Pollutant load removed (kg/yr)	Annual	DoE Bangladesh effluent standards
Circular Economy / Recycling	No. of recycling facilities; Recycling capacity (tonnes/yr)	Materials recycled (tonnes/yr); Waste diverted from landfill (%)	Annual	GHG Protocol Waste; BB taxonomy
Green Buildings / Establishments	No. of certified buildings financed	Energy savings (MWh/yr); GHG emissions avoided (tCO_2e/yr)	Annual	Applicable certification benchmarks
Social Finance (Financing through MFI/NGO Linkage)	No. of beneficiaries; Amount disbursed (BDT Mn)	No. of women beneficiaries; average loan size (BDT); share of rural/peri-urban end-borrowers (%)	Annual	SDG 1, 2, 5 and 8 indicators; BB MFI reporting

3.6.4 Indicator Methodology

The following principles will guide the calculation and disclosure of impact indicators:

- **GHG Emissions Avoided:** Calculated using the GHG Protocol methodology or IPCC Tier 1/2 emission factors, referencing the Bangladesh national grid emission factor as published by the Bangladesh Power Development Board (BPDB) / IEA. Baseline comparisons will be disclosed in the impact report.
- **Renewable Energy Capacity and Generation:** Reported in megawatts (MW) of installed capacity and megawatt-hours (MWh) of annual generation, based on engineering specifications and operational data provided by borrowers.
- **Energy Savings:** Reported in MWh per annum based on estimated or actual energy consumption data before and after investment, using ISO 50001 or equivalent methodology.
- **Water and Wastewater Treatment:** Reported in cubic meters (m^3) per annum of water treated or effluent removed, based on plant capacity and operational data.
- **Waste Diverted from Landfill:** Reported in tonnes per annum based on processing capacity data and operational records of recycling facilities.
- **Social Impact Metrics:** Number of beneficiaries, jobs created, and women beneficiaries reported based on data collected from borrowers and Bank Asia's agent banking operational records.

Bank Asia commits to transparency regarding the methodologies and assumptions underlying all quantitative impact metrics. Where standardized methodologies do not exist, the Bank will adopt its own reasonable estimation approaches and disclose these openly in the impact report. The Bank shall align its impact reporting with the ICMA Harmonized Framework for Impact Reporting as its data collection and reporting capabilities mature.

