

# Sustainability Report 2022

**Change of Breath**

Let's fight Air Pollution



**Bank Asia**



Air pollution is an indiscriminate malefactor, showing no mercy regardless of the continent, country, or community it invades. It is a global crisis that transcends borders, impacting millions of lives and the very environment we depend upon for our survival. Air pollution is not just about dirty air; it is a problem that stretches across the globe. It comes from many sources, like factories in big cities, farms in the countryside, and the cars and trucks that drive on roads.

Bangladesh, known for its rapid industrialization, infrastructural development and high population density, faces unique challenges in managing air quality. In the bustling capital, Dhaka, and other major cities, air pollution has reached at alarming levels, posing a severe threat to public health. The country has witnessed a sharp rise in respiratory illnesses, including asthma and chronic obstructive pulmonary disease (COPD), with healthcare costs on the rise to treat these conditions.

One of the significant contributors to air pollution in Bangladesh is the textile and garment industry, a cornerstone of the nation's economy. While this sector provides employment and economic growth, the environmental impact is a growing concern. Efforts to balance economic development with sustainability are becoming increasingly critical. Furthermore, the effects of air pollution are not limited to health; they have a direct bearing on economic productivity. Illnesses caused or exacerbated by poor air quality resulted in reduced workdays, absenteeism, and decreased labor productivity.

Balancing industrial growth with environmental sustainability is a complex task, but it is one that Bangladesh, along with the international community, must address this issue with urgency. Bank Asia is endeavoring to raise awareness about air pollution and hope that by implementing sustainable practices and fostering awareness, Bangladesh can strive for cleaner air and a healthier, more prosperous future.





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## 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 Human Resources Division (HRD).



GRI 2

## 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 2022. This is our Tenth 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 2022 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. Mahbub-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)

### Bank Asia Limited

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# 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**

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.

**GIVING  
BACK**

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.

**CUSTOMER  
SATISFACTION**



## 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. 3.73 million and Tk. 1.06 million respectively during 2022. 60,984 man-hours training (both physically & virtually) have been provided to 2,807 employees in 2022 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, training provided to staffs regarding green banking under foundation and other trainings course in 2022



### PROFIT

During 2022, Bank Asia generated operating profit of Tk. 10,695 million.

# Sustainable Banking Operations

## Key Highlights 2022

Disbursed **Tk.3.07** million under Bank Asia Higher Studies Scholarship

**70** students received support under this program



**EDUCATION**



**Agent Banking**

**5,414** agent outlets covering **64** districts of Bangladesh



**AGRI/RURAL CREDIT**

**69,182** rural farmers were financially supported

Disbursed **Tk. 4,663.61** million as Agriculture & Rural credit



**REMITTANCE**

**Tk. 129,063** million supplied through our MFIs network business



**Paperless Banking**

Delivered **14,87,328** no. of E-Statements to customers



**Human Capital**

**60,984** Man-hours of training for human capital development



**Internet Banking**

**1,797,167** transactions completed

Worth **Tk. 13,865** million (approx.)



**Cash Transactions**

**70%** done through ATMs



**Green Banking**

Under Green Finance, distributed **Tk. 6,555.47** million to **764** people

We distributed **Tk. 2,403.14** million in Renewable Energy and Energy & Resource Efficiency segment



**Sustainable Finance**

Under Sustainable Finance distributed **Tk. 34,678** million to **66,798** people



# Chairman's MESSAGE



At first, I would like to commemorate the Lead Sponsor, Founder and Ex-Chairman of Bank Asia, my beloved father and eminent industrialist in Bangladesh, Mr. A. Rouf Chowdhury, who passed away on February 18, 2023. This was a cause of sadness for the family and a loss to the bank. While I succeeded him as the chairman of the bank, the enormous contribution and the legacy left behind by the former chairman started unfolding. My job now is to retain the quality and standard of bank management he developed over a period of time.

Despite fall out of COVID-19 and regional warfare, our bank showed a spectacular financial result in 2022. We achieved a landmark operating profit of Tk. 1000+ crore. Our classified loans also reduced below the regulatory acceptable level. Bank deposit, investment, loans & advances showed steady growth.

The bank is standing on a very solid foundation having strong assets and capital base. Total assets of the bank increased to BDT 468 billion from BDT 438 billion with a 7% growth over last year's. Capital base of the bank is one of the highest in the industry. The capital adequacy ratio of the bank stood at 17.70% against regulatory requirement of 12.50%.

Over the years, Bank Asia has been focusing more on CMSME and agri financing. CMSME plays a crucial role in the economy in terms of production and employment generation. At year end, CMSME portfolio of the bank stood at BDT 40,222 million. Agricultural credit also plays a pivotal role in food security as well as financial inclusion. In 2022, agricultural credit stood at BDT 6,150 million, an increase of 27% over last year's. Apart from this, Bangladesh Bank ranked Bank Asia as one of the top 10 banks in sustainability rating 2021 for its significant contribution in sustainable financing. We are also working for women empowerment and providing women a platform for entrepreneurship and creativity. At present, loan outstanding position in this segment is BDT 1,389 million.

Bank Asia being the pioneer in agent banking in Bangladesh has completed a 9-year financial inclusion journey. Out of total 5,414 Bank Asia agent banking outlets, 91% are located in rural locations. Hence, this wide coverage of agent banking in rural areas provides positive indication of upholding the agenda of promoting financial inclusion. Bank Asia's agent outlets grew by 5 times over the past 6 years and it added around 5.54 million customers during the same period.

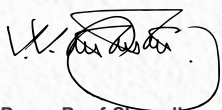
As a responsible corporate citizen, Bank Asia has been undertaking various CSR (Corporate Social Responsibility) activities to give back to society and promote sustainable development. Bank Asia Foundation (BAF) was established in 2017 with the aim of strengthening CSR program of the bank. With this goal, BAF set up a modern 250 bed hospital at Munshigonj where healthcare services has been provided to 51,983 patients so far. The bank has spent BDT 237.48 million for CSR activities in 2022.

It is pertinent to mention that Bank Asia's brand image is all pervasive. The bank received numerous accolades. Significant among those awards are:

- Overall winner in Bangladesh and 1st position for corporate governance disclosures, integrated reporting and best presented annual report by Institute of Chartered Accountants of Bangladesh (ICAB).
- Gold award (winner) for corporate governance disclosures, integrated reporting and best presented annual report among the SAARC countries by South Asian Federation of Accountants (SAFA).
- Gold Rank for Sustainability Report 2021 by National Centre for Sustainability Reporting (NCSR) and Institute of Certified Sustainability Practitioners (ICSP) in Indonesia.

Every year, the bank works on a new theme to focus on the adverse impact of economic activities over environment. This year, the focus was on "Air Pollution". Issue of air pollution is not simply an environmental concern, rather it is a multifaceted challenge that affects public health, economic productivity, and the nation's role in the global climate crisis.

Last but not the least, I would like to express my heartfelt thanks to the members of management for their untiring efforts of making our institution a more socially responsible one by way of extending extensive and inclusive banking services through alternate banking channels and helping the society extend various social services under active guidance of the Board. I would also like to extend my gratitude and congratulations to the respective team for its sincere effort for presenting the bank's activities under the framework of Sustainability Reporting.



**Romo Rouf Chowdhury**  
Chairman



REVIEW FROM THE  
**PRESIDENT AND**  
**MANAGING DIRECTOR**



upward trajectory following the COVID 19 wave. Despite the challenges that were presented by the century's largest pandemic, we showed perseverance and were able to turn things around. Bangladesh has adapted to these circumstances and allowed businesses to resume operations. With the economy gradually regaining its footing, the country's GDP for fiscal year 2022 is estimated to be 7.1%. Throughout the year, the government has provided various incentives to sectors which have been affected by the pandemic. A number of factors indicate that Bangladesh is making progress, such as having a growing GDP, a declining poverty rate, women's empowerment, and coping with climate change.

In its capacity as a responsible corporate citizen, Bank Asia firmly believes that sustainability is a key element of competitiveness. Green financing and banking activities are part of Bank Asia's commitment to sustainable development. In order to achieve a low carbon economy, these activities are designed to support the transition. By focusing on environmental sustainability, Bank Asia contributes to a better future for the economy and the planet.

The Bank Asia Sustainability Report 2022 will focus on "Air Pollution" which discusses how it creates harmful effects on human health and the environment. In the absence of a green, sustainable future from now onwards, the consequences would be devastating. Among the initiatives taken by Bank Asia in order to promote a sustainable future would be the following:

### **Road to Sustainability – Think and act to build a Sustainable Future**

Bank Asia aims to create a better future by growing responsibly and sustainably, followed by the implementation of eco-friendly measures across the organization. The bank circulates Green Banking Policy guidelines to raise awareness and conserve energy and water as well as saving paper and fundamental resources. In our banks day to day operation, more than 30% electricity is saved every year using day light inside the corporate office. In 2022, we have taken Green banking initiatives such as E-Statements, SMS Banking, E-Mail correspondence etc., which resulted in net savings of Tk. 10.04 million. For saving money & travel time where reducing CO2 emissions, Bank Asia implemented a Video Conferencing System between Head Office and its 130 branches to attend meetings virtually.

Bank Asia has invested Tk. 3,249 million in green finance and Tk. 31,429 million in sustainable linked finance initiative. We have also disbursed Tk. 7,417 million to 91,408 rural farmers where approved Tk. 904 million to 15,424 farmers through the Online Credit Approval System (OCAS). As part of our commitment to our green economy, Bank Asia signed a participation agreement with Bangladesh Bank for lending in solar energy, bio-gas, and effluent treatment plants (ETPs) and hybrid hoffman kilns (HHKs).

In 2022, Bank Asia was rated among the Top 10 Banks in the Sustainability Rating for 2021 conducted by the Bangladesh Bank for the 2nd consecutive year. It was a tremendous achievement for the bank and it acknowledges the Bank as a sustainable and environmentally friendly one.

### **We believe-Society is the priority**

To contribute to the social, economic and environmental development, Bank Asia spent Tk. 237 million in several CSR activities. Some of those include investing Tk. 47 in various healthcare initiatives, providing Tk. 16 million in education sector. Bank Asia also donates Tk. 139 million for the flood affected and cold –hit people of the country.

### **Financial Inclusion – Expanding Access to Financial services**

The rapid adoption of digital technology has led to rapid financial inclusion in Bangladesh. In addition to maintaining price and economic stability, Bangladesh's central bank supports development aspirations. People in Bangladesh still lack access to basic financial services despite many initiatives taken in the meantime.

Bank Asia has completed 9 years of financial inclusion in Bangladesh. 91% of Bank Asia's 5,414 agent outlets are in rural areas. In the last 6 years, Bank Asia's agent outlets have grown five times and it has added about 5.54 million customers. By increasing the number of agents and outlets, the rural people will have access to formal financial services as well as employment opportunities.



### **Bringing growth in Agriculture**

Bank Asia supports farmers and agro-based entrepreneurs in Bangladesh with agricultural credit. Agro-based entrepreneurs and farmers can access a range of agricultural credit products from the bank. Bank Asia has achieved remarkable loan disbursement target given by Bangladesh Bank for FY 2021-2022.

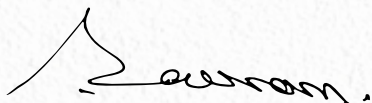
### **Nourishing Human Asset**

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 2022, Bank Asia provided 60,984 man hours of training on different operational and behavioral aspects for the development of human capital.

### **Award and Recognition**

Regardless of the circumstances, Bank Asia believes in transparency when disclosing information to stakeholders. We are proud to share that, Bank Asia has been awarded the 'Gold Rank' in Asia Sustainability Reporting Rating 2022 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for its Sustainability Report 2021.

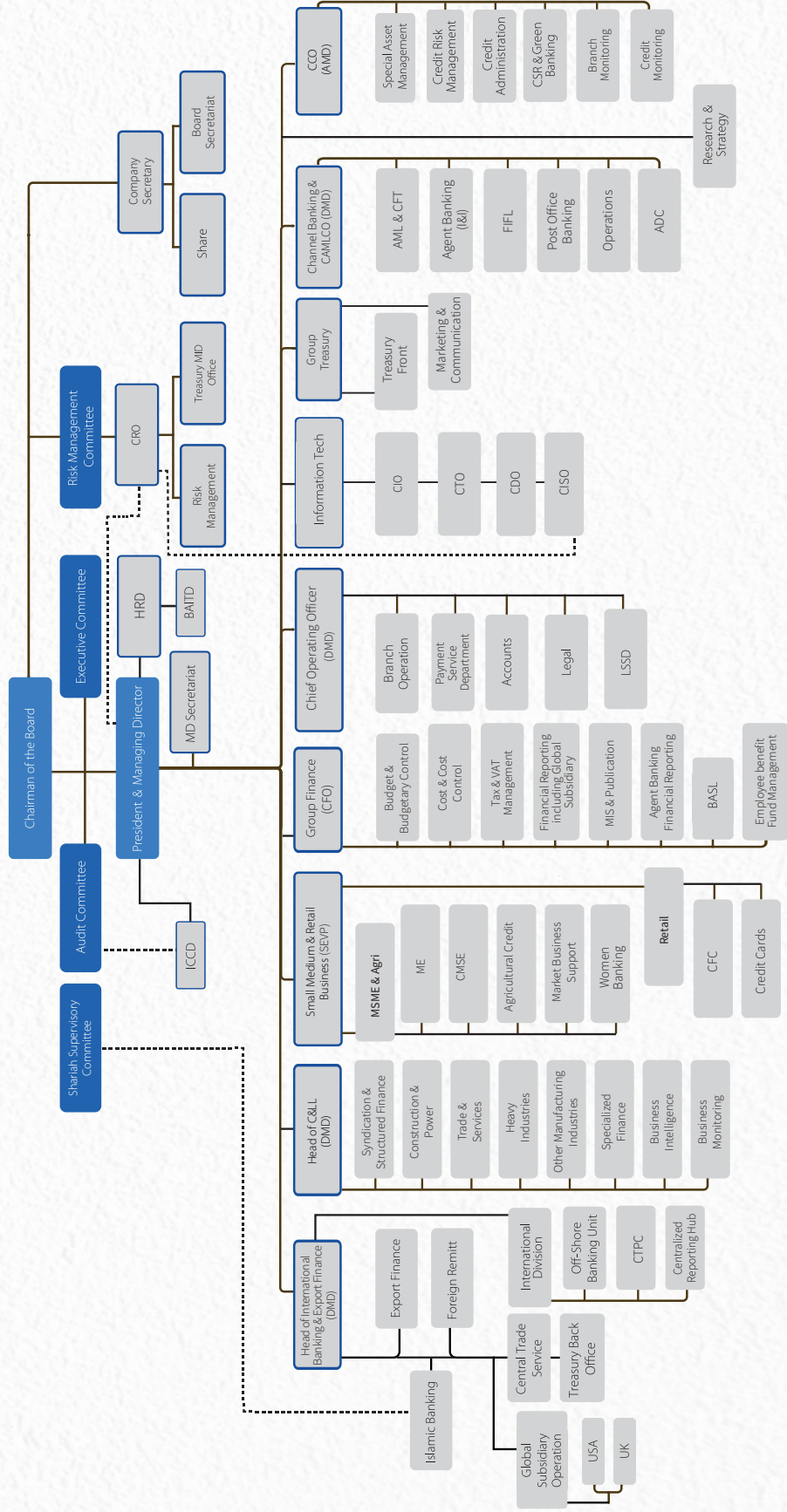
Lastly, my sincere gratitude and appreciation go out to all of our stakeholders who have contributed to our success and Bank Asia's vision for a sustainable future for Bangladesh.



**SHAFIUZZAMAN**

**President & Managing Director (CC)**

# CORPORATE ORGANOGRAM



Note: CTPC = Central Trade Processing Center, MSME = Medium, Small, Micro Enterprises, Agri = Agriculture, ME = Medium Enterprises, CMSE = Cottage, Micro and Small Enterprises, CFC = Consumer Finance Center, BASL = Bank Asia Securities Limited, LSSD = Logistics Support and Service Department, CIO = Chief Information Officer, CTO = Chief Technical Officer, CDO = Chief Digital Officer, CISO = Chief Information Security Officer, AML & CFT = Anti Money Laundering and Combating the Financing of Terrorism, I&I = Individual and Institution, FIFL = Financial Inclusion and Financial Literacy, ADC = Alternative Delivery Channel, CSR = Corporate Social Responsibility



# AWARDS AND RECOGNITION



Bank Asia produces separate full scale *Sustainability Report* every year following GRI Standards including GRI Content Index and page reference.  
For more details visit : [www.bankasia-bd.com](http://www.bankasia-bd.com)





# ACHIEVEMENT FOR SUSTAINABILITY REPORT

- Bank Asia has been granted “Gold Rank” in Asia Sustainability Reporting Rating 2022 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) for Sustainability Report 2021
- Bank Asia has been granted ‘Gold Rank’ in ASRR 2021 by NCSR and ICSP 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

## Awareness creation through Sustainability Reporting over the years

Bank Asia always strives for building awareness among the people as a whole. Since 2012, Bank Asia publishes Sustainability Report focusing on different contemporary issues for awareness.

- 2012 | Create **Ripple Effect** by doing responsible business
- 2013 | Start from **Zero to infinity** to start with new dimension
- 2014 | Prevent **Water Pollution** by saving our rivers & coastal belt
- 2015 | Limit **Ozone Layer depletion** by reduce ozone depleting substances
- 2016 | Destructive effect of **Plastic Soup** on ocean
- 2017 | Electronic wastage or **E-Wastage**; fastest destructive one for growing planet
- 2018 | Build awareness about **Electromagnetic Radiation**
- 2019 | Improper management of **Medical Wastage**
- 2020 | Life threatening effect of **Hazardous Chemical Substance**



# 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 135 branches, SME service centers & 14 subbranches across the country spread over different zones that includes 131 branches, 4 SME agricultural branches and 4 SME service centers. Geographically 69 are placed in capital Dhaka, 39 in Chattogram, 7 in Sylhet zone, 7 in Khulna zone, 6 in Rajshahi, 4 in Rangpur, 2 in Barishal, 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 5,414 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 1,349 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 70% cash transactions of Bank Asia are done through its 218 own ATMs and more than 13,000+ shared ATMs all over the country. In terms of Internet banking, currently we have more than 267,872 active users.

