

Unlocking Human Dimensions

sustainability report 2017



E-industry is the world's largest and faster growing sector
E-wastage is the faster destructive one for the growing planet

 **Bank Asia**



Sustainability Report 2017

According to Step Initiative (an UN institute works on the impact of the world's growing e-waste crisis), the global volume of electronic waste is expected to grow by 33% in the next four years, when it will weigh the equivalent of eight of the great Egyptian pyramids.

Electronic waste, or e-waste, refers to all items of electrical and electronic equipment (EEE) and its parts that have been discarded by its owner as waste without the intent of re-use. In other word, E-Waste include any household or business item containing circuitry or electrical components with either power or battery supply. At present, across the globe, E-waste has been recognized as the fastest growing waste stream.

Every year 20-50 million tones e-waste are generated over the world containing around 1,000 toxins and hazardous chemicals such as mercury, lead, chromium, cadmium, zinc and so on which are fatally harmful to environment and human health. These hazardous materials are found in CRTs, capacitors, mercury switches and relays, batteries, LCDs, cartridges, selenium, electrolytes, circuit boards, plastic casings and cables. A single CRT monitor has four pounds lead, a single mobile phone battery is enough to contaminate 600 M3 water. Filling of e-wastes on the land leaches lead and mercury into the ground and contaminate ground water, crushed and burned CRTs, LCDs emits fumes that contaminate air. Unfortunately, there is a little concern among the users of electronic products and the general people regarding the dangerous toxins contained in the communication and information technology components and their serious effects on air, soil and land causing dangers to human brain and nerve system.

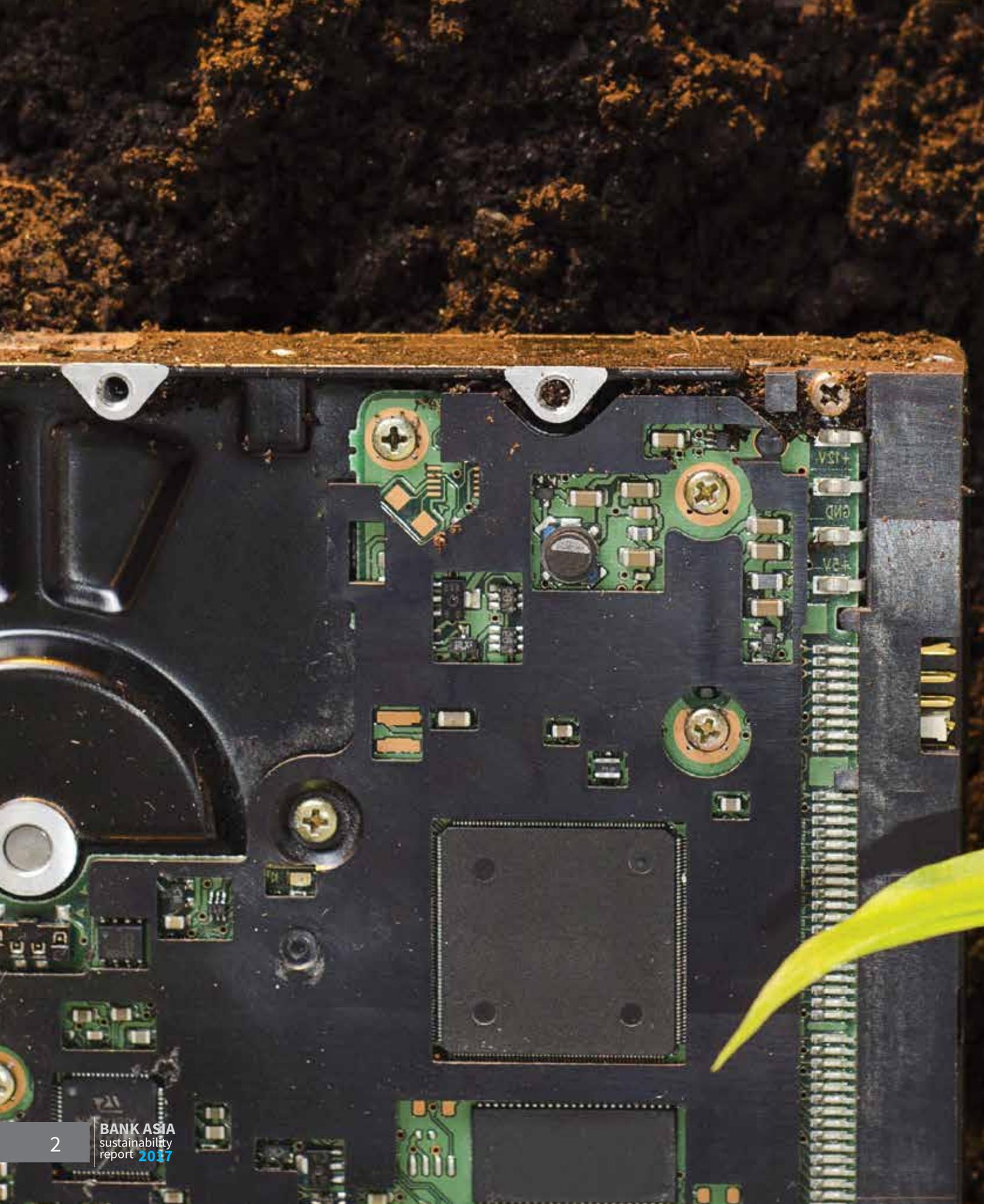
As a developing country, Bangladesh has also become more inclined to using information and communication technology. Besides this, due to technological advancement coupled with easy access of electronic gadgets, appliances the uses of electronic and electrical products are being used frequently. Only 20-30% e-wastes of Bangladesh is recycled and remaining 80-70% are just dumped in landfills, rivers, drains, lakes, canals and open spaces. It is a matter of great concern that, about 50,000 children involved in collection, movement and disposal of e-wastes in Bangladesh, 15% of these child workers die before and after the recycling and 83% fall in serious diseases because of the exposure to hazardous substances. Moreover, initiatives taken by World Trade Organization (WTO) to alleviate import tariffs on 201 IT goods universally invite massive use of electronic goods like cell phones, computers, laptops, televisions, air conditioner, generators, photocopiers and many others. Study conducted by Japanese Re-Tem Corporation found that use of IT goods in Bangladesh has been rising at a rate of 10%-20% annually. Statistics of NBR also revealed that 63 million mobile phones imported in Bangladesh for the last three years along with other electronic products where average expected tenure of an electronic product is 3-5 years. This information strongly says that these IT goods will reach their end within a short tenure and afterwards enter into waste stream as "Electronic Waste" or simply e-waste.