## SCALE OF THE REPORTING ORGANIZATION

As of the end of 2022, our Bank's operating profit is Tk. 10,695 million and total assets are Tk. 468,401 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 17.70%

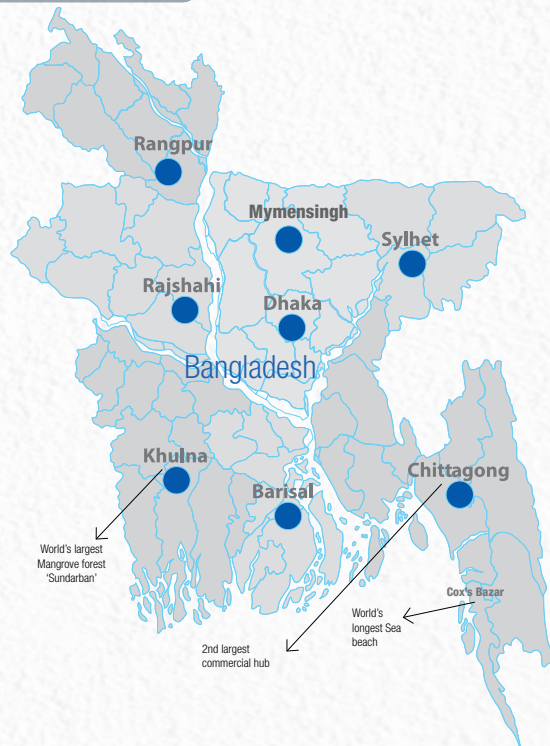
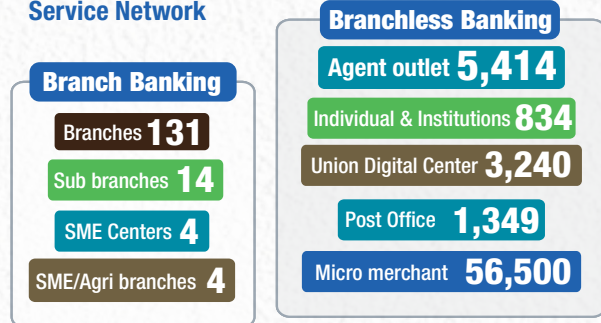
|                            |                                                                                    |
|----------------------------|------------------------------------------------------------------------------------|
| Number of employees        | 2,865                                                                              |
| Number of branches         | 135 (131 branches, 4 SME/Agri branches and 4 SME service centers), 14 sub-branches |
| Total operating income     | Tk. 20,232 million                                                                 |
| Total debt & equity        | Tk. 439,761 million & Tk. 28,640 million                                           |
| Number of ATMs             | 218 own ATMs and more than 13,000+ shared                                          |
| Number of credit cards     | 143,194                                                                            |
| Number of VISA debit cards | 881,769                                                                            |

## 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



## Bank Asia's Service Network



## Division wise Agent Outlet

| Division     | No. of Outlet |
|--------------|---------------|
| Barishal     | 337           |
| Chattogram   | 1,110         |
| Dhaka        | 1,050         |
| Khulna       | 762           |
| Mymensingh   | 454           |
| Rajshahi     | 690           |
| Rangpur      | 615           |
| Sylhet       | 396           |
| <b>Total</b> | <b>5,414</b>  |



# 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><br><br><br>                                                                                                                                                                                  | <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, Epayment solution</li> <li>ALCO sits every month to decide pricing and rates based on market analyses</li> <li>All network nodes are run by online core banking system (CBS)</li> <li>Focusing more on contactless banking</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Employees</b><br><br><br><br><br> | <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 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>60,984 man hours of training to 2,807 participants in 2022 also Virtual training with employees to raise their awareness on digitalized banking industry</li> <li>Tk.21,447,511 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 homeoffice rotation wise work</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><br><br><br>                                                                                                                                                                           | <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><br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <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><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <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><br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <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. 7,570 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><br><br><br><br><br><br><br><br><br><br> | <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. 237.48 million</li> <li>Significant contribution to education, health, disaster management, Art &amp; culture, environmental and Sports sector</li> <li>Healthcare Aid of Tk. 47.00 million disbursed</li> <li>Tk.3.07 Million provided as part of Bank Asia Scholarship program</li> <li>100,000 blankets distributed to cold struck people</li> </ul> |
| <b>Business Partners</b><br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <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>                                                                                                                                                                                                                                                                                                                                         |

GRI 2

# MATERIAL TOPICS AND BOUNDARIES

| Material Topics                              | Boundaries inside the organization                                                                                                                                             | Boundaries outside the organization                                                                                                                           |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Inclusion</b>                   | 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 |
| <b>Energy Consumption</b>                    | Efficient use of scarce resources                                                                                                                                              | Sequestration of carbon emission and the national GHG inventory will be reduced                                                                               |
| <b>Human capital &amp; Talent Management</b> | 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                                                       |
| <b>Agriculture Credit</b>                    | 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            |
| <b>Environment Friendly Investment</b>       | 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                            |
| <b>Building the Community</b>                | Discharging our responsibility towards society to ensure sustainable balanced growth in economic, social and ecological arena                                                  | Overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.                                  |



# Stakeholders Relationship/ Grievance Redressal

Bank Asia strongly believes in maintaining smooth and interactive relationship with the stakeholders. We pursue high quality 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 2022

| Requests received from shareholders                                                                                                                                                                                                                                                                                                           | Ways of addressing mentioned requests                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>● Demat 12,31,100 shares;</li> <li>● 1,17,56,340 bonous shares credit among the shareholders from suspense account</li> <li>● Re-issue 891 dividend warrants for the year 2021 (which were returned from BEFTN)</li> <li>● Issuance of 50 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>● 891 duplicate fractional dividend warrants for the year 2021 issued</li> <li>● 50 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 2022, the Bank received 128 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.



### 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 2022, 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



GRI 2

# MATERIALITY MAPPING



| Sln. | Major Topics/ Indicators                     | Priorities |   |   |   |   | Bank Asia Response                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------|----------------------------------------------|------------|---|---|---|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                              | L          | M |   | H |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|      |                                              | 1          | 2 | 3 | 4 | 5 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1    | Financial Inclusion                          |            |   |   |   |   | <ul style="list-style-type: none"> <li>■ Agent Banking</li> <li>■ 64 districts</li> <li>■ 5,414 Outlets</li> <li>■ 5.55+ Million Customers</li> <li><b>Micro-merchant</b></li> <li>■ On-Boarded 56,500</li> <li>■ Total Transactions: 7.49 million</li> <li><b>Post office Banking</b></li> <li>■ Outlets 1,349</li> <li>■ Accounts: 209,382</li> <li>■ Agent Outlets: 8,500</li> </ul>                                                                                        |
| 2    | Technological innovation                     |            |   |   |   |   | <ul style="list-style-type: none"> <li><b>OCAS-Diganta project</b></li> <li>■ Number of SME Accounts: 32,271</li> <li>■ Loans processed: Tk. 24,687 Million</li> <li>■ Robotic Process Automation</li> <li>■ 4 IR implementation</li> <li>■ Artificial Intelligence Workforce (AIW)</li> <li>■ Complied BCMS 22301: 2019</li> <li>■ Oracle Real Application cluster</li> </ul>                                                                                                 |
| 3    | Building the Community                       |            |   |   |   |   | <ul style="list-style-type: none"> <li>■ Bank Asia spent Tk. 237 million to Health, Education, disaster management, and other social sectors as CSR activities for fostering healthy communities towards enhancement of well being and productivity of the country</li> <li>○ Health Tk. 47 Million</li> <li>○ Education Tk. 15 Million</li> <li>○ Disaster Management Tk. 139 Million</li> <li>○ Art &amp; Culture Tk. 17 Million</li> <li>○ Others Tk. 19 Million</li> </ul> |
| 4    | Capital Planning & Liquidity Risk Management |            |   |   |   |   | <ul style="list-style-type: none"> <li>■ Total Capital Tk. 46,111 million   CRAR 17.70%</li> <li>■ LCR 145.18%   NSFR 114.80 %   Leverage ratio 5.52 %</li> </ul>                                                                                                                                                                                                                                                                                                              |
| 5    | Human Capital and Talent Management          |            |   |   |   |   | <ul style="list-style-type: none"> <li>■ 60,984 man hours of training to 2,807 participants</li> <li>■ Human capital is Tk. 35,771million</li> </ul>                                                                                                                                                                                                                                                                                                                           |
| 6    | Environment Friendly Investment              |            |   |   |   |   | <ul style="list-style-type: none"> <li>■ Sustainable Finance: Tk. 34,677 million</li> <li>○ Green Finance: Tk. 3,248 million</li> <li>○ Sustainable Linked Finance: Tk. 31,429 million</li> <li>■ We have saved Tk. 10.04 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E Fund Transfer, Digital Attendance, E-Mail correspondence etc.</li> </ul>                                                                                                         |

# GOVERNANCE

## COMMITMENT AND STAKEHOLDERS

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.

By following good governance practices Bank Asia has been able to create values for all stakeholders of the Bank.

|                                                                                     |                                                                                                      |                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>Build and maintain good governance framework for value creation and ensuring long-term growth</p> | <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 6%</li> <li>Deposit growth 6%</li> <li>Strong capital base</li> <li>Good credit rating (both short term and long term)</li> </ul> |
|    | <p>Follow openness &amp; transparency in communication with stakeholders</p>                         | <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 2021</li> </ul>                                                                                                        |
|  | <p>Focus on technologically advanced banking system</p>                                              | <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>                                                                                                                        |
|  | <p>Enhance operational risk management</p>                                                           | <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>                                                                                                                                          |

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 adhoc basis to deliberate urgent matters.

During FY 2022, the Board met twenty (20) 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.





## Capital Structure

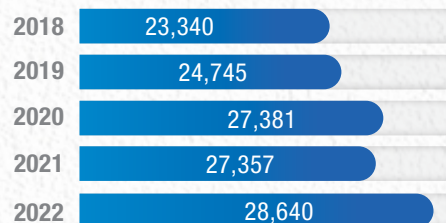
December 31, 2022

Figures in Million

| Particulars                | Taka   | USD  |
|----------------------------|--------|------|
| Paid up Capital            | 11,659 | 115  |
| Statutory Reserve          | 11,750 | 116  |
| General Reserve            | 8      | 0.08 |
| Retained Earnings          | 3,105  | 31   |
| Total Shareholders' Equity | 28,640 | 284  |

## Total Shareholders' Equity

Million Taka



## 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. In 2022, 20 meetings held where 683 memos were presented.

### Meeting held by Board of Directors

20

#### Major agenda covered in 2022

- New Management organogram of Bank Asia Limited
- RO to RM Grade Conversion Policy
- Revision of Salary of the Bank
- Approval of Elections Rules-2022 and Formation of Election Committee
- Appointment of Practicing Professional Body for Conducting Certification on Compliance of Corporate Governance Code of BSEC
- Appointment of Practicing Professional Body as an Independent Scrutinizer for Providing Professional Services Relating to the Report on General Meeting (AGM or EGM) using Digital System on Compliance of Directives from BSEC
- Corporate Governance disclosure and compliance status on Corporate Governance under BSEC.
- Proposal for approval of i) Start-up Policy ii) SME PPG of "Start-up Term Loan" for entrepreneurs to start / expand their innovative business under Cottage, Micro & Small segment Enterprise (CMSE) clients iii) Amendment of existing SME PPG "Uttaran" loan for excellent borrowers.
- Compliance of Bangladesh Bank's Comprehensive Inspection Report.
- Information regarding the New Government Project of "Rural Livelihood Project-Phase-III" implemented by Bangladesh Rural Development Board (BRDB).
- Approval of Standard Operating Procedures (SOP) and Organogram of Accounts Department, Corporate Office.
- Proposal for approval of the following 4 PPGs for Islamic Banking business:
  - Continuous Musharaka Finance (CMF)
  - Green Transformation Finance-Islamic (GTF-i)
  - Murabaha-EDF
  - Islamic-Poultry Support
- Proposal of International Finance Corporation (IFC) regarding Risk Management and Credit Risk Advisory Services.
- Approval for Micro Merchant Commission Structure.
- Sustainability Rating of Banks and Financial Institutions for 2021 by Bangladesh Bank.
- Submission of Fraud Risk Management Policy
- Sectoral Lending Cap 2023 with business segment wise demarcation.

## Executive Committee

The Executive Committee (EC) of the board of Bank Asia was first constituted in January 2010 to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions. The number of members in executive committee is 7(seven) nominated by the board from directors. The EC time to time reviews policies and guidelines issued by Bangladesh Bank regarding credit and other operations that are customized and adopted by the management after approval of the board of directors. EC approves credit proposals as per approved policy of the board. In 2022, 44 meetings held where 552 memos were presented.



| Meeting held by Executive Committee |             | 44                |                   |
|-------------------------------------|-------------|-------------------|-------------------|
| Loan approval in 2022               |             |                   |                   |
|                                     | No. of Memo | Funded            | Non-funded        |
| New sanction                        | 453         | 108,506.80        | 127,672.70        |
| Enhancement                         | 113         | 6,085.30          | 8,879.10          |
| Rescheduling                        | 2           | 447.7             | -                 |
| Forced Loan                         | 2           | 423               | 57                |
| <b>Total</b>                        | <b>570</b>  | <b>115,462.80</b> | <b>136,608.80</b> |

### 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 is available in the Director's Profile at pages 24 to 33 and the 'Report on the activities of the Audit Committee' at page 238 in the Annual Integrated Report 2022. 8 meetings held where 33 memos were presented in 2022.

### Meeting held by Audit Committee

08

#### Major agenda covered in 2022

- Annual financial statements of the Bank for the year ended 31 December 2021 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 2021.
- 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.



## Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee will supervise whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risks. Currently 6 (six) members are in the Risk Management Committee. In 2022, 5 meetings held where 37 memos were presented.

| Meeting held by Risk Management Committee | 5 |
|-------------------------------------------|---|
|-------------------------------------------|---|

### Major agenda covered in 2022

- SWOT and HR Rationalization of Risk Management Division (RMD)
- Analysis outcome on reason for unacceptable ICRR Rating against Top Borrowers
- Sectoral Lending cap 2022
- Risk Appetite Statement for the year 2022
- Post Import Finance (PIF) policy of Bank Asia Limited
- Fraud Risk Management Policy
- Lapses with high degree of Risk detected during the Audit
- Recovery plan of Bangladesh Bank
- Comprehensive Risk Management Rating December 2021
- Outcome of Additional Capital Assessment for the year 2021
- Meeting outcome of Supervisory Review Evaluation Process of Bank Asia Limited for the year 2020 (ICAAP 2020)
- Risk Report August 2020
- Review of Sectoral Lending Cap 2022 with Business Segment wise Demarcation
- Counterparty Limit for Banks
- Capital Management for June 2022
- Policy for issuance of Letter of Commitment of Bank's undertaking for Line of Credit
- Report on Top 10 defaulter analysis
- Revised policy on Counterparty Limit
- Progress Status of IFC

## Management Committee

Under the leadership of the President and Managing Director, management committee of the Bank 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)

The highest committee of Management is the Senior Management Team (SMT), which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. The SMT operates under delegated authority from the board and membership of the management committee consists of the President and Managing Director, Deputy Managing Directors, c-level executives and the heads of major operational departments. The current number of SMT members is 14. In 2022, 9 meetings were held of SMT. The name of the SMT members and their photos can be seen at pages 40 to 41 of the Annual Integrated Report 2022.

| Meeting held by SMT | 9 |
|---------------------|---|
|---------------------|---|

### Major agenda covered in 2022

- Fraud Risk Management Policy
- Start-up CMSE Loan (Policy & PGG)
- Business Policy for Agent Banking
- Credit Risk Management Policy & Operation Manual for Agent Centric Asset Business
- Channel Banking Internal Control & Compliance Manual
- Departmental Operating Instruction (DOI) & Resource file for OBU
- The Whistleblower Policy
- Review of Asset Liability Management Manual-2022
- Updated guidelines for Prevention of Money Laundering & Terrorist Financing, Version 2022

## SRP Committee

The Supervisory Review Process (SRP) Committee is formed under the second pillar of Basel III capital accord. Bank Asia Limited on year basis assesses the requirement of additional capital to address other material risks that have not been considered under minimum capital requirement (MCR) i.e. credit risk, market risk and operational risk of Pillar I of Basel III. The SRP Committee is comprised with senior management where President & Managing Director is the Chairman of the Committee, other members are AMD & CCO, AMD & CBO, DMD & COO, Head of Treasury, Head of ICCD, Chief Finance Officer (CFO) and Head of RMD & CRO. The Committee is primary responsible for ensuring that the bank has maintained an adequate level of capital and addressing appropriately the level of risks arises.

| Meeting held by SRP Committee | 1 |
|-------------------------------|---|
|-------------------------------|---|

### Major agenda covered in 2022

- Assessment of Additional Capital Requirement for 2021
- Review of supplementary documents
- Calculation Methodology of ICAAP 2021



## ALCO

The Asset Liability Committee (ALCO) comprising the senior management, take strategic decisions on fixation of asset liability pricing, on liquidity management in the context of changing market scenarios. The Member-Secretary of the ALCO, i.e. Head of Group Treasury calls for a meeting of the committee based on a regular schedule. When needed special ALCO meetings are held to respond to the unusual or seasonal market behavior or other volatile market scenarios.

Proactive measures of ALCO kept the balance sheet mix as well as all vital ALM indicators, e.g ADR, IDR, LCR, NSFR, Commitment, leverage ratio within a comfortable range that helped the bank to earn revenue and simultaneously maintain a strong balance sheet structure. In 2022, there are 7 members in ALCO and 1 permanent invitee. The committee may be reconstituted as and when deemed necessary.

### Meeting held by ALCO

12

#### Major Agenda covered in 2022

- Market scenario & economic outlook
- Projections on Exchange Rate and Interest rate
- Peer group balance sheet and profitability analysis.
- Discussion on Risk appetite and budgeting for business targets.
- Discussion on Cost of doing business in relation to asset pricing and non-funded business earnings.
- Balance sheet expansion and funding strategies in pandemic situation.
- Review of key ALM indicators (LCR, NSFR, ADR, MCO, MCR, CRAR)
- Re-pricing gap of Asset-Liability
- Asset pricing and liability pricing.
- Currency wise B/S position & gap analysis
- Deposit product analysis [Term, Rate, Other conditions]
- Business unit wise asset product analysis [Rate, Term, Cash flow, Classification]
- Transfer pricing.
- Commitment position analysis and strategies for sustainable earnings.
- Review of ALM Manual.
- Review of Contingency Funding Plan.
- Review of FTP Policy.
- Capital allocation calculation of business transactions
- Ratio trend analysis and future prospect projection
- Monthly trend and variance of Deposit- Advance and planning of strategies
- Balance Sheet Gap analysis as per time bucket & forecasting
- FC Inflow-outflow & commitments scenario
- Investment analysis and decision for Banking & Trading book

## Credit Committee

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

| Type wise sanction during 2021 [Under recommendation of COCC] |              |                |                 |                |
|---------------------------------------------------------------|--------------|----------------|-----------------|----------------|
| Sanction Type                                                 | Number       | Funded         | Non Funded      | Total Facility |
| Enhancement                                                   | 70           | 11,386.50      | 11,758.29       | 19,596.49      |
| EOL                                                           | 86           | 113.22         | 4,383.21        | 4,476.44       |
| Fresh Approval                                                | 1,449        | 25,481.49      | 24,306.84       | 45,344.57      |
| Modification                                                  | 66           | 156.80         | 400.00          | 506.80         |
| Onetime                                                       | 1,354        | 18,093.80      | 25,781.88       | 41,306.38      |
| Reduction                                                     | 9            | 39.80          | 26.80           | 66.60          |
| Renewal                                                       | 924          | 68,460.05      | 96,171.69       | 146,557.43     |
| Renewal With Enhancement                                      | 391          | 49,405.53      | 85,745.10       | 121,063.73     |
| Renewal With Reduction                                        | 93           | 13,720.11      | 7,409.24        | 19,261.35      |
| Reschedule                                                    | 134          | 12,698.30      | -               | 12,697.91      |
| Restructure                                                   | 11           | 101.16         | 7.00            | 108.16         |
| <b>Grand Total</b>                                            | <b>4,587</b> | <b>199,657</b> | <b>255,9907</b> | <b>410,986</b> |

## Policy Review Committee

Bank Asia Limited has formed Policy Review Committee (PRC) to review Bank's Policies, Product Program Guidelines (PPG), Manual and Standard Operating Procedure (SOP) in a timely interval. The Committee is also responsible to identify the Department/ Division/Unit specific required documentation (i.e. PPG/Policies/SOP). This Committee ensures the quality and substance to an acceptance level for the overall management of different category of risk.

## Independent Director

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.

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

The functional responsibilities of the Chairman of the board and of the President and Managing Director are kept separate and independent of



each other. The Chairman is responsible for leading the board and overseeing the entire functioning of the bank as per corporate governance framework. Mr. Romo Rouf Chowdhury is the current Chairman of the Board. Through his dynamic leadership, he is leading the Bank towards the success. The Managing Director leads the bank by developing, designing and implementing the business strategic plan of the Bank. The President and Managing director, Mr. Shafiuzzaman is also responsible for developing long term business plans and the day-to-day operation. He is also accountable to the shareholders and the board of the bank. For attending the Board Meeting, Audit Committee Meeting, Executive Committee Meeting and Risk Management Committee Meeting, the Directors receive an honorarium of Tk. 8,000 each. But in management level no remuneration was given to any for any meeting regarding setting remuneration. During 2022, the expenditures incurred related to directors were Tk. 3,024,000 for Directors' honorarium purpose.

#### **Mechanism to Provide Advice to the Board**

Bank Asia maintains transparency and close communication with its shareholders. With this view we publish annual report, publishing quarterly financials and price sensitive information (PSI) in newspapers for shareholders, investors, capital market experts, and other equity participants in a complete, fair, accurate, timely and understandable manner within the framework of generally accepted accounting principles and legislation provisions. Our bank's shareholders can also use their query rights or can provide any recommendations or direction to the Board of directors at the annual general meeting and the Board answers all questions of shareholders. Prior to AGM, the meeting date, venue and agenda are announced and also the annual report is submitted to the shareholders through our bank's website or through different channels. After getting feedback from shareholders at AGM, the Board then directs the management to implement the recommendations of the shareholders. If the Management requires making any change in policy or practice, the Board approves those changes; otherwise if this authority of approval is beyond the power of the Board, this can be approved by the shareholders of Bank Asia Ltd. at AGM through voting. In applicable cases extra ordinary general meeting (EGM) of general shareholders may be called. So far 23 AGMs and 11 EGMs have been successfully arranged.

#### **Avoiding Conflict of Interest**

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

- Loan to the directors is restricted subject to full filing certain terms and conditions of regulatory guidelines.
- If there is any related party transaction, the management discloses the matter in the Annual Integrated Report and it is also approved by the general shareholders in AGM.
- Executive committee of the Board can approve loan to anyone up to a limited portion.
- Board of directors' approval is needed for loan re-scheduling.

# CAPITAL MANAGEMENT

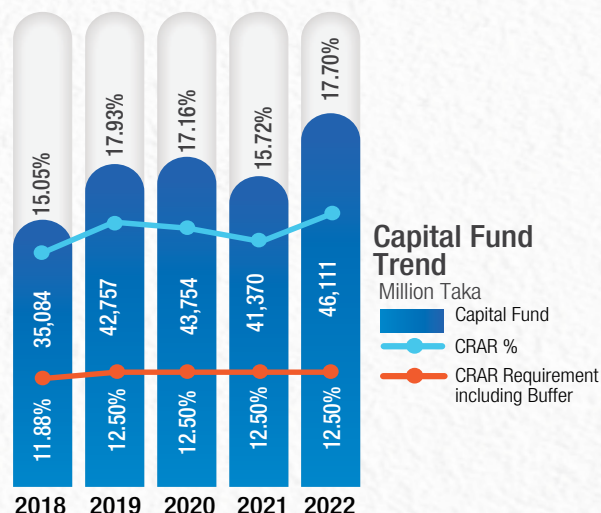
Bank Asia is very much keen about maintaining capital adequacy. The management continuously plans capital requirements considering risks and shocks of financial market movement and assess the sensitivity with regard to interest rate risk, FX risk, equity risk and liquidity risk. Currently Bangladesh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

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

Million Taka

| Capital Fund of Bank Asia                   | 2022    |     | 2021    |     |
|---------------------------------------------|---------|-----|---------|-----|
|                                             | Amount  | %   | Amount  | %   |
| Tier-1: Core Capital                        | 29,817  | 65  | 25,153  | 61  |
| Tier-2: Supplementary Capital               | 16,287  | 35  | 16,218  | 39  |
| Capital Fund                                | 46,104  | 100 | 41,370  | 100 |
| Risk Weighted Asset                         | 260,487 |     | 263,153 |     |
| Capital to Risk Weighted Asset Ratio (CRAR) | 17.70%  |     | 15.72%  |     |

- Regulatory MCR is 10% on risk weighted assets (RWA), which was gradually increase up to 12.50% in the year 2020 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will by 3%, liquidity coverage ratio will be  $\geq 100\%$  and net stable funding ratio will be  $> 100\%$ .
- Bank Asia is always committed to ensure sustainability in doing business including capital adequacy to support healthy growth of business. As on December 31, 2022 CRAR (Capital to Risk weighted Asset Ratio) reached at 17.70% against regulatory requirement of 12.50%.
- To bring the good business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank Roadmap Bank Asia has also taken decision for issuing perpetual bond of Tk. 5,000 million out of which Tk. 4,500 million under private placement and Tk. 500 million under public offer. In this regard, Bank Asia has raised fund of Tk.3,340 million under private placement. This capital will be added to bank's Tier-1 capital. In this regard Bank has appointed City Bank Capital Resources Ltd. & IDLC Finance Ltd and UCB Investment Ltd. as Trustee.





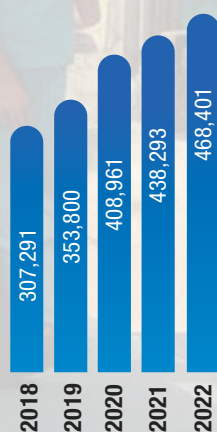
# FINANCIAL PERFORMANCE

## Major Financial Highlights

Million Taka

|                      | 2022       | 2021       | 2020       | 2019       | 2018       |
|----------------------|------------|------------|------------|------------|------------|
| Paid up Capital      | 11659.07   | 11,659.07  | 11,659.07  | 11,659.07  | 11,103.87  |
| Deposits             | 337,695.42 | 317,782.43 | 303,028.11 | 253,709.57 | 222,471.72 |
| Loans and Advances   | 277,870.36 | 262,266.70 | 244,642.03 | 227,298.96 | 214,618.15 |
| Import               | 210,588    | 225,789    | 141,289    | 158,115    | 165,203.00 |
| Export               | 171,275    | 141,496    | 108,549    | 132,465    | 136,733.00 |
| Inward Remittance    | 132,243    | 128,441    | 98,911     | 79,750     | 60,113.00  |
| Total Income         | 35,148.68  | 29,394.30  | 28,105.56  | 30,536.30  | 27,130.56  |
| Total Expenditure    | 24,453.87  | 20,201.77  | 22,034.72  | 21,213.84  | 19,070.18  |
| Operating Profit     | 10,694.80  | 9,192.53   | 6,070.84   | 9,322.46   | 8,060.40   |
| Net Profit After Tax | 3,045.87   | 2,706.74   | 2,035.71   | 1,960.81   | 2,266.28   |

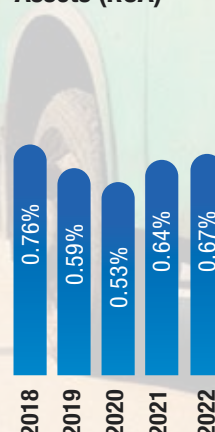
**Total Assets** Million Taka



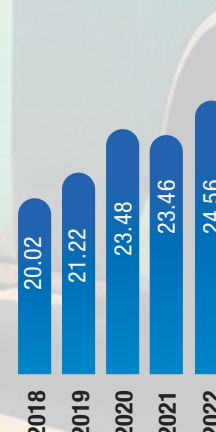
**Total Capital** Million Taka



**Return on Assets (ROA)**



**NAV per Share** Taka





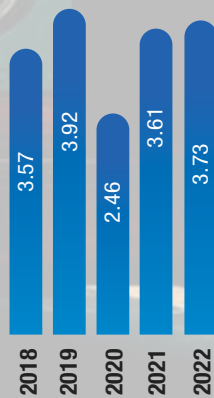
### Key Management Ratios

Million Taka unless otherwise specified

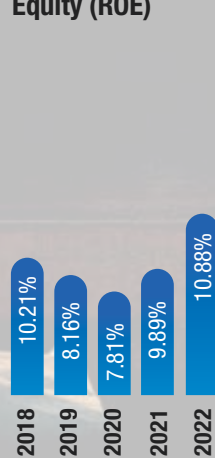
|                                    | 2022   | 2021   | 2020   | 2019   | 2018   |
|------------------------------------|--------|--------|--------|--------|--------|
| Credit Deposit Ratio               | 68.17% | 65.58% | 69.42% | 76.47% | 81.75% |
| Cost of Deposit                    | 4.10%  | 3.94%  | 4.95%  | 5.67%  | 5.65%  |
| Administrative Cost                | 2.60%  | 2.09%  | 2.27%  | 2.59%  | 2.60%  |
| Yield on Loans and Advances        | 7.37%  | 7.61%  | 7.68%  | 10.19% | 9.99%  |
| Spread                             | 3.27%  | 3.67%  | 2.73%  | 4.52%  | 4.34%  |
| Burden Ratio                       | 0.21%  | 0.21%  | 0.62%  | 0.67%  | 0.70%  |
| Salary Exp. to total Overhead Exp. | 53.10% | 51.87% | 50.03% | 48.63% | 47.77% |
| Cost to Income/Efficiency ratio    | 47.14% | 44.93% | 54.00% | 42.00% | 42.93% |
| Earnings Per Share (Taka)          | 2.61   | 2.32   | 1.75   | 1.68   | 1.94   |
| Dividend Coverage ratio            | 1.74   | 1.55   | 1.75   | 1.68   | 2.04   |

### Profit per Employee

Million Taka



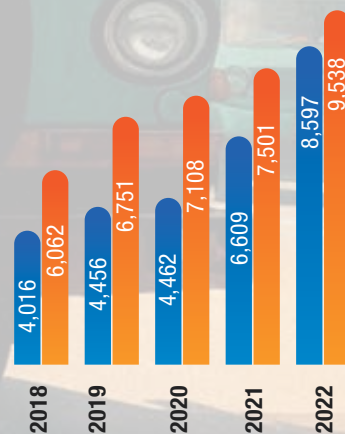
### Return on Equity (ROE)



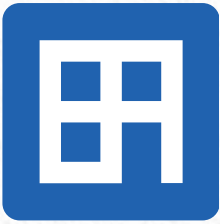
### Non Interest Income & Non Interest Expense

Million Taka

■ Non-Interest Income  
■ Non Interest Expense







**SMART App**

## 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 un-banked 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.



*Launching program of SMART App new version*



No. of SMART App User

**393,159**



SMART App

Unveiling New Face of

**SMART App**

**Bank Asia**

## New interface of Bank Asia Smart App

Considering customers' demand, Bank Asia always focuses on the automation and digitization of its services. Bank Asia SMART App has significantly simplified financial management, allowing customers to greatly handle various transactions and tasks right from their smart phone.

Bank Asia SMART App is available at Google Play Store & Apple App Store.

### Advantages:

- Improved visibility of account balances and transactions.
- Easier bill payments & also can send payments using your bank's online banking platform.
- 24/7 account access so that one can operate it whenever and wherever needed
- Safe and convenient to use
- Accounts can be managed easily
- Saves time as customers don't have to go to the branch

### Available Services

- Fund Transfer to own Bank Account
- Fund Transfer to other Bank Accounts through EFTN, RTGS
- Instant Fund Transfer to other Bank Account through NPSB
- QR Payment (Bangla & VISA)
- Fund Transfer to MFS
- Mobile Recharge
- Utility Bill Payment
- Fund Transfer from Credit Card
- Credit Card Bill Payment
- Bio-Matric Login
- Balance Enquiry
- Account Statement
- New User SIGN UP
- Forget Password
- Simplified beneficiary management
- Cheque Book Request
- View Cheque Book Status
- Stop Cheque
- Positive Payment Instructions
- Tuition Fee Payment
- Insurance Pay
- E-Commerce
- Govt. Fees
- Branch & ATM Location
- And many more.

In the coming days, there is some plan to introduce more products for valuable customer to meet their financial needs through SMART App at convenient and secure way.





# AGENT BANKING

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

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

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



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



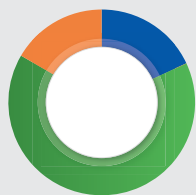
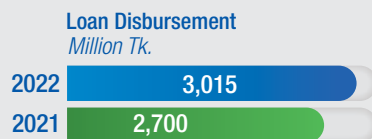
Number of outlets  
**5,414**  
Growth **11%**



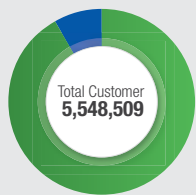
**5.55** Million  
Growth **13%**



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



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



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



Customer authentication for transactions at an Agent Outlet of Bank Asia



# POST OFFICE BANKING



Coverage

District **64**  
Upazila/ Thana **410**



DPO Outlets

Number of outlets **1,349**  
Growth **46%**



Number of Accounts

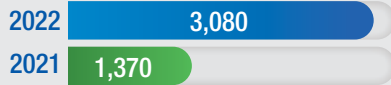
**209,382 Million**  
Growth **92%**



Female customers

Number of Female customers **103,966**

Deposit *Million Tk.*



Profit *Million Tk.*



## Vision

To bring low-cost, secured financial services to the doorstep of the unbanked people of Bangladesh as a part of financial inclusion for empowerment through Digital Post Offices.

## Mission

The mission of Bank Asia & Bangladesh Post Office is to provide more protected financial inclusion by offering technology-driven banking solutions to the unbanked people living in rural and dispersed areas of Bangladesh.

## Objectives:

- Provide Secured Banking Services
- Build 8,500 Agent Outlets in Digital Post Offices
- Provide Foreign inward Remittance Services
- Provide facilities for Utility bill payment, Passport fee payment, Social Safety Net Payment Services
- Process Agricultural, SME & Retail Loan
- Enable e-Commerce Services through Agents
- Promote school banking in the locality
- Train and Develop the prospective SME Entrepreneurs
- Financing Solar Home System and renewable Energy Sectors as a Green Banking Initiative



Bank Asia has launched the country's first Women ATM booth



# Financial Inclusion at a glance

Being the pioneer of financial inclusion, Bank Asia has already completed 9 years of journey for agent banking operations in Bangladesh. With the experience from Agent Banking operation and ABAK (formerly known as EBK), 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, Disabled & other beneficiaries.

## Services covered under this program

- Old aged allowances
- Widow, deserted & destitute women allowances
- Bedye allownaces
- Stipend for Bedye Community
- Lifestyle development of Unprivileged Community
- Stipend for unprivileged Community
- Disable allowances
- Stipend for disable allowances
- Hijra allowances
- Stipend for Hijra Community
- Lifestyle development of Tea Worker Community
- Rohingya Caregiver
- Maternity & Lactating Mother allowances
- Vulnerable Group Development (VGD) Program
- National Payment Service Program

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

| Particulars                     | Social Safety net | Women's Affairs Programs | National Service | Others  |
|---------------------------------|-------------------|--------------------------|------------------|---------|
| District                        | 17                | 55                       | 09               | 56      |
| Upazilas                        | 65                | 341                      | 09               | 186     |
| UDC                             | 655               | 2,550                    | 91               | 1,372   |
| Beneficiaries                   | 1,596,986         | 1,089,755                | 4,219            | 212,352 |
| Deposit (Tk. in Million)        | 1,267.33          | 1,350.28                 | 105.39           | 97.58   |
| Male Beneficiaries              | 642,387           | -                        | 1,855            | 107,522 |
| Male Deposit (Tk. in Million)   | 552.76            | -                        | 46.25            | 52.72   |
| Female Beneficiaries            | 954,599           | 1,089,755                | 2,364            | 103,595 |
| Female Deposit (Tk. in Million) | 714.57            | 1,350.28                 | 59.14            | 44.86   |

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



A beneficiary received loan of RLP 3rd phase from BRDB officer





*VGD beneficiaries withdraw their deposit from agent outlet*



*For making payment of disable allowance, a Bank Asia officer is trying to enroll a woman's fingerprint by feet*



*A briefing by BRDB upazila Officer to the beneficiaries about loan disbursement of RLP 3rd phase in Tangail*



*An elderly woman is receiving old age allowance from Bank Asia staff at UDC*



# SCHOOL BANKING

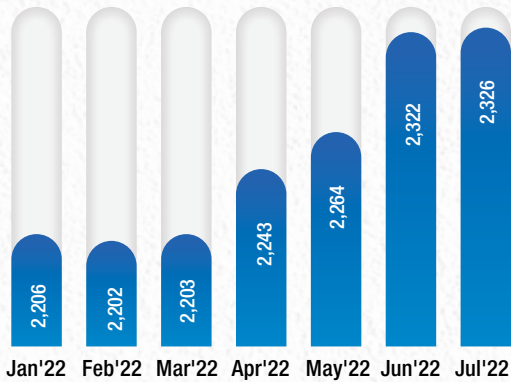


With a view to partnering financial inclusion by ensuring participation of school students in the economic activities through creating savings attitude among students, Bank Asia is offering three School Banking deposit products for different segment of customer. The main objective of these products is to encourage children and student to the savings habit and familiarizing them with banking transaction. Among these Smart Junior Saver (SJS) is introduced in 2011 under Islamic Banking operations of the Bank as per instruction of Bangladesh Bank. Then a School Banking account started within Agent Banking framework in 2015. In 2021, another School Banking account named **Duronto** launched from conventional part of core banking the Bank.