To protect ourselves from this threat we need to build a successful and environmentally sound E-Waste management system with a holistic approach where we need to consider certain conditions such as consumer attitude, legal frameworks, collection mechanisms, recycling and recovering facilities, environmental awareness and health and safety standards. Considering this, Bank Asia puts an effort to draw the attention of all stakeholders regarding the adversaries of e-wastage in Sustainability Report 2017. So, let us please clean our dear mother earth by following the mantra:

"Let recycle today, for a better tomorrow"

 **Bank Asia**

For A Better Tomorrow



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



REPORT PARAMETER

Since 2012, Bank Asia has been publishing annual Sustainability Report based on GRI guidelines. 2017 report is the fourth time we are reporting by following G4 guidelines with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects including both positive and negative contribution.

Reporting Scope (G4-22, G4-23)

This report intends to touch upon all significant environmental, economic and social impacts resulting from Bank Asia's activities in the financial year 2017. This is our fifth sustainability report and there is no significant changes regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report. The sustainability report will be prepared once in a year describing activities and achievements through-out the year.

Boundary of the Report (G4-17)

The report boundary of the year 2017 covers only banks operation run by corporate office, its branches, SME service centers and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channeling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

Feedback

We welcome any feedback on our sustainability reporting. For further information and comments, please contact Sustainability Reporting Team of the Bank led by Mr. Mohammad Ibrahim Khalil, FCA, Chief Financial Officer, Mr. Md. Shamim Hasnat, First Assistant Vice President, Group Finance and Ms. Nahid Tania Khan, Executive Officer, Group Finance. They may be reached through

E-mail:
sustainability.ba@bankasia-bd.com

Bank Asia Limited

Corporate Office | Rangs Tower | 68, Purana Paltan, Dhaka-1000 | Bangladesh
Tel +88 - 02- 47110062 | Fax +88 - 02- 47175524 | Web www.bankasia-bd.com

STRATEGIC FOCUS FOR SUSTAINABILITY



Promoting Financial Inclusion

One of the strategic priorities of Bank Asia is to promote financial inclusion for combating poverty which the Bank firmly believes to achieve by its deposit services, agricultural credit program, small enterprise financing for productive new off farm employment of 'missing middle', Solar home system projects with NGO-MFI partners, foreign remittance of poor migrant workers channeling through partner MFIs, 'Ektee Bari Ektee Khamar' Project, Agent Banking channels, domestic remittance distribution through bank branches and agent banking outlets, Social Safety net Programs in collaboration with Social Welfare Department under Ministry of Social Welfare. Social Safety net Services in collaboration with Social Welfare Department under Ministry of Social Welfare.

Giving Back

Bank Asia believes in giving back to the community and it will continue to promote education, fulfill its commitment to community health, disaster management, clean environment, sports, art and culture. We also contribute a significant amount to national exchequer in the form of income tax, vat & excise duty.