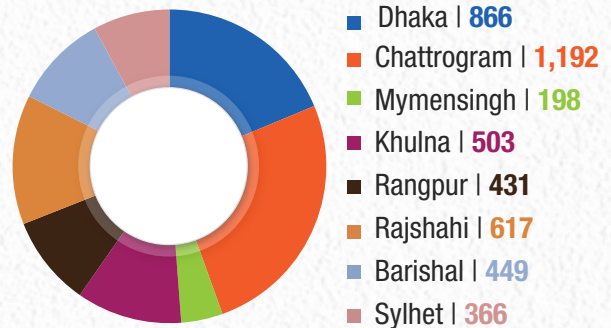
| Year | Conventional Agent Banking |                   | Islamic Agent Banking |                   |
|------|----------------------------|-------------------|-----------------------|-------------------|
|      | No. of A/C                 | Amount of Deposit | No. of A/C            | Amount of Deposit |
| 2021 | 142,302                    | 135,572,700       | 42,621                | 78,446,820        |
| 2022 | 156,993                    | 205,635,562       | 54,383                | 83,898,041        |

## Industry Position

Deposits in School Banking Amount (in crore)



## Divisionwise no. of school under school banking operation



As a lead bank, Bank Asia Limited organized School Banking Conference 2023 in Rangpur





# Disclosure on Product portfolio

## Incorporation of Environment Risk in Core Risk Management

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

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

## Introducing Green Finance

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

As Bank Asia has a participation agreement with Bangladesh Bank under the refinancing scheme for lending in solar energy, bio-gas, Effluent Treatment Plant (ETP) and Hybrid Hoffman Kiln (HHK); we periodically determine business ventures under these sectors where we can provide lending facilities.

Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for its borrowers as well as stakeholders. In 2022, we have disbursed an amount of Tk. 2,027.30 million in Renewable Energy & Tk. 375.84 million in Energy & Resource Efficiency under Green Finance.

In 2022, Bank Asia has disbursed an amount of Tk. 237.06 million in Liquid Waste Management and as of December the outstanding was Tk. 1,210.55 million. This includes Central ETP, Biological ETP, Combination of Chemical & Biological ETP etc., which will highly reduce operating cost of the business without any adverse effect on the environment. In 2022, we also financed various projects under Establishment/Green Building amounting to Tk. 158.50 million. We have saved Tk. 10.04 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E- Fund Transfer, Digital Attendance, E –Mail correspondence etc.



*Spectra Solar Park financed by Bank Asia Ltd.*



## Assessing and Screening Environmental and Social Risks

Bangladesh Bank through its SFD Circular No. 02 dated 08.02.2017 and SFD Circular No. 03 dated 16.03.2017 introduced “Guidelines for Environmental & Social Risk Management (ESRM)” for Banks and Financial Institution of Bangladesh.

|                            |                                                                                                                                 |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Exclusion List             | A number of sectors/activities where the Bank will not finance                                                                  |
| ESDD Checklist             | To measure risk whether LOW, Moderate or HIGH risk based on the perspective of environment, health and safety and social issues |
| 3 <sup>rd</sup> Party EISA | Information to be verified by 3 <sup>rd</sup> party                                                                             |

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

EDD checklist Guideline Matrix:

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

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

| Sl. NO | Transaction Type                                                                                                           | Exclusion List | ESDD checklist | 3rd party ESIA |
|--------|----------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| 1      | Agriculture activities involving farming, crop production                                                                  | √              | √              |                |
| 2      | Other agricultural activities                                                                                              | √              |                |                |
| 3      | Retail, Trade (of regular goods), Microfinance                                                                             | √              |                |                |
| 4      | Trade of hazardous substance                                                                                               | √              | √              |                |
| 5      | Small sector falling in one of the categories listed above from sl, no a to h and / or exposure greater than Tk. 10.00 lac | √              | √              |                |
| 6      | Small sector NOT falling in one of the categories above from sl, no a to h and exposure below Tk. 10.00 lac                | √              |                |                |
| 7      | Medium sector                                                                                                              | √              | √              |                |
| 8      | Corporate Finance                                                                                                          | √              | √              |                |
| 9      | Project Finance                                                                                                            | √              | √              | √              |

## Improving Staff Competency for Environmental and Social Responsibility

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

We frequently arrange training/workshops on ERM and green banking for our officers and executives. In 2021, 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.

Moreover, our credit risk management (CRM) department has introduced e-sanction advice for the all approved credit facilities. And this archive system has been developed for 6 departments namely: CRM, CMSE, Islamic Window, SAMD, CFC & Agricultural wing.

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

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

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

## Transport

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

## Monitoring Clients' Environmental and Social Compliances

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

# Business Portfolio

(As on December 31, 2022)

## Corporate & Large Loan

Loans & Advance portfolio of Bank Asia has always remained focused on Corporate and Large Loan Financing.



## Export Finance

Specialized division established for more focus on export finance.



## Off-Shore Banking Unit (OBU)

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



## Agriculture

Through agriculture loan, Bank Asia finances marginalized farmers and contributes to rural development where Tk. 4,664 million was disbursed among 69,182 beneficiaries in 2022 under agriculture and rural wing.



## Islamic

For serving a major segment of business under religious framework, Bank Asia now operates five Islamic Banking Windows. In addition to that Salamah Online Banking Service is available to all branches of the Bank.



## CMSME

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



## Retail

Bank Asia is trying hard to create a balanced portfolio through its retail business unit. Consumer finance and Credit cards are two important segments of Retail business. Consumer segment is expanding on continuous basis with House Loan, Auto Loan, Consumer Loan, Personal Loan, Professional and Freelancer Loan.



## Others





## Region Wise portfolio

Million Taka

| Division     | Urban          | Rural         | Total          | %          |
|--------------|----------------|---------------|----------------|------------|
| Dhaka        | 212,858        | 16,084        | 228,942        | 82.39      |
| Chittagong   | 27,903         | 4,402         | 32,305         | 11.63      |
| Khulna       | 4,154          | 220           | 4,374          | 1.57       |
| Rajshahi     | 3,039          | 2,529         | 5,568          | 2.00       |
| Barisal      | 1,164          | 17            | 1,181          | 0.43       |
| Sylhet       | 2,724          | 320           | 3,044          | 1.09       |
| Rangpur      | 1,912          |               | 1,912          | 0.69       |
| Mymensingh   | 538            | 6             | 544            | 0.20       |
| <b>Total</b> | <b>254,293</b> | <b>23,578</b> | <b>277,870</b> | <b>100</b> |

## Economic Environmental and Social Value Generated through Various Products

### Cottage, Micro finance, Small and Medium Enterprise (CMSME)

CMSMEs have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken CMSME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2022, the CMSME portfolio stood at Tk. 42,839 million.

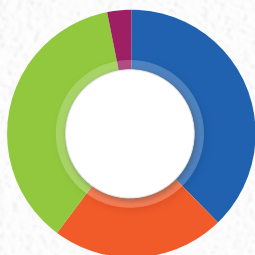
### Financing Effluent Treatment Plant (ETP)

As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and Effluent Treatment Plant (ETP) & Hybrid Hoffman Kiln (HHK).

In 2022, Bank Asia has disbursed an amount of Tk. 237.06 million in Liquid Waste Management and as of December the outstanding was Tk. 1210.55 million. This includes Central ETP, Biological ETP, Combination of Chemical & Biological ETP etc.

### Financing Environment Friendly project

The Bank have financed for different Green Establishment/Green Building project, which helps to reduce environmental effect. 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 environmental friendly establishments.



**CMSME Portfolio in 2022**  
(Million Taka)

- Manufacturing **16,163**
- Service **9,627**
- Trading **15,709**
- WE **1,339**

## Online Payment Gateway Services

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2022, we have done 401,609 transactions of USD 157.44 million. In 2022, Bank Asia Cosponsored the largest SMB and Freelancer Conference-2022 in Bangladesh organized by Payoneer.

## Audit of Environmental and Social Compliances

The internal audit team under internal control and compliance department (ICCD) carries out audit & inspection of all branches and credit risk management (CRM) department at least once in a year and examine compliances of environmental covenants in the credit sanction memos along with other general reviews. Implementation of environmental and social policies and risk assessment procedures were also audited by external as well as Bangladesh Bank audit team every year. External auditors must cover 80% of total loan portfolio.

As per approved 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.

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

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



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



## SECTORAL DISTRIBUTION OF CREDIT

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

Sectorwise distribution of loans and advances is as follows:

Million Taka

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



# 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>House Finance</b> <ul style="list-style-type: none"> <li>Shapner Abash</li> <li>Griha Shaj</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 (Travel Loan)</li> <li>Sheba</li> <li>Loan for Landlords (Hospitalization Loan)</li> </ul> | <ul style="list-style-type: none"> <li>Student Support Loan</li> <li>Wage Earner's Support</li> <li>Purnata Senior Citizen Support)</li> </ul> | <b>Consumer Durable Loan</b> <ul style="list-style-type: none"> <li>Green Energy Loan</li> <li>Shabolombi (Loan for Professionals)</li> <li>Loan for Landlords</li> <li>Water Supply and Sanitary Loan (WSS)</li> </ul> |
| <b>Auto Loan</b> <ul style="list-style-type: none"> <li>Shapner Bahan</li> <li>Motorcycle loan</li> <li>Bicycle loan</li> </ul>                                              |                                                                                                                                                                                                                |                                                                                                                                                |                                                                                                                                                                                                                         |



## Credit Card

|                                                 |                             |                                                                          |
|-------------------------------------------------|-----------------------------|--------------------------------------------------------------------------|
| Visa Signature Credit Card (with Priority Pass) | Master Titanium Credit Card | LankaBangla Card Cheque                                                  |
| VISA Platinum Credit Card (with Priority Pass)  | Master Gold Card            | Shadhin Card                                                             |
| VISA Gold Credit Card                           | Master Silver Card          | Gift Card                                                                |
| VISA Butterfly Credit Card                      | Virtual Card                | Prepaid Travel Card                                                      |
| VISA Classic Credit Card                        | VISA Prepaid Hajj Card      | <b>Islamic Credit Card</b><br>Salamah Platinum Card (with Priority Pass) |



## Islamic Banking Products

### Deposits

|                                                               |                                                        |                                                            |
|---------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| Al Wadiah Current Account (AWCA)                              | Smart Junior Saver (School Banking) Account            | Mudaraba Term Deposit Account (MTDA) for different tenure  |
| Mudaraba Savings Account (MSA)                                | Mudaraba Savings Account (MSA) - Smart                 | Corporate Term Deposit Account (CTDA) for different tenure |
| Mudaraba Corporate Privilege Savings Account (MCPSA)          | Mudaraba Special Notice Deposit Account (MSNDA)        | Mudaraba Hajj Savings Scheme (MHSS) (1 to 10 Years tenure) |
| Mudaraba Deposit Pension Scheme (MDPS) (3 to 12 Years tenure) | Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS) | Cash Waqf                                                  |



## Investment Products

|                                                   |                                      |                                            |
|---------------------------------------------------|--------------------------------------|--------------------------------------------|
| Bai Murabaha Muajjal (both Local and Post Import) | Hire Purchase Shirkatul Melk (HPSM)  | Musharaka                                  |
| Murabaha Import Bills                             | Quard against Accepted Bills         | Quard against MTDR & Schemes               |
| Istisna'a – Export                                | Post Export Finance -Foreign (PEF-f) | Musharakah Export Finance – Inland (MEF-i) |

## Islamic SME Financing Products

|                 |                   |                                 |
|-----------------|-------------------|---------------------------------|
| SALAMAH Srishti | SALAMAH Somriddhi | SALAMAH Bahon                   |
| SALAMAH Subidha | SALAMAH Sondhi    | SALAMAH Suborno                 |
| SALAMAH Sofol   | SALAMAH Seba      | Uttaran–Islamic For MSE Finance |

## Islamic Agri Financing Products

|                          |                                   |                         |
|--------------------------|-----------------------------------|-------------------------|
| Islamic–Cropping Support | Islamic-Dairy & Fattening Support | Islamic-Poultry Support |
| Islamic-Fishery Support  | Islamic-Equipment 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          | <b>Start-Up Loan</b> - Term loan for IT based innovative business or service entrepreneurs. |

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)                 | House Building Loan – Commercial | Term Loan Industrial              |
| 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     |
| Poultry Demand Loan                 | Short Term against 10 Taka Savings | Fishery Demand Loan     |
| Fishery Term Loan                   | Agriculture Term Loan against NGO  | Demand Loan against NGO |
| Demand Loan against 10 Taka Savings | Dairy and Fattening Term Loan      | Cropping Demand Loan    |
| Poultry Term Loan                   |                                    |                         |



## 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 Merchandize     | 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) |
|---------------------|--------------------------------------------|-------------------------------------------------|

### 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

### Import & Export Bill Discounting facilities for On-Shore Customers

|           |               |
|-----------|---------------|
| UPAS Loan | Bill Purchase |
|-----------|---------------|

### Import & Export Bill Discounting facilities for Other Banks

|           |               |
|-----------|---------------|
| UPAS Loan | Bill Purchase |
|-----------|---------------|

### Long-term Finance facilities for On-Shore Customers

|           |          |                  |
|-----------|----------|------------------|
| Term loan | ECA loan | Syndication loan |
|-----------|----------|------------------|

### Working Capital Finance for “A” Type ( 100 % Foreign own) Customers

|     |                |             |           |
|-----|----------------|-------------|-----------|
| LTR | Packing Credit | Demand Loan | Overdraft |
|-----|----------------|-------------|-----------|

### Trade Finance (non-funded) facilities for “A” Type ( 100 % Foreign own) Customers

|        |        |
|--------|--------|
| Import | Export |
|--------|--------|



## Deposit products

|                                      |                                        |
|--------------------------------------|----------------------------------------|
| Nonresident Foreign Currency Deposit | Foreign Company/ Institutional Deposit |
| Current Deposit                      | Current Deposit                        |
| Savings Account                      | -                                      |
| Term Deposit                         | Term Deposit                           |

## 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                  |               |



# Bank Asia: A Story of Fulfilling Dreams

## CASE 1

### Digital Banking Dignified Farmer

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

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

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



## CASE 2

### U May Pro Marma: Papaya Cultivator in Thanchi

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

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

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

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



# AGRICULTURAL / RURAL CREDIT



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



**Beneficiaries**  
**69,182** farmers



**Bangladesh Bank Target Achievement**  
**103%**

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

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



### Loan through Agent Outlets

Disbursed Amount  
Tk. **914** million

Distributed among  
**15,998** farmers



### Loan under Stimulus packages

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

No. of borrower **8,071**



### Financing for import substitute crops

Disbursed Amount  
Tk. **56** million

**1,255** farmers

**4% interest rate**  
*To reduce import dependency*



### Financial support to 10 tk. accountholders

Disbursed Tk. **117** million

No. of beneficiaries **2,870**

*To improve livelihood of the small and marginal farmers*

### Status of Agricultural/rural Credit as on 31.12.2022

Million Taka

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

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

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



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





We are also committed to enhancing consumer financial capability and invest in ways to help our customers improve their financial decision-making. All our financial products are delivered by using various methods like direct selling, cross selling by branches as well as corporate office employees'. There are divisions among corporate clients based on the loan portfolio just to ensure timely and effective services to our clients. In a way to keep pace with our objectives in mind, we have developed loan products policy. The policies are designed in a way that every rules can be well understood by the delivering channels i.e. branch as well as corporate office employees' to communicate to the customers in the most convenient way. Moreover, there are flexibility in the policies in a way so that our customers can get customized services according to their need as well as that can protect the interest of the bank.

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

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

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

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

### Islamic Banking Services

Islamic Banking of Bank Asia Limited has been passing the 12<sup>th</sup> year of its operations starting from the Islamic Window concept. Now, Islamic banking is following virtual Window model. For Islamic

deposit and investment business, the Bank is simultaneously using all of its distribution Channels, i.e. Conventional Branches, SME Centers, and Agent Banking outlets through online services beside the dedicated Islamic Banking Windows.

We provide this services by separate Islamic Banking software i-Hikmah and real time online Islamic Banking services from our entire network under the brand 'Salamah'. Income sharing ratio (ISR) based unique profit distribution system on Mudaraba deposit has given our Islamic banking services much acclaim and wide acceptance.

Launched with a commitment to maintain purity in Shariah compliance, Bank Asia's Islamic banking services are available from all distribution channels of the Bank, i.e. all Branches, SME Centers, SME/Agri Branches through online services. Besides, the Islamic agent banking services has been expanded to all districts across the country under the agent banking framework from 2017. Islamic investment facilities has been started this year through the agent outlets for unbanked people to achieve the country's goal of financial inclusion. All of these Islamic services and businesses are operated using completely separate software and accounting, investment and fund management systems.

During the year the bank approved new products for Export Finance Business and adopted new financing products for Agri and Poultry Sector under Islamic banking services. The bank also implemented separate Islamic banking ledger where Islamic Banking Operation can be done from all branches.

### Deposit *Million Tk.*



### Investment *Million Tk.*



### Profit *Million Tk.*



# ESG Approach and our priorities



## Environment

It is our firm belief that our success as an organization 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**

## Social

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

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

## Governance

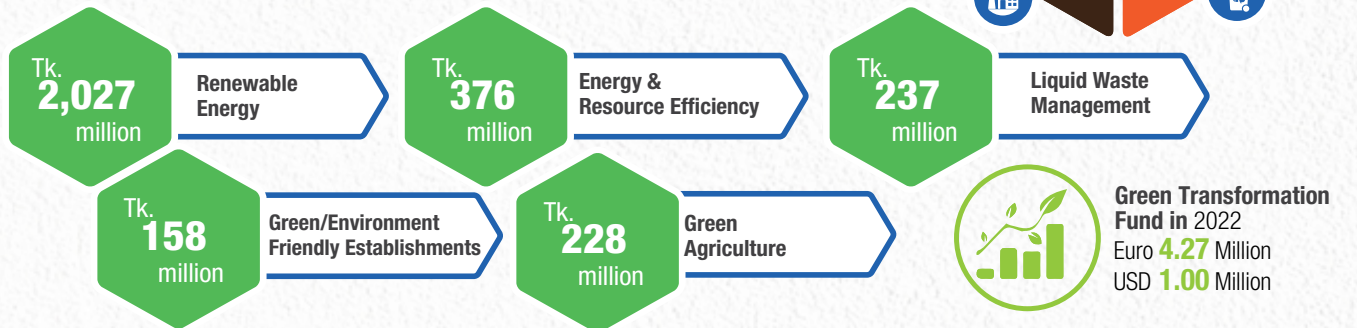
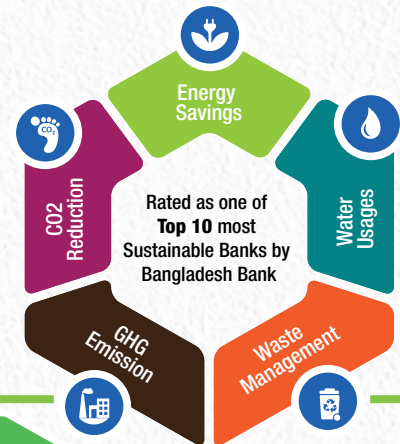
Our Corporate Governance framework is based on Integrity, transparency & accountability, effective internal controls, a strong risk culture and accountability to stakeholders where Bank Asia strives to perform at our very best.

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



# 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
- Loan sanctions have been uploaded in the MISDB in pdf format instead of hard copies
- For branding & marketing communication purpose, Bank is more focusing on Face book, Websites & other online platforms.

### Carbon offset projects

- We have disbursed Tk. 7416.94 million to 91,408 rural farmers where approving Tk. 903.52 million to 15,424 farmers through Online Credit Approval System (OCAS).

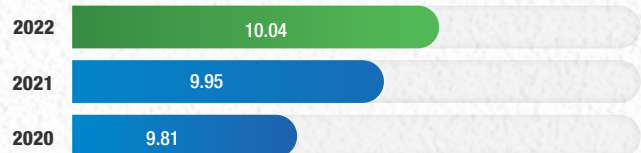
### Reducing Energy & Resource Consumption

- 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 saved 450,000 pages and 90,000 courier service delivery cost.
- The Green Banking initiatives taken by Cards Division includes E-Statement, SMS Banking, E Mail corresponding etc during 2022 amounted towards net savings worth Tk. 10.04 million

### Financing Renewable Energy and Energy & Resource Efficiency

- In 2022, we have disbursed Tk.2,027.30 million in Renewable Energy and Tk.375.84 million in Energy & Resource Efficiency under Green Finance. This will enable the business entities to improve their Energy & Resource Efficiency and will reduce their operating cost to a great extent through using renewable energy without any adverse effect on the environment.

#### Net Savings million Taka

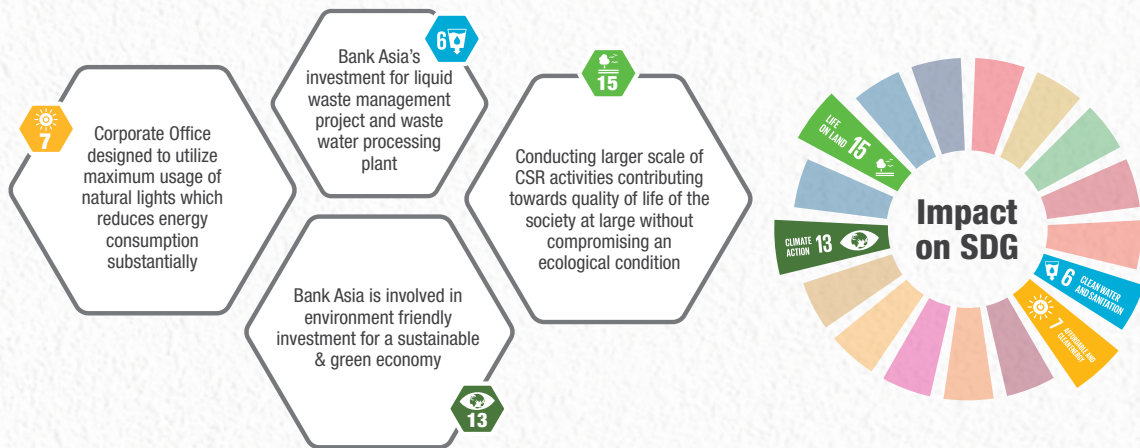


- Apart from financing to Renewable Energy, Bank Asia is also cautious about its own use of renewable energy. Solar panels are already installed in 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME Service Centre, Bank Asia Bhaban & Nimitola Branch

### Direct Energy consumption by Bank Asia

| Source       | Consumption    | Megajoules        |
|--------------|----------------|-------------------|
| Electricity  | 12,308,733 kwh | 44,311,439        |
| Diesel       | 37,333 ltrs    | 1,343,981         |
| Octane       | 9,333 ltrs     | 298,662           |
| CNG          | 118,836 m3     | 3,802,752         |
| <b>Total</b> |                | <b>49,756,834</b> |





## 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 which was Tk. 291 per employee in 2022.

### Waste Management

The process involved in dealing with the waste generated by day



Partex Pulp & Paper mills Ltd. financed by Bank Asia Limited

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 2022, Bank Asia has disbursed an amount of Tk.237.06 million in Liquid Waste Management and as of December the outstanding was Tk.1210.55 million. This includes Central ETP, Biological ETP, Combination of Chemical & Biological ETP etc. In 2022, we also financed various projects under Establishment/ Green Building amounting to Tk.158.50 million, which helps to reduce environmental effect.

### Green House Gas Emission Table

| Source      | Consumption    | Co2 Emission    |
|-------------|----------------|-----------------|
| Electricity | 12,308,733 kwh | 44,311,439 tons |
| Diesel      | 37,333 ltrs    | 1,343,981 tons  |
| Octane      | 9,333 ltrs     | 298,662 tons    |
| Air Travel  | 1,566,646 km   | tons            |
| Road Travel | 2,349,969 km   | 3,802,752 tons  |
| Paper       | 84,754 Reams   | 49,756,834 tons |

Source: [www.carbonneutral.com.au](http://www.carbonneutral.com.au)

## GreenHouse GAS EMISSION

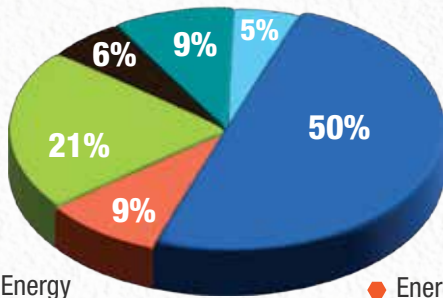
### Saving CO2 emission

- For saving money & time and to lessen the emission of CO<sub>2</sub>, Bank Asia implemented Video Conferencing System between Head Office and branches in order to attend meetings. BAITD (Bank Asia Institute of Training & Development) also provided virtual training to the employees using ZOOM, Cisco Webex & True Conf. platforms throughout the year.

### Reducing Carbon Footprint

- As part of our commitment for our green economy Bank Asia have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and Effluent Treatment Plant (ETP) & Hybrid Hoffman Kiln (HHK).

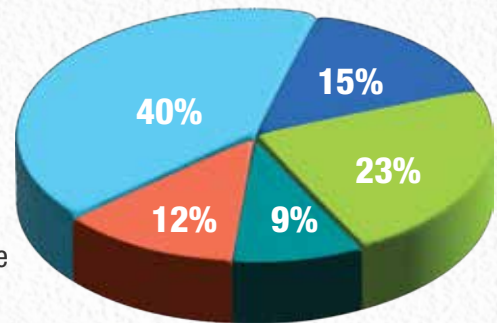




**Segments of Green Finance**  
(million taka)

- Renewable Energy
- Liquid Waste Management
- Green/Environment Friendly Establishments
- Energy & Resource Efficiency
- Environment Friendly Brick Production
- Green Agriculture

**Segment of Sustainable linked finance**



- Finance to sustainable agriculture
- Finance to Sustainable CMSME
- Socially responsible financing(SRF)
- Working capital & demand loan of Green products/projects/initiatives
- Priority green/eco friendly products for trading sector

### 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. Apart from that, we also participated in agreement with Bangladesh Bank for availing Green Transformation Fund (GTF) and Technology Development/Up-gradation Fund (TDF). The outstanding amount of our GTF Fund as of 31.12.2022 was EURO 4.27 million & USD 1 million.

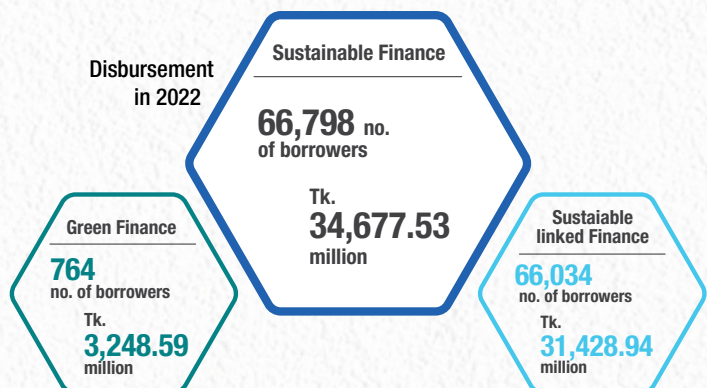
### Initiative to Reduce the Bank's Adverse Impact on Environment

- 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.

### Initiatives for Green Banking

#### 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 sustainable initiatives of the bank.





### **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 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.

Since 2011, Bank Asia has started Environmental & Social Due Diligence (ESDD) through ESDD Checklist in its investment proposals by following ESRM Guidelines. In 2022, total 4,119 number of finances were rated where disbursement of Tk. 334,433 million was made to 3,511 number of finances.

### **Sustainability Report & Rating**

- Since 2012, Bank Asia has published Sustainability Report and achieved Gold Rank- Best Sustainability Report in Asia Sustainability Reporting Rating 2021 - 17th SRA 2022 by NCSR (National Center for Sustainability Reporting) & ICSP (Institute of Certified Sustainability Practitioners)
- In 2022, Bank Asia was rated among the Top 10 Banks in Sustainability Rating for 2021 conducted by Bangladesh Bank which is for the 2nd consecutive year. It was a tremendous achievement for the organization and is the acknowledgement of the Bank being a sustainable and environment friendly one.

### **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 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking.
- Our banking system provides services through a unique banking app "Bank Asia SMART APP" both for branch & Agent Banking customers, also secures all kinds of transactions and information about customers.

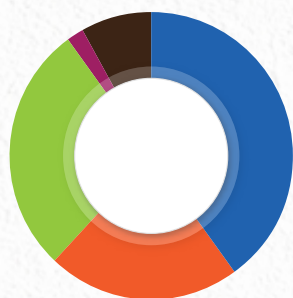
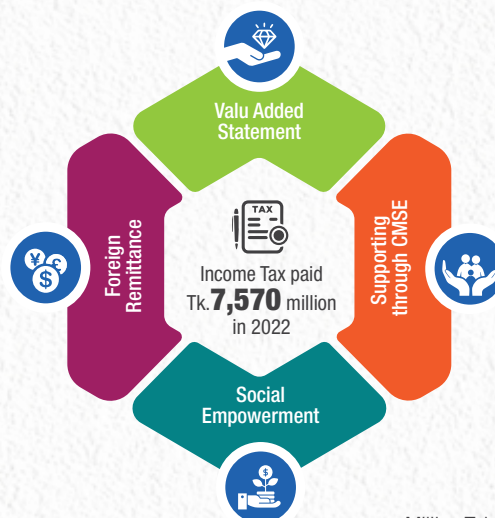
### **Compliance**

During 2022, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.



# Economic Performance

Value Added Statement shows the wealth created by an organization & how is that wealth distributed among different stakeholders. In the year 2022 bank's net value addition was Tk.12,566 million; 40% was distributed to employees as salaries, 22% to shareholders as dividend & reserve, 28% to government as income tax and rest of the amount used for business expansion and growth.

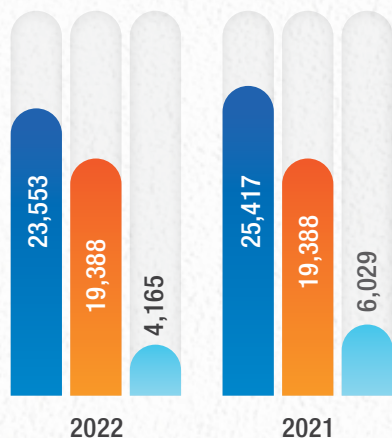


## Value Added Statement 2022

- To employees as salaries **40%**
- To Government as Income Tax **22%**
- To providers of capital **28%**
- Retained profit **2%**
- Depreciation **8%**

## Market Value Added

- Market Value of Equity
- Book Value of Equity
- Market Value Added



Million Taka

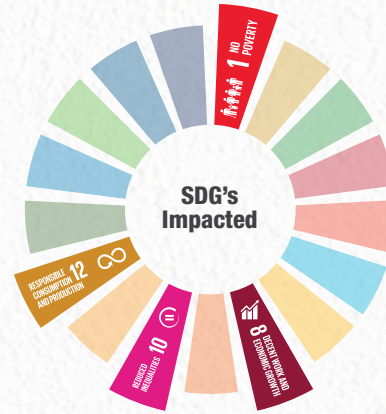
| Items                                                     | 2022          | 2021         |
|-----------------------------------------------------------|---------------|--------------|
| Income from banking services                              | 35,149        | 29,394       |
| Less: Cost of services & supplies                         | 18,434        | 15,445       |
| Value added by banking service                            | 16,715        | 13,949       |
| Non-banking income                                        |               |              |
| Provision for loans & Off-balance sheet exposure & others | (4,149)       | (4,786)      |
| <b>Total</b>                                              | <b>12,566</b> | <b>9,164</b> |

| Distribution of value addition                | 2022          |             | 2021         |             |
|-----------------------------------------------|---------------|-------------|--------------|-------------|
|                                               | Amount        | %           | Amount       | %           |
| To employees as salaries                      | 5,064         | 40%         | 3,891        | 42%         |
| To providers of capital as dividend & reserve | 2,798         | 22%         | 2,630        | 29%         |
| To Government as income tax                   | 3,500         | 28%         | 1,700        | 19%         |
| <b>To expansion &amp; growth</b>              |               |             |              |             |
| Retained profit                               | 247           | 2%          | 77           | 1%          |
| Depreciation                                  | 956           | 8%          | 868          | 9%          |
| Deferred Taxation                             | -             | -           | 0            | -           |
|                                               | <b>1,203</b>  | <b>-</b>    | <b>943</b>   | <b>-</b>    |
| <b>Total Value Addition</b>                   | <b>12,566</b> | <b>100%</b> | <b>9,164</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 2022, total market value of the bank was Tk. 23,553 million & total book value of equity is Tk. 19,387.72 million i.e. addition of market value was Tk. 4,165 million.

| Particulars        | No.of shares (in million) | Share price (in taka) | Taka (in million) |
|--------------------|---------------------------|-----------------------|-------------------|
| Market Value       | 1,166                     | 20.2                  | 23,553            |
| Book Value         | 881.26                    | 22                    | 19,388            |
| Market Value Added |                           |                       | 4,165             |



### 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                                                                                                           | 2022          | 2021          | 2020           |
|-----------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| <b>Invested fund by shareholders</b>                                                                                  |               |               |                |
| Shareholders equity                                                                                                   | 28,640        | 27,357        | 27,381         |
| Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others             | 21,859        | 18,312        | 15,620         |
| <b>Total invested fund by shareholders</b>                                                                            | <b>50,499</b> | <b>45,669</b> | <b>43,001</b>  |
| <b>Average invested fund by the shareholders [A]</b>                                                                  | <b>48,084</b> | <b>43,170</b> | <b>40,671</b>  |
| <b>Earnings for the year</b>                                                                                          |               |               |                |
| Profit after taxation                                                                                                 | 3,046         | 2,707         | 2,036          |
| Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units                              | 4,149         | 4,786         | 2,113          |
| <b>Earnings for the year [B]</b>                                                                                      | <b>7,195</b>  | <b>7,493</b>  | <b>4,149</b>   |
| 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>                                                                              | <b>6,251</b>  | <b>5,612</b>  | <b>5,287</b>   |
| <b>Economic Value Added [B-D]</b>                                                                                     | <b>944</b>    | <b>1,881</b>  | <b>(1,138)</b> |

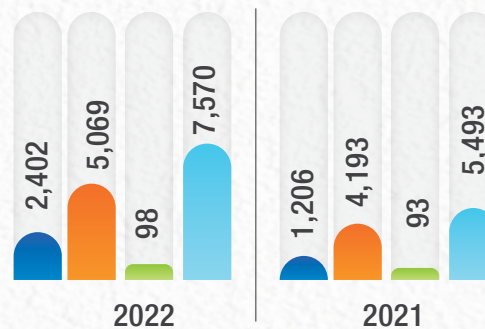
### Contribution to National Exchequer

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 2022, the Bank contributed Tk. 7,570 million to national exchequer.

| Particulars                                                                                       | 2022         | 2021         |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| Income tax payment on bank's earnings                                                             | 2,403        | 1,207        |
| Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank | 5,069        | 4,193        |
| Income tax payment by the employees                                                               | 98           | 93           |
| <b>Total Payment</b>                                                                              | <b>7,570</b> | <b>5,493</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 2022, with 4 SME Service Centers & 131 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 more people under the reach of credit in manufacturing industries, service oriented business. This year, CMSME disbursement portfolio stood Tk. 42,839.10 million & compared to previous year's Tk. 36,624.64 million with a growth of 16.97%.