Customer Satisfaction

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs & creating brand ambassadors, personalized banking, online product innovation, measure and reduce customer efforts for greater value proposition.

Going Green in the Future of Banking

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

TRIPLE BOTTOM LINE



PEOPLE Bank Asia always plays a very dynamic role in contributing to the society through its CSR program, which are thoroughly illustrated in CSR section. In the context of value creation model for its employees, the bank has made footprints by achieving: Operating profit and Net profit per employee was Tk.3.2 million and Tk. 0.98 million respectively during 2017. 61,095 man-hours training have been provided to 2,611 employees in the year 2017 both in home and abroad. Bank Asia works with a wide range of suppliers, vendors, agents and others. To create value the Bank works with them through collaboration by applying its own policy and practice for selecting these suppliers and others.

PLANET As one of the strategic focuses of Bank Asia, 'going green' movement includes efficient energy consumption, paperless office, financing renewable energy etc. Bank Asia's achievements in green initiatives are detailed out in other parts of the report. As greening of mind, 33,832 manhours of training provided to 181 staffs regarding green banking under foundation trainings course in 2017.

PROFIT During 2017 Bank Asia generated Operating Profit of Tk. 6,688 million.

SUSTAINABLE BANKING OPERATIONS

KEY HIGHLIGHTS 2017

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Districts covered 1,497 agent outlets for expanding Agent Banking in most geographically dispersed poor segment

61,095

Man Hours of training for development of our human capital

Tk. 1,678

million
Financed to a Green Financing (LEED Platinum Certified) Project

1,629,286

Unbanked villagers through 23,206 samitee came under Bank Asia's banking service network by EBK project for poverty alleviation

63%

Cash transactions done through ATM

873

Students received support for education under BA's higher studies scholarship amounting to Tk. 25.54 million. Total beneficiary so far 1,950

92,139

Farmers and rural people (in 2017) so far 580,657 beneficiary benefitted financially through our agricultural/ rural credit

92,981

E-statements delivered to customer

1,26,597

Households of rural and semi-urban areas received remittance of Tk. 3,798 million through our MFIs network business

Tk. 425

million (approx)
more than 1,13,257 transactions have done through Bank Asia SMART APP, an integrated internet and mobile banking solution

Dumping of E-Wastage hazardous to soil

“CHAIRMAN’S MESSAGE”

Bangladesh has come out from the status of poor country and emerged as developing country recently. It has achieved all the three eligibility criteria set by United Nations (UN) to be acknowledged as a “Developing Country”, a transition from least developed country (LDC). We hope that Bangladesh will renovate to middle income country by 2021 where financial institutions will play a major role as a strategic partner of the development.

Bank Asia is working as a growth partner of the economy that is embedded in the vision statement of the Bank “Poverty free Bangladesh”. Bank Asia has developed its business platform that offers level playing field for all segments of business from corporate to grass- roots level. The Bank has adopted unique business models of financial inclusion like EBK and agent banking to reach every corner of the country, every individual of the society. Our experience with this segment has given us a strong belief of exploring a very potential sector which needs to nourish to come up as ‘future growth engine’.





A huge number of people of Bangladesh are still living beyond the network of formal banking channel. Hence, financial inclusion of this segment is a must for the development of economy. It is our pride to mention that Bank Asia is the pioneer in introducing agent banking and EBK operation, two renowned financial inclusion models in Bangladesh to spread banking services at grass root level. Bank Asia is now providing EBK Banking services to 1,629,286 beneficiaries in 252 Upazillas under 35 districts. Agent Banking is growing very rapidly and its activities is not less than a Bank. Agent outlets increased by 347 and stood 1,497 in 2017 which was 1,150 in 2016. Currently 62 districts have been covered to provide this facility. Till 2017, the bank collected Tk. 2.65 billion through 311,947 accounts as well as disbursed Tk.927 million as loan through Agent Banking.

The functional dimension of EBK and Agent Banking is not only limited to the typical banking business rather involved with implementing many other government projects like Social Safety net Programs, senior citizen allowances, insolvent autism allowances, payments for widow or divorced women allowance, Payments of freedom fighters allowance, payment of foreign remittance etc.

Bank Asia has superseded the target of Agri credit set by Bangladesh Bank consecutively for the last three years and received appreciation letter from Bangladesh Bank. In 2017, total disbursement in this sector was Tk. 3.59 billion and outstanding was Tk.4.08 billion having growth of 36% over previous year. Till to date, 500,890 number of farmers have received financial assistance from us. Bank Asia has the pride to introduce A-Card, first time in Bangladesh, with the help of USAID Agricultural Extension Support Activity (AES) project and Dhaka Ahsania Mission. This initiative opened a digital platform to the marginal farmers to get agri-loan through card and make necessary payments for seeds and fertilizer through the Bank. The Bank disbursed Tk. 22 million to 1,367 marginal farmers under the scheme.