## Initiatives in the year of 2022

- The CMSE Department of the Bank has launched a new product titled “Start-up Term Loan”- to support completely new entrepreneurs and creative initiatives of entrepreneurs in order to innovate faster, create new jobs, develop technical skills. Moreover, an agreement has been signed between Bangladesh Bank & Bank Asia for refinance scheme under Start-up Fund.
- Signed Agreement with Bangladesh Bank on a project namely “Supporting Post COVID-19 Small Scale Employment Creation Project” to finance CMSE entrepreneurs outside of Dhaka & Chattogram region at privilege rate. In 2022, Bank Asia has availed Tk. 387.69 million as refinance against 676 accounts from Bangladesh Bank under this project
- Executed agreement with Bangladesh Bank concerning ADB funded Entrepreneurship Development Training Program under Skills for Employment Investment Program (SEIP). In collaboration with Bangladesh Bank, 50 entrepreneurs have been trained initially in the training sessions held at Cox’s Bazar and Chattogram from which around 25% of the entrepreneurs have been financed from Bank Asia Limited.
- Signed Agreement with SME Foundation regarding on “Revolving Credit Wholesaling Fund for CMSEs” aiming to finance the targeted entrepreneurs of the priority sub-sectors, clusters, groups, areas



Participation in the 10<sup>th</sup> National SME product Fair-2022

including women entrepreneurs eligible for pre/re-financing facility.

- Signed an agreement with Truvalu enterprises Limited on “COVID-19 Recovery for MSME in Bangladesh” with a goal for business recovery and business continuity of MSMEs along with job retention via access to finance and technical assistance. We have financed to 24 SME entrepreneurs amounting Tk. 46.09 million under this project.
- Organized Training & Workshops for 430 entrepreneurs as well as 281 officials of the bank throughout 2022.
- Participated in 10th National SME Product Fair-2022 organized by SME Foundation.

## 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 2022, Bank Asia managed to distribute Tk. 4,663.61 million to 69,182 rural 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 5.54 million people have already been included under our Agent Banking platform. The Bank has implemented 5,414 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 2022. 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 2022



Farmers center is the one stop solution for rural Micro and Small Enterprises (MSEs), offering digital banking services

we successfully managed to increase our number of agent accounts by 12.8% compared to the previous year and the deposit amount stood at Tk. 38,856.37 million which was increase of 14.71% in comparison to 2021.

### 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 1,349 outlets. Currently there are 209,382 active accounts with deposits and advances standing at Tk. 3,080 million and Tk. 121 million, respectively.



## Micro Merchant banking App has achieved the Project Management Excellent Award 2022.

### Micro Merchant

Micro Merchant is another forward milestone for Financial Inclusion of Bank Asia and 2022 has been a milestone year for us. We have total of 56,500 micro merchant throughout urban and rural areas of Bangladesh. Total number of transactions in our micro merchant channel stood at 7.49 million worth Tk. 12,366 million.

### 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 2022, Bank Asia spent an amount of Tk. 237.48 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. 15.63 million (6.58%), health support Tk. 47 million (19.79%), disaster management Tk. 138.70 million (58.40%), Sports & culture Tk. 17.00 million (7.16%) and others Tk. 19.15 million (8.07%)

### Foreign Remittance

In 2022, the wage remittance inflow for the year ended at Tk. 129,063 million with a growth of 3.92% ranked 4th position among banks of the country whereas the country growth decline at 3.62%. Bank Asia is the pioneer and prominent in Financial Inclusion through introducing Agent Banking Model that helps us to grow in cross border remittance

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

business. There are many factors contributing to the decline in remittance inflows, including the widespread use of "Hundi" as a result of the widening exchange rate differential between the official channel and the black market, the war in Russia and Ukraine, and decreased wages for undocumented workers in GCC nations, among others.

### Online Payment Gateway Services (OPGS)

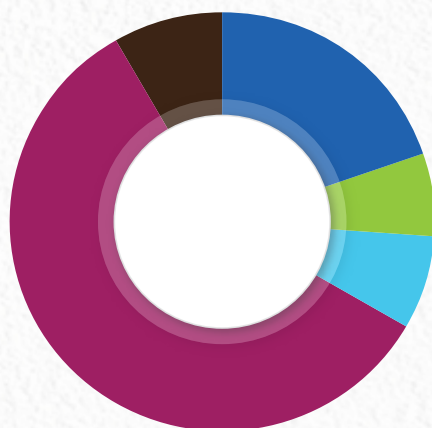
Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2022, we have done 401,609 transactions of USD 157.44 million. In 2022, Bank Asia Cosponsored the largest SMB and Freelancer Conference-2022 in Bangladesh organized by Payoneer.

### 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 2022, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh



## Community Investment 2022

Million Taka

Health **47** | **20%**

Education **16** | **7%**

Sports & Culture **17** | **7%**

Disaster Management **139** | **58%**

Others **19** | **8%**



## STRENGTHS

- Strong capital base
- Sound Credit Rating over the years
- Robust network to reach banking services across the country
- Focusing customer satisfaction as the main priority
- Brand Image validated locally as well as internationally through exploring transparency and reliability
- Pioneer in Financial inclusion
- Efficient Cost to income ratio in compare with peer banks
- Strong human resource as 67.5% of employees aged below 40 years

## WEAKNESSES

- Diversification of products & services
- Significant loans concentrated in large loan
- Limited scope of alternative income avenues
- Dependency on industry culture
- Less Advertisement resulting lower presence before customers

S

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**SWOT**  
Analysis

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- Continuous expansion in untapped business and grab new opportunities
- Digitization to cater different needs of customers
- Scope in digital Financial Inclusion
- Investment

- Liquidity crunch in Banking Industry
- Economic crisis due to disrupted supply chain for Russia and Ukraine war
- Higher inflation
- Rising trend of NPLs
- High Competition
- Depletion of Forex reserve

## OPPORTUNITIES

## THREATS

# শরীয়াহ্ শুদ্ধতায় ব্যাংকিং নির্ভরতায়

সম্পূর্ণ শরীয়াহ্ মোতাবেক পরিচালনা

আয় বণ্টন অনুপাত বা আইএসআর পদ্ধতিতে মুনাফা নির্ধারণ

শুধুমাত্র হালাল খাতে বিনিয়োগ

দৈনিক স্থিতির ভিত্তিতে মুনাফা এবং মাসিক ভিত্তিতে চূড়ান্ত হিসাব

সম্পূর্ণ পৃথক ইসলামিক সফটওয়্যার নির্ভর হিসাব ব্যবস্থা

দেশব্যাপী ব্যাংকের সকল শাখা ও এজেন্ট পয়েন্টে  
চার্জ ফ্রি অনলাইন ব্যাংকিং সেবা

ব্যাংক এশিয়া ইসলামিক ব্যাংকিং  
কর্পোরেট অফিস, ব্যাংক এশিয়া টাওয়ার  
৩২ ও ৩৪ কাজী নজরুল ইসলাম এভিনিউ  
কারওয়ান বাজার, ঢাকা-১২১৫  
ইমেইল- ibd.ba@bankasia-bd.com



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**ব্যাংক এশিয়া**  
**ইসলামিক ব্যাংকিং**

শুদ্ধতাই আপনার মুনাফা



GRI-201, 202, 203, 204, 205, 206, GRI-302, 305, 307, GRI-401, 402, 403, GRI-405, 406, 407, 408, 409, 410, 411, 412, 413, GRI-417, 418, 419

## Approach to Sustainability



Bank Asia's vision is to have a "poverty free Bangladesh" by ensuring inclusive growth to every segment of people; every sector of the economy. Since its inception, Bank Asia has dedicated itself to meet the financial needs of the people through innovative customer service and diversified financial services, which in turn contributes to ensuring a sustainable economy and growth of its customers. Bank Asia is the pioneer of Agent Banking in Bangladesh. By providing technology based financial services to the marginalized people with a strong digital coverage and infrastructure facilities, Bank Asia has become a role model of financial inclusion in the country's banking industry. We think beyond profit and believe in building an inclusive community, hence we have undertaken many initiatives towards achieving Sustainable Development Goals. And through the combined endeavor of all stakeholders, we will gradually move towards a sustainable world and a sustainable future without leaving no one behind. We have already established 5,414 agent outlets across 530 upazilas of 64 districts. We have also a plan to establish 50 Sub-branches in phases by 2023. We have set up the first ever RMG digital banking booth at the premise of the garment factory to serve the readymade garments workers marking a new era in the country's banking history.

Bank Asia has also catered to the needs of the thrust industries: cottage, micro and small enterprises- to help them grow and flourish. To tackle the situation of COVID-19 pandemic, a new product titled "CGS (SP) Surakkha" has been designed to assist CMSEs with no/insufficient collateral to obtain credit facilities under Credit Guarantee Scheme (CGS) which will facilitate stimulus package for CMSE segment. As we are the first financial institution in the country to introduce TAB/PC based digital SME & Agri proposal processing. Through OCAS (Online Credit Approval System) Diganta software more than 20,000 Agri credit proposals & 32,271 SME credit proposals amounting Tk. 24,687.48 million have been approved in 2022.. Bank Asia implemented a full-fledged digitized cluster-based approach for financing cottage, micro, small enterprises. Currently the bank is actively working on developing and financing in the clusters like Electric & Electronic cluster, Hosiery Cluster, Bamboo & Cane Cluster, Shitol Pati Cluster, RMG Cluster etc. The Cottage, Micro and Small Enterprise portfolio stood at Tk. 13,419 million in 2022 compared to previous year's Tk. 13,090 million & 4,778 new CMSE borrowers were added to the CMSE portfolio in 2022 with a volume of Tk. 3,460.10 million.

Bank Asia, in principle, always averts financing in environmental hazardous business. The bank has decided not to 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.

## **Approach to Sustainability**

During 2022, Bank Asia has disbursed Tk. 4,664 million for short and long-term credit in agricultural/rural sectors. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. For safeguarding biodiversity, our Bank is very much concerned and financed to different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant. In 2022, Bank Asia has disbursed an amount of Tk. 237 million in Liquid Waste Management and as of December the outstanding was Tk. 1210.55 million.

Bank Asia embedded the value of Corporate Social Responsibility (CSR) in its business philosophy. Since inception, the Bank has been contributing to the under privileged segment of the society so that they will be included in the mainstream. Bank Asia foundation established with the aim of strengthening CSR program and streamlining the activities in a more systematic, structured and sustainable manner. During the year 2022, Bank Asia spent an amount of Tk. 237 million on CSR which covers a vast area of education, health and other under privileged sectors for the overall betterment of the nation.

Bank Asia strongly believes safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. To improve our employees' work life balance, Bank Asia has established a combined day care center named "Pushpita" in collaboration with other private commercial banks by renting 5,666 square feet at Motijheel, Dhaka. To provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market, the child care center has established. For making the employees more effective and efficient, trainings provided to 2,807 participants of 60,984 MH in the year 2022.



# PRIORITIES WE FOLLOWED IN 2022

Secure the financial future by maintaining proper relationships with stakeholders



Capital Planning and Management

Ensure adequacy of capital as per Basel III Capital Accord to support healthy growth of business



Operating efficiency through Core Business

To maintain consistency and focus on asset quality



Financial Inclusion

To reduce poverty by promoting financial inclusion



Technological Innovation

Reducing lead time by technological advances



Liquidity Risk Management

To ensure smooth banking operation



Human Capital

Improvement of employee productivity



Paying back

Expanding the horizon of community services



Recovery of Classified Loan

Recovery of Classified Loan through proper monitoring & relationship management

- Total Capital Tk. 46,111 million | CRAR 17.70%
- LCR 145.18% | NSFR 114.80 % | Leverage ratio 5.52 %

- NAV per share increased to Tk. 24.56
- Profit increased : 12.53%
- +6.27% Deposit + 5.9% Advance
- +21% Export | -7% import

#### Agent Banking

- 64 districts
- 5,414 Outlets
- 5.55+ Million Customers

#### Micro-merchant

- On-Boarded 56,500
- Total Transactions: 7.49 million

#### Post office Banking

- Outlets 1,349
- Accounts: 209,382
- Agent Outlets: 8,500

#### OCAS-Diganta project

- Number of SME Accounts: 32,271
- Loans processed: Tk. 24,687 Million
- Robotic Process Automation
- 4 IR implementation
- Artificial Intelligence Workforce (AIW)
- Complied BCMS 22301: 2019
- Oracle Real Application cluster

- AD Ratio: 64.17%
- ROA: 0.67%
- ROE: 10.88%

- 60,984 man hours of training to 2,807 participants
- Human capital is Tk. 35,771million

#### CSR activities: Tk. 237.48 million

#### Sustainable Finance: TK. 34,677.33 million

- Green Finance: Tk. 3,248.59 million
- Sustainable Linked Finance: Tk. 31,428.74 million

- Non-performing loans stood at 4.87%
- Maintained provision amount is Tk. 7,306 million
- Cash Recovery from CL and Written of Loan was Tk. 318.75 million



# 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 entry 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, HRD 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</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

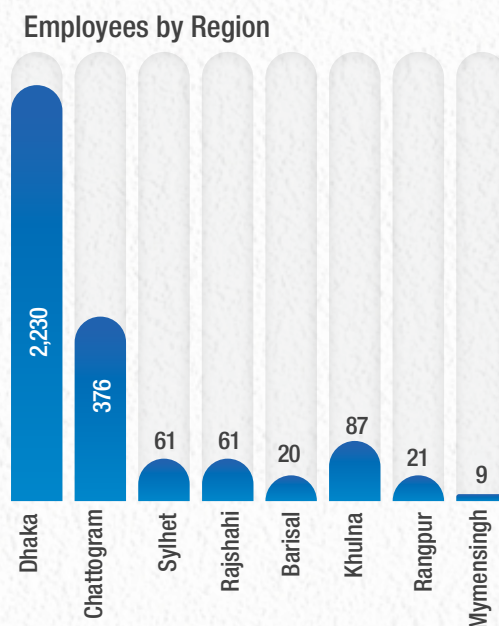
318 new employees were recruited during 2022 where 48.59% for branches & 51.41% for Corporate Office to ensure effective and timely support.

## Employees by Diversity

Employees by Diversity Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees 2,865 dominated in diversity composition and 4 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 77.84% in 2022 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.



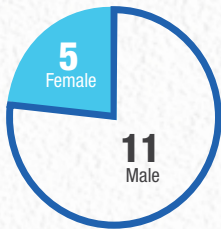
## Gender Positioning of Employees

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.





**Gender Positioning of Directors**



**Gender positioning by**

**2,272**

Employment level

4.29%

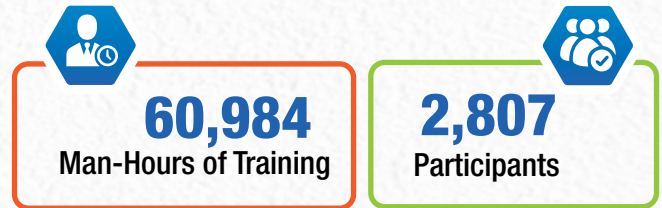
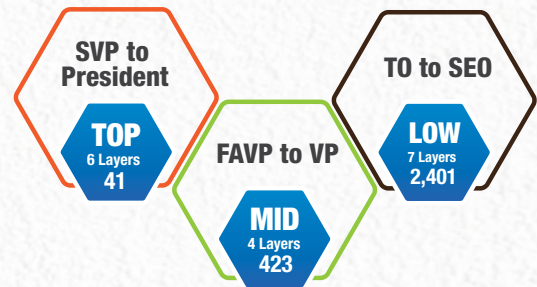
Turnover Rate



**593**

1.01%

**Employees by Employment Hierarchy**

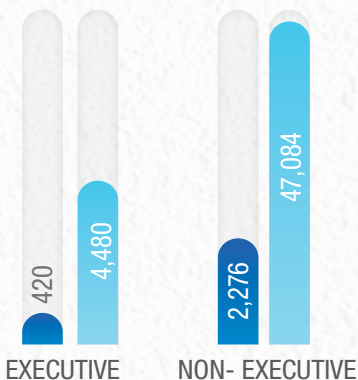


**LEARNING & DEVELOPMENT**

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.

**Training by Position**

■ Person ■ Hour



**Training by Gender**

■ Gender ■ Hour



**Bank Asia and Green Banking**

- Bank has organized 2 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 2 trainings on Green Banking under Foundation training course & other training related to Green banking to the employees of the Bank.
- 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 more than 20,000 Agri credit proposals & 32,271 SME credit proposals amounting Tk. 24,687.48 million have been approved in 2022.
- 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.



**Training by Different Institutes**

| Particulars                          | 2022  |        |
|--------------------------------------|-------|--------|
|                                      | Nos.  | Hours  |
| In House Training                    | 2,624 | 55,920 |
| Bangladesh Bank                      | 33    | 280    |
| BIBM                                 | 69    | 928    |
| Training by other institutes         | 81    | 3,856  |
| Total No. of Participants & Man Hour | 2,807 | 60,984 |

**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

**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 2022, 59 female employees availed 180 days each with a total of 10,620 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. During 2022, 106 male employees availed this paternal leave.

**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 11 nannies, 5 teachers, 1 supervisor, 1 child care co coordinator 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.

**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 1428

Bank Asia has celebrated the first day of Spring of Bengali calendar 1428 in a festive manner. Mr. A Rouf Chowdhury, Chairman of the Bank, celebrated the day along with Chairman of the Board Executive Committee, Chairman of the Board Audit Committee and Directors were attended the program.



### **International Women's Day**

"Let Her Lead"- with this slogan, Bank Asia celebrated International Women's Day 2022 in a festive manner. The leading female employees from different arenas of the bank shared their stories of journey towards a successful career.



*Celebration of International Women's Day*

### **Arranging Fruit Festival**

Bank Asia has organized a 'Fruit Festival' for its employees with a variety of seasonal fruits.

### **Celebrating Father's Day-2022**

Bank Asia observed Father's Day-2022 to express gratitude and love for all the fathers of the world. Attendees of the event recollected the memories of their fathers by recalling their work, integrity, contributions, inspirations and sacrifices.

### **Appreciate and motivate its support staffs**

To acknowledge, appreciate and motivate its support staffs, Bank Asia Ltd., has organized a Support Staff Appreciation Day. On this occasion, Bank arranged various food items for Support Staffs and the officials served the food to them. Glorify Independence Day



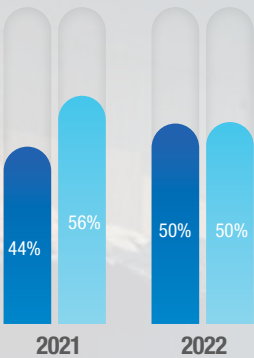
*Support Staff Appreciation Day organized by Bank Asia*



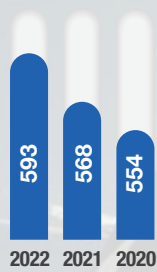
# HUMAN CAPITAL DISTRIBUTION

Branch vs Corporate Office Manpower Allocation

■ Corporate Office  
■ Branch

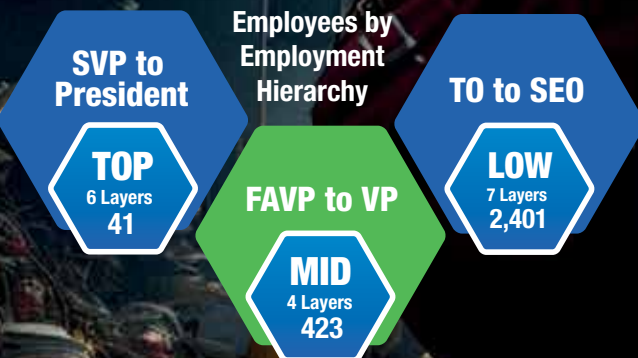
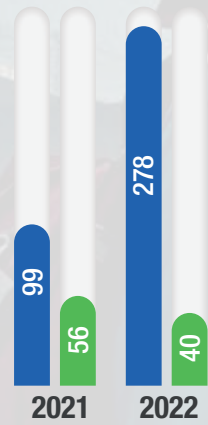


No. of Female Employees



New Employee Distribution

■ Corporate office  
■ Branches

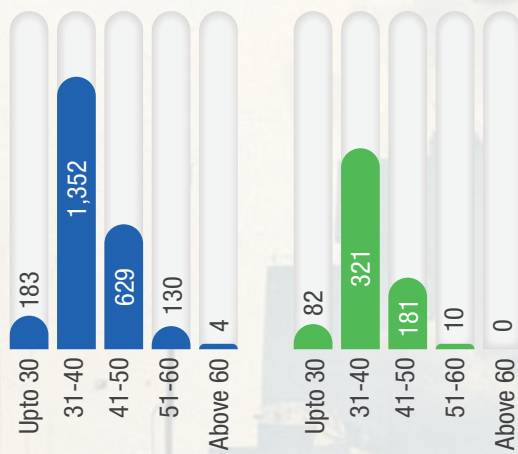


**Tk. 21.45 million**

**received as**

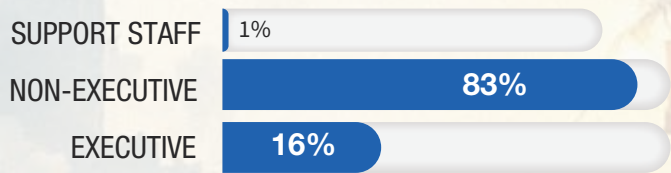
**Insurance Claim in 2022**

### Gender Age Group Wise

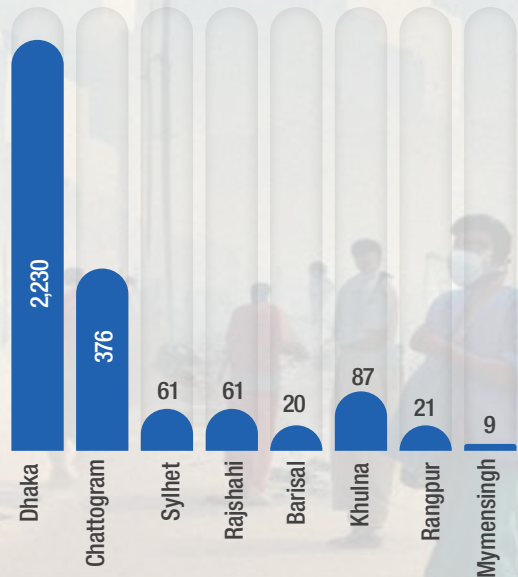


In 2022  
60,984 man hours training  
for human capital  
development

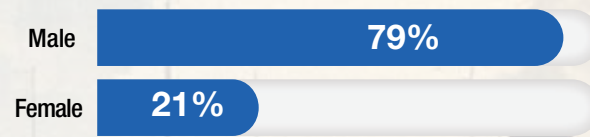
### Employee by Position



### Employees by Region



### Gender Positioning





Bank Asia observed the Independence Day of Bangladesh. The National Flag was hoisted as well as The National Anthem was performed in front of Bank Asia Tower, Karwan Bazar, Dhaka in the morning of 26 March 2022.

### **Glorify National Mourning Day**

Bank Asia Ltd observed “National Mourning Day” on 15th August 2022 with day long activities. The activity started early in the morning with half-mast hoisting of national flag and singing of national anthem at the premises of Bank Asia Tower, Karwan Bazar, Dhaka. Then tree plantation activity was performed at the same premises. A virtual discussion meeting was held to recall the great life, work and unforgettable memories of the father of the nation Bangabandhu Sheikh Mujibur Rahman. At noon, A Doa Mahfil and food distribution program were taken place in an Orphanage and Madrasa for visually impaired children at Matuail, Jatrabari of the capital city.

### **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 2022 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

### **Statement on Compliance**

In the year 2022, 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.





# HUMAN CAPITAL



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

## Human Capital in million Tk.



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.

### Category wise Break down is presented in the table

Million Taka

|                               | 2022             |                  |               | 2021             |                  |               |
|-------------------------------|------------------|------------------|---------------|------------------|------------------|---------------|
|                               | No. of employees | Per capita value | Total Value   | No. of employees | Per capita value | Total Value   |
| <b>Executive</b>              | 464              | 31.30            | 14,523        | 430              | 17.75            | 7,634         |
| <b>Officer</b>                | 2,401            | 8.84             | 21,231        | 2,117            | 7.28             | 15,403        |
| <b>Total Individual Value</b> | 2,865            |                  | 35,754        | 2,547            |                  | 23,037        |
| <b>Training Cost</b>          |                  |                  | 17            |                  |                  | 6             |
| <b>Total Human Capital</b>    | 2,865            |                  | <b>35,771</b> | 2,547            |                  | <b>23,043</b> |



100% of employees received Anti-corruption training (AML/CFT matters)

According to the model, the total value of employees was regarded as Human Capital which saw a significant growth in the value of human capital in 2022 over 2021 due to addition of veteran and fresh recruitments. Bank Asia, therefore, proliferates training expenditures on annual basis to aid in excelling employee performances.

#### Balance Sheet including Human Capital

Million Tk.

| Particulars                                         | 31-Dec-22     | 31-Dec-21     |
|-----------------------------------------------------|---------------|---------------|
| Total Asset (Conventional)                          | 468,401       | 438,293       |
| Human Asset (Individuals' value)                    | 35,754        | 23,037        |
| Value of investments                                | 17            | 6             |
| Total Asset including Human Asset                   | 504,172       | 461,330       |
| Capital & liabilities                               |               |               |
| Total Liabilities (Conventional)                    | 468,401       | 438,293       |
| <b>Human Capital</b>                                | <b>35,771</b> | <b>23,037</b> |
| Total Capital & Liabilities including Human capital | 504,172       | 461,330       |



### ANTI-MONEY LAUNDERING TRAINING

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

Anti-Money Laundering Department (AML), 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.

As a result, 100% officials become aware and conscious regarding AML & CFT matters.

### Brief Economic, Environmental and Social Performance

|                                     |                          |                   |
|-------------------------------------|--------------------------|-------------------|
| <b>Economic responsibility</b>      | Nos. of loans            | <b>70,750</b>     |
|                                     | Nos. of deposit accounts | <b>6,987,232</b>  |
|                                     | Nos. of savings accounts | <b>6,274,380</b>  |
| <b>Shareholders responsibility</b>  | Profit after Tax         | <b>3,046</b>      |
|                                     | Shareholders' fund       | <b>28,640</b>     |
|                                     | Share Price              | <b>20.50</b>      |
| <b>Environmental responsibility</b> | Electricity consumed     | <b>12,308,733</b> |
|                                     | Oil                      | <b>46,666</b>     |
|                                     | CNG                      | <b>118,836</b>    |
|                                     | Local business travel    | <b>3,916,615</b>  |
| <b>Social responsibility</b>        | Paper used               | <b>84,754</b>     |
|                                     | Staff strength           | <b>12%</b>        |
|                                     | Benefits and emoluments  | <b>30%</b>        |

## Regulatory compliance Certificate

**CREDIT RATING AGENCY OF BANGLADESH LIMITED** 

Ref: ACL (01)/RCM/220631/2022- ২৩৪৬ 15 June, 2022

Mr. Md. Arfan Ali  
President & Managing Director  
Bank Asia Limited  
Bank Asia Tower  
32 & 34 Kazi Nazrul Islam Avenue  
Dhaka 1215

Dear Sir,

Subject: **Credit Rating – Bank Asia Limited (Surveillance)**


We are pleased to inform that the Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following ratings to Bank Asia Limited:

| Particulars | Ratings |
|-------------|---------|
| Long Term   | AA-     |
| Short Term  | ST-1    |
| Outlook     | Stable  |


This rating is valid up to 30 June, 2023. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or financials of Bank Asia Limited.

We hope this rating, which will be followed by a detailed report, will serve the intended purpose of your organization.


Yours Sincerely,



Mohammed Zubair Wafa  
Managing Director



Nasrati Tower, Level-15, Plot-06, Parthapalli, Tejgaon, Dhaka-1215; E-mail: info@crab.com.bd, Web: www.crab.com.bd, www.crating.com  
☎ +88-02-55013678, 55013679, 55013681, 55013682, 55013683 (Fax) 55013684

 **Suraiya Parveen & Associates**  
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (I) (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 2022. This Code relates to the Notification No. BSEC/CHRC/CO/2006-158/207/Adesa/08 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 condition of the Corporate Governance Code.


This is a scrutiny and verification, and an independent audit on compliance of the condition 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) as far as those standards are not inconsistent with any condition of the 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  
April 02, 2023

For Suraiya Parveen & Associates  
Chartered Secretaries



Suraiya Parveen, FCS  
Chief Executive Officer



Alim Sky Castle (2nd floor), Flat-B3, 3/8 Asad Avenue, Block-A, Mohammadpur, Dhaka-1207.  
Phone : 02-41023157 (Off), Mob : 01911 421998, 01713 110408  
Email : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

## Credit Rating

| Rating     | 2022 | 2021 |
|------------|------|------|
| Long term  | AA1  | AA2  |
| Short term | ST-1 | ST-2 |

Rated by Credit Rating Agency of Bangladesh Ltd. (CRAB) on June 30,2022 & will remain valid up to June 30,2023



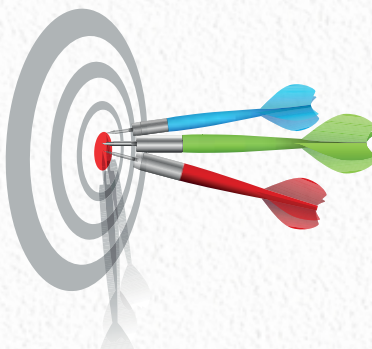
# Customer Satisfaction Survey

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.

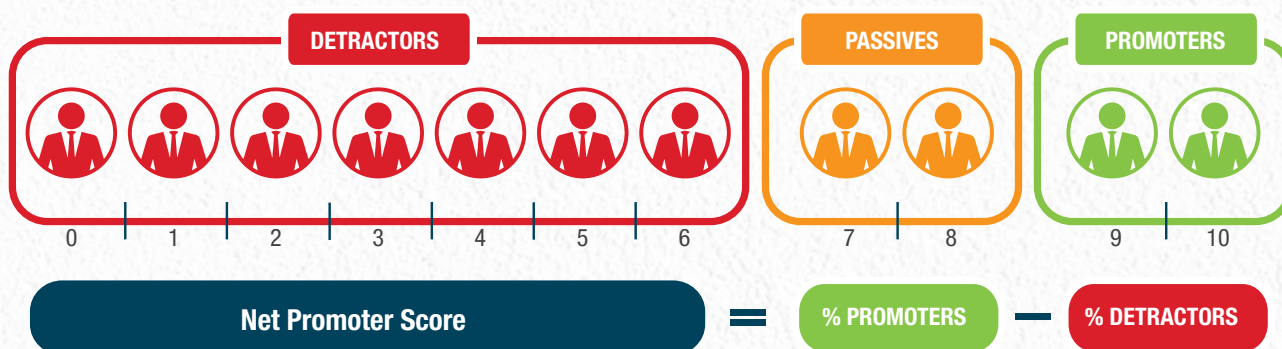
## Research Objective

- Measure Customer Service Quality (CSQ)
- Identify strength, weaknesses & discomfort of CSQ
- Suggest action points to improve CSQ



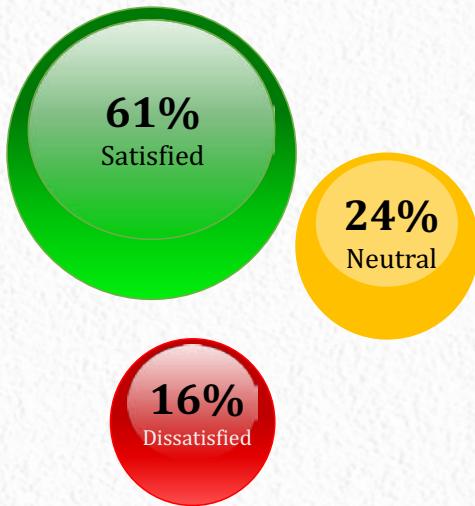
## Net Promoter Score & Its Utilities

How likely/willing are you to recommend to a friend, colleague or relative?

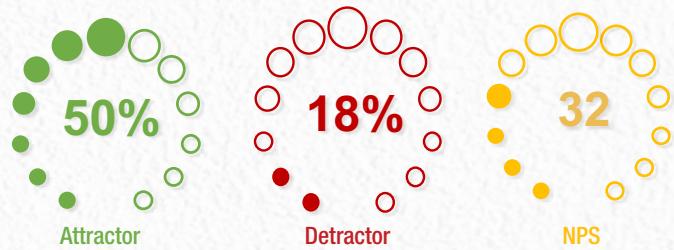


**NPS rating method:** NPS ≥ 50 = excellent, 25 ≥ NPS < 50 = Very Good, 10 ≥ NPS < 25 = Moderate, 0 ≥ NPS < 10 = Poor, NPS < 0 = very poor

## Overall Satisfaction

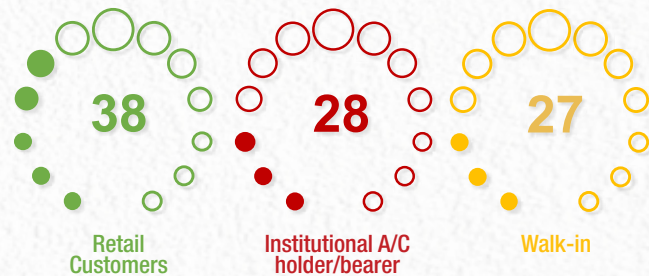


## Net Promoter Score: Very Good

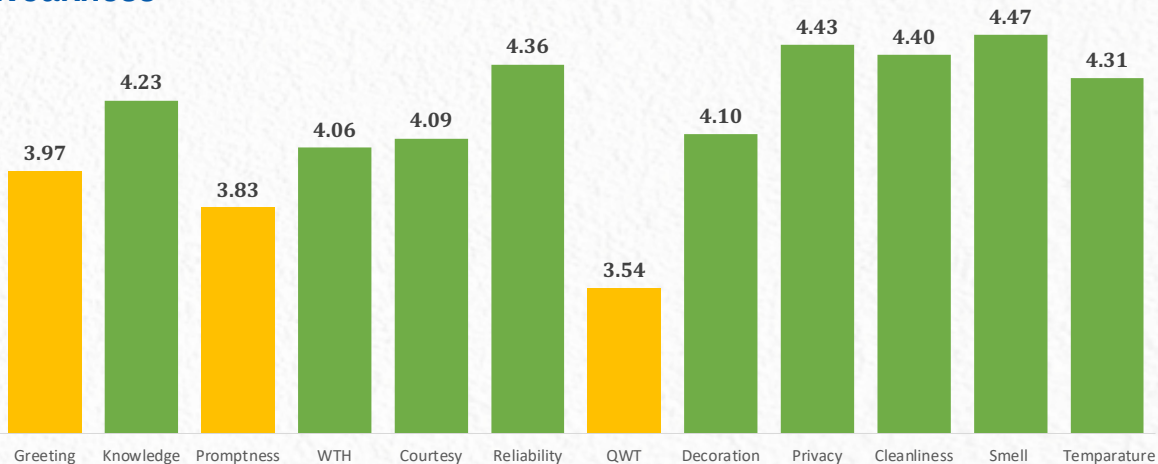


**NPS rating method:** NPS ≥ 50 = excellent, 26 ≥ NPS ≤ 49.99 = Very Good, 10 ≥ NPS ≤ 24.99 = Moderate, 0 ≥ NPS ≤ 9.99 = Poor, NPS < 0 = very poor

## Segment Wise NPS



## Factor Wise Strength and Weakness



## Summary

The customer satisfaction data reveals that 61% of customers are satisfied. The Net Promoter Score (NPS) stands at 32, with an attractor of 50% and a detractor of 18%. Segment-wise NPS indicates higher satisfaction among retail customers (38), followed by account holders (28) and walk-in customers (27). Our service demonstrates notable strengths, including highly rated staff knowledge (4.23), reliability (4.36), courtesy (4.09), and WTH (4.06). The external factors like decorations (4.10), privacy (4.43), cleanliness (4.40), smell (4.47), and temperature (4.31) also contribute positively. However, there's room for improvement in certain areas. Greetings (3.97), promptness (3.83), and QWT (3.54) have received lower ratings. Addressing these weaknesses will be essential to enhance our overall service rating.



# Two Years Comparative analysis

| Particulars                     | 2022    | 2021    | Growth |
|---------------------------------|---------|---------|--------|
| Total Assets                    | 468,401 | 438,293 | 6.9%   |
| Deposits                        | 337,695 | 317,782 | 6.27%  |
| Loans & Advances                | 277,870 | 262,267 | 5.9%   |
| Import                          | 210,588 | 225,789 | -7%    |
| Export                          | 171,275 | 141,496 | 21%    |
| Inward Remittance               | 132,243 | 128,441 | 2.96%  |
| Operating Profit                | 10,695  | 9,193   | 16%    |
| Profit after Tax                | 3,046   | 2,707   | 12.5%  |
| Shareholder's equity            | 28,640  | 27,357  | 5%     |
| Classified loan ratio           | 4.87%   | 5.14%   | -0.27% |
| Earnings Per Share(Taka)        | 2.61    | 2.32    | 13%    |
| Net Asset Value Per Share(Taka) | 24.56   | 23.46   | 1.10%  |
| Return on Equity                | 10.88%  | 9.89%   | 4.8%   |
| Return on Asstes                | 0.67%   | 0.64%   | 0.29%  |

# Building the Community

## Bank Asia Foundation

To help and assist the poorer and distressed people of the society Bank Asia Foundation, a voluntary and non-profit organization formed to conduct CSR activities on behalf 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. As such, Bank Asia invested Tk. 237.48 million in 2022 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 Late 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 to 51,983 patients.

A new proposed 50 bed hospital of Bank Asia-Ma Amiran Hospital and Diagnostic Centre is being set up in the first and second floors along with existing 3 storied building with a total area of 26,000 sft (approx).

As part of the “Bank Asia Higher Studies Scholarship Program”, BAF disbursed scholarship to 18 students of Tk. 0.918 million during 2022.

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*



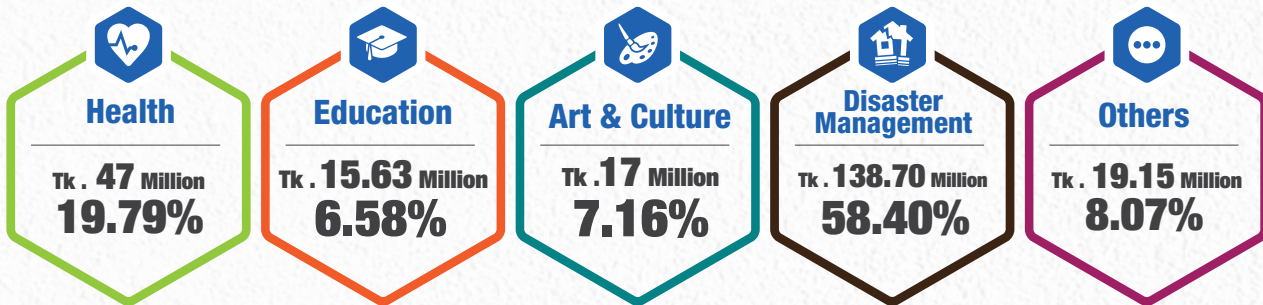
# Corporate Social Responsibility (CSR)

CSR is both short and long term time bound strategy to achieve a balance of economic, environmental and social imperatives (Triple Bottom Line Approach). CSR is not only philanthropy but also does it address the key sustainable development challenges through actionable programs and community investments to a considerable extent. CSR is to reduce all forms of poverty, inequality, social exclusion, improve the quality of food and healthcare availability and living standards of vulnerable groups of the society for sustainable and equitable development of the country.

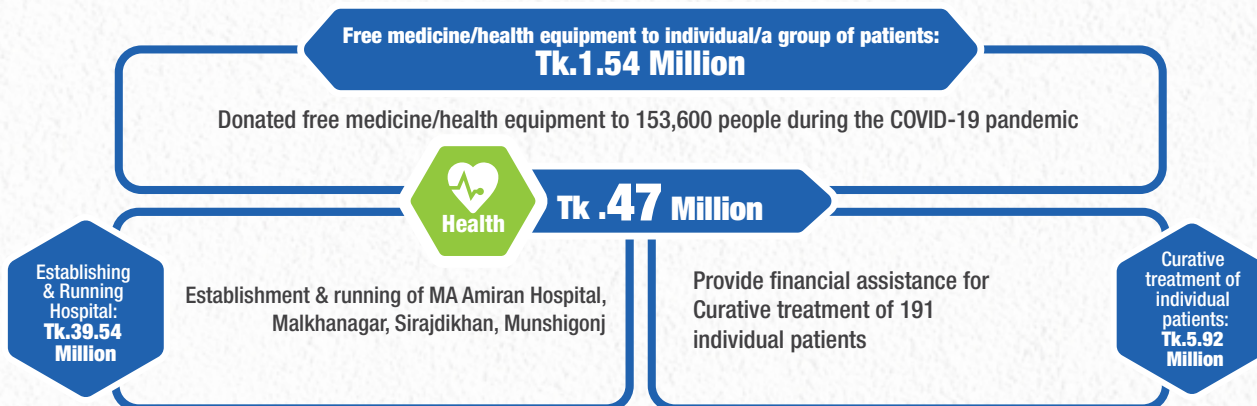
Bank Asia following the Bangladesh Bank principles, prioritizes in social and environmental values which will benefit the people of the country.

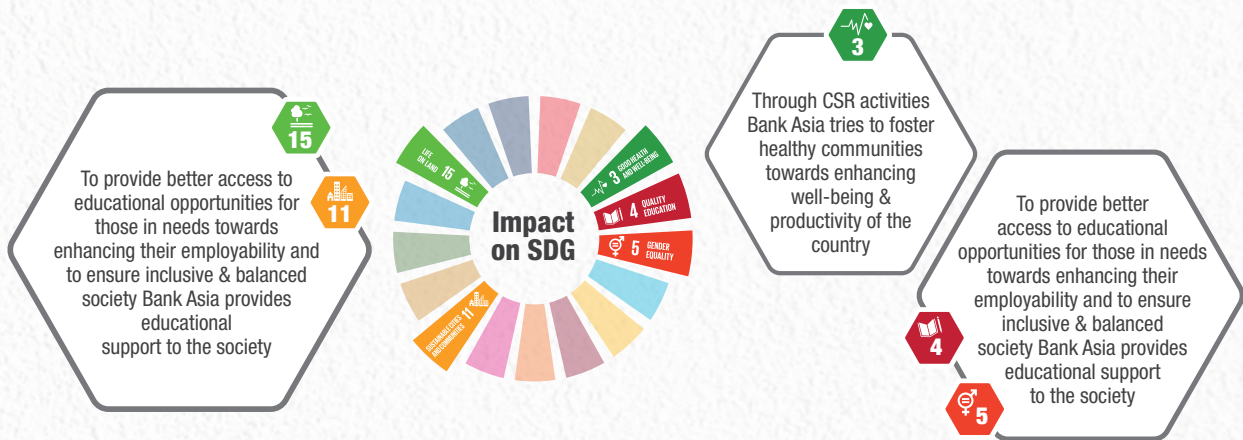


## Donation for Societal Improvement by CSR in matrix

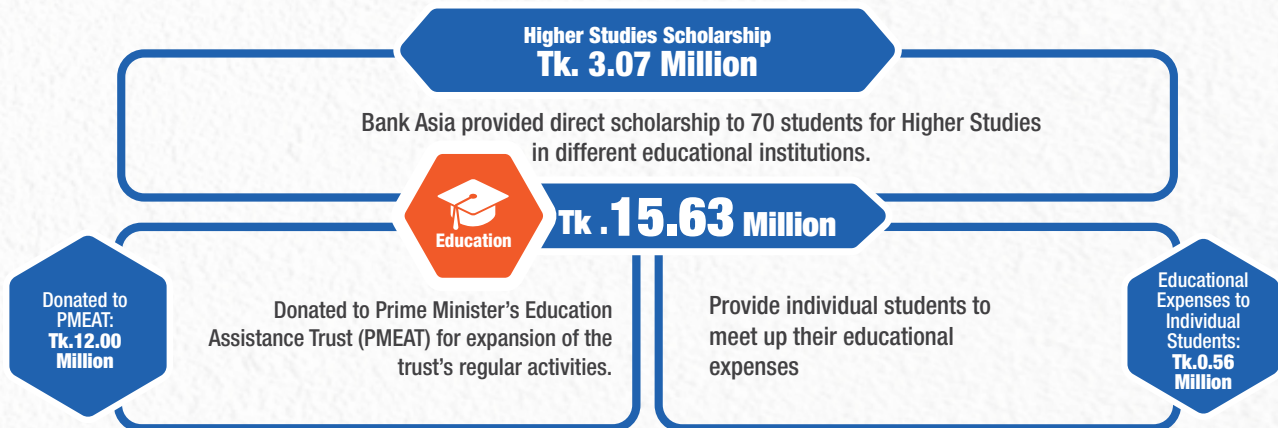


Bank Asia donated blanket to Prime Minister Office

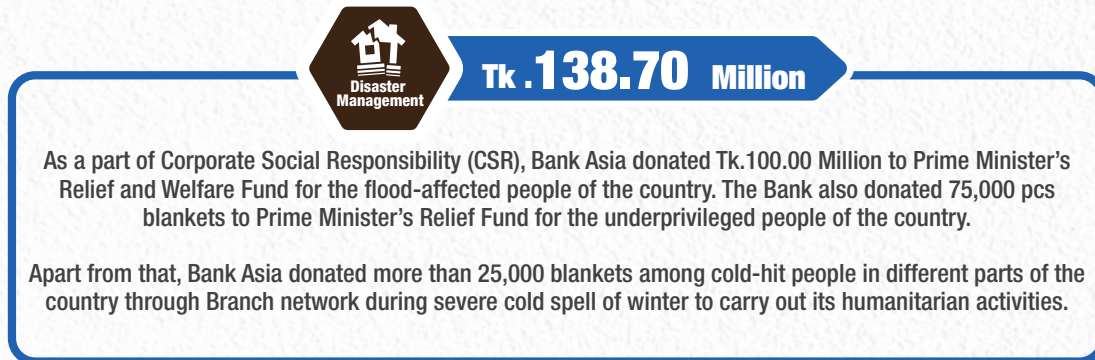
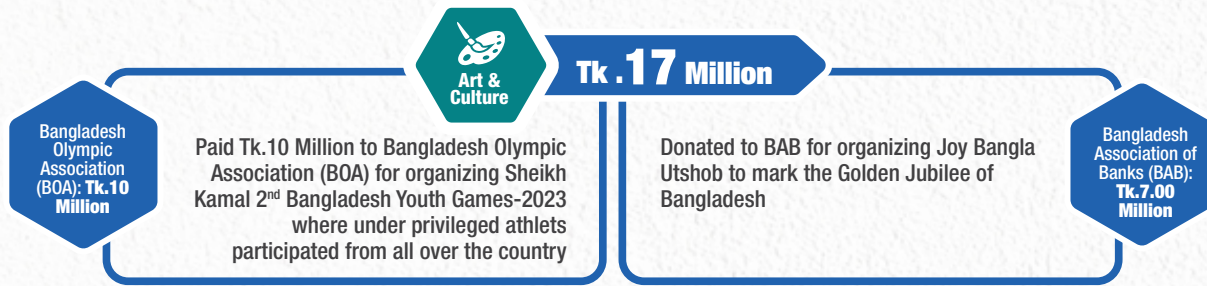




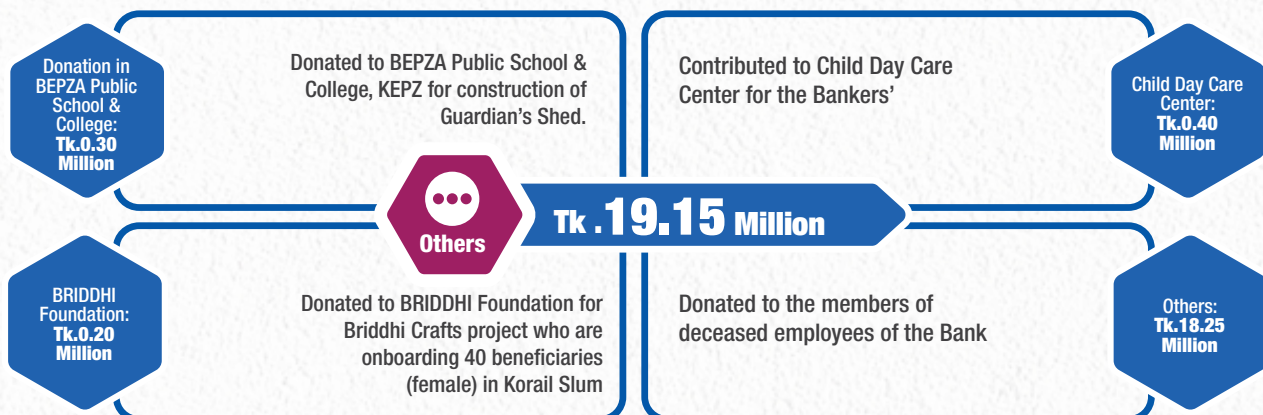
Donation to Prime Minister's Education Assistance Trust by Bank Asia







Bank Asia distributed blankets among the underprivileged and winter hit people



# Competitive Edge

## OUR SCALE OF OPERATIONS

- Tk. 468,401 Mln  
+ total assets
- Tk. 337,695 Mln  
+ customer deposits
- Tk. 277,870 Mln  
+ loan book

Strong Asset & deposit Base with Quality Assets

## CUSTOMER BASE

- 6,987,232  
+ Deposit A/C
- 70,750  
+ Loan A/C

Above 7 mln customer under Bank Asia coverage

## NETWORK & DISTRIBUTION CHANNEL

- 135 branches
- 5,414 Agent Outlet
- 56,500+ Micro Marchant
- 218 Owned ATM Booth
- 10 Woman ATM Booth

Digital coverage of banking service across the country

## COMMUNITY DRIVEN DEVELOPMENT

- 19,636 Number of loan ac through agent bank
- 5,098,838 Number of Rural Accounts
- 3,443,013 Number of Female Accounts

Pioneer in ensuring Financial inclusion

## EMPLOYEE BASE

- 50%  
+ work force with over 10 years service and 21% Female
- 68%  
of staff members are aged below 40 years signifying a young, dynamic and capable workforce

Young, Competent & dedicated human resource

## AWARD & RECOGNIZATION

- 4 National Awards
- 5 International Awards (Under Publication)

Brand Image validated by reception of National & International award



# GRI Content Index

This report has been prepared in accordance with the GRI Standards

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 2-1 to 2-5, 3-1 to 3-2 are aligned with appropriate sections in the body of the report.

|                                   |                        |
|-----------------------------------|------------------------|
| GRI 1 used                        | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | Not applicable         |



| GRI Standard                    | Disclosure | Description                                                                  | Page Number                                                                                      |
|---------------------------------|------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>General Disclosure</b>       |            |                                                                              |                                                                                                  |
| GRI 2: General Disclosures 2021 | 2-1        | Organisational details                                                       | 18                                                                                               |
|                                 | 2-2        | Entities included in the organisation's sustainability reporting             | 18-19                                                                                            |
|                                 | 2-3        | Reporting period, frequency and contact point                                | 6                                                                                                |
|                                 | 2-4        | Restatements of information                                                  | 6                                                                                                |
|                                 | 2-5        | External assurance                                                           | In Bangladesh, this service is not yet started                                                   |
|                                 | 2-6        | Activities, value chain and other business relationships                     | 80                                                                                               |
|                                 | 2-7        | Employees                                                                    | 70-76                                                                                            |
|                                 | 2-8        | Workers who are not employees                                                | 70-76                                                                                            |
|                                 | 2-9        | Governance structure and composition                                         | 27-32                                                                                            |
|                                 | 2-10       | Nomination and selection of the highest governance body                      | 27                                                                                               |
|                                 | 2-11       | Chair of the highest governance body                                         | 32, Annual Report 22 (Page 250)                                                                  |
|                                 | 2-12       | Role of the highest governance body in overseeing the management of impacts. | Annual Integrated Report 2022 (page 248-250)                                                     |
|                                 | 2-13       | Delegation of responsibility for managing impacts                            | Annual Report 2022 (page 246)                                                                    |
|                                 | 2-14       | Role of the highest governance body in sustainability reporting              | 10-14                                                                                            |
|                                 | 2-15       | Conflicts of interest                                                        | 32, Annual Report 22 (Page 250, 259)                                                             |
|                                 | 2-16       | Communication of critical concerns                                           | 24-25                                                                                            |
|                                 | 2-17       | Collective knowledge of the highest governance body                          | 251, Annual Report 2022 (page 20-32, 251)                                                        |
|                                 | 2-18       | Evaluation of the performance of the highest governance body                 | Annual Report 2022 (page 250-251)                                                                |
|                                 | 2-19       | Remuneration policies                                                        | 32, 70, Annual Report 2022 (page 260)                                                            |
|                                 | 2-20       | Process to determine remuneration                                            | Annual Report 2022 (page 260)                                                                    |
|                                 | 2-21       | Annual total compensation ratio                                              | Bank Asia practices competitive salary package in all level in line with industry best practices |
|                                 | 2-22       | Statement on sustainable development strategy                                | 7,10-14                                                                                          |

# GRI Content Index

| GRI Standard                    | Disclosure | Description                                        | Page Number                                                |
|---------------------------------|------------|----------------------------------------------------|------------------------------------------------------------|
| GRI 2: General Disclosures 2021 | 2-23       | Policy commitments                                 | 44, 55                                                     |
|                                 | 2-24       | Embedding policy commitments                       | 44, 55                                                     |
|                                 | 2-25       | Processes to remediate negative impacts            | 24-25, 58                                                  |
|                                 | 2-26       | Mechanisms for seeking advice and raising concerns | 32, Annual Report 2022 (page 261-262)                      |
|                                 | 2-27       | Compliance with laws and regulations               | 58, 63                                                     |
|                                 | 2-28       | Membership associations                            | 18-19                                                      |
|                                 | 2-29       | Approach to stakeholder engagement                 | 20-23, 66-69                                               |
|                                 | 2-30       | Collective bargaining agreements                   | No private commercial Banks in Bangladesh has trade union. |

## Material Topics

|                             |     |                                      |        |
|-----------------------------|-----|--------------------------------------|--------|
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | 23, 26 |
|-----------------------------|-----|--------------------------------------|--------|

## Economic Performance

|                                    |       |                                                                                  |       |
|------------------------------------|-------|----------------------------------------------------------------------------------|-------|
| GRI 3: Material Topics 2021        | 3-3   | Management of material topics                                                    | 23    |
| GRI 201: Economic Performance 2016 | 201-2 | "Financial implications and other risks and opportunities due to climate change" | 60-63 |

## Indirect Economic Impacts

|                                         |       |                                                   |       |
|-----------------------------------------|-------|---------------------------------------------------|-------|
| GRI 3: Material Topics 2021             | 3-3   | Management of material topics                     | 23    |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 60-63 |
|                                         | 203-2 | Significant indirect economic impacts             | 63    |

## Procurement Practices

|                                     |       |                                           |                                                   |
|-------------------------------------|-------|-------------------------------------------|---------------------------------------------------|
| GRI 3: Material Topics 2021         | 3-3   | Management of material topics             | 23                                                |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | 100 <i>(Remarks: All our suppliers are local)</i> |

## Anti-Corruption

|                              |       |                                                                          |    |
|------------------------------|-------|--------------------------------------------------------------------------|----|
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| GRI 302: Energy 2016"                        | 302-1      | Energy consumption within the organisation                                           | 56          |
|                                              | 302-4      | Reduction of energy consumption                                                      | 56-58       |
| <b>Emissions</b>                             |            |                                                                                      |             |
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