Corporate social responsibility is an integral part of our mainstream operation. We want to grow with our surroundings particularly with the people who are underprivileged and lack of proper support. Bank Asia Foundation has started its noble operation in the mean time to strengthen CSR operation. Initially, the foundation has a plan to construct a 250 bed hospital cum medical college at Malkhanagar, Munshigonj and my family members including me have donated 700 decimal land and a 3 storied building for the proposed Hospital. The Bank spent Tk.184 million in 2017 for CSR activities having growth of 69% over previous year. Scholarship is one of our most focused CSR initiative under which poor and meritorious students are receiving Tk. 51,000 every year for this higher studies. So far, 1,547 students have been awarded the scholarship. This year we have spent Tk. 50.00 million for supporting Rohingya refugee and Tk.32.60 million for supporting cold and flood heat people.

Every year we work on a new theme to focus on the adverse impact of economic activities over environment. This year we opted one of the growing concerns in the world named 'e-wastage'. At present e-industry is the fastest growing sector in the world and also possessing destructive outcome to environment and health. In Bangladesh, E-waste and its reuse and recycling processes become danger to human health and the surrounding environment as recycling amount is very insignificant and mostly carried out by informal sector where child labor is involved to a large extent.

Last but not the least, I take this opportunity to extend my heartfelt thanks to the members of management for their untiring efforts of making our institution a socially responsible entity by way of extending inclusive banking services through alternate banking channels. I also extend my gratitude to the Sustainability Reporting Team for their sincere effort for presenting the Bank's activities under the framework of Sustainability Reporting.

A Rouf Chowdhury
Chairman

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





In today's complex business world, the financial sector is expected to play a progressive role in supporting different national and international goals to facilitate the transition to a green and low carbon economy. In line with this thought, Bank Asia highlights the performance in areas that have been able to create major economic, environmental and social impact in Annual Integrated Report 2017. Additionally, the bank is on the move to publish its 6th Sustainability Report 2017 based on upgraded G4 guidelines.

By forming a unique and flexible agent banking module patronized by advanced technologies, Bank Asia reached to remote areas with 1,497 agent outlets covering 62 districts and 298 upazillas across Bangladesh. Ektee Bari Ektee Khamar (EBEK) is a government poverty eradication project for the ultra-poor people of our country where Bank Asia has been supporting through its EBK Windows in 35 districts and 252 upazilas for 16,29,286 beneficiaries. Bank Asia also gave special attention in school banking so that school going children can build strong savings habit, through this initiative the bank collected BDT 16.89 million from 7,354 accounts.

Bank Asia in 2017 extended agri-credit facility to total 92,139 farmers that helped create enormous employment opportunities, thereby emit carbon. We are the first in Bangladesh to introduce smart agriculture card (A-card) to serve marginal farmers in getting agri-loan and making payments for agri-related equipment. Total BDT 22 million was disbursed among 1,367 farmers through A-card in 2017. Moreover, Bank Asia has a scheme to finance the ten taka account holders (2,140 nos.) and a total of BDT 48.29 million was disbursed by the bank which was appreciated by Bangladesh Bank.

Through our CSR initiatives, we have reached out and impacted many lives. In 2017, Bank Asia spent an amount of Tk. 183.83 million for several CSR activities. A significant amount was given to poor meritorious students under Higher Study Scholarship Program to build up skilled future humans, infrastructural development of different institutes including BSMMU and support to disaster management.

Bank Asia always believes that a skilled workforce is the prerequisite to operate an efficient banking operation which is also vital to boost up profitability along with sustainable finance. In this connection, a robust emphasis has been placed in personnel development as well as creation of future leaders under Future Leadership Development Program (FLDP) through advanced and latest training. In 2017 we have provided 61,095 man hours training to 2,611 participants on different aspects including sustainable financing.

Bank Asia regularly focuses on green financing like renewal energy generation, carbon emission project, solar home system, CNG conversion project, bio-gas, treatment of liquid waste, urban building safety project, effluent treatment plant (ETP) in brick fields etc. No tobacco related

project is financed by the bank. With regard to green banking our bank saved roughly 150,000 page papers through rapid use of automated reporting systems, e-mail, e-statements, SMS Banking, e-fund transfer, online account opening which saved Tk. 5.99 million in 2017. Bank Asia has also adopted measures to reduce energy usage in its daily operational activities such as installed solar panel in its 11 branches, utilization of maximum natural day light, energy savings bulbs, green computing based data center etc.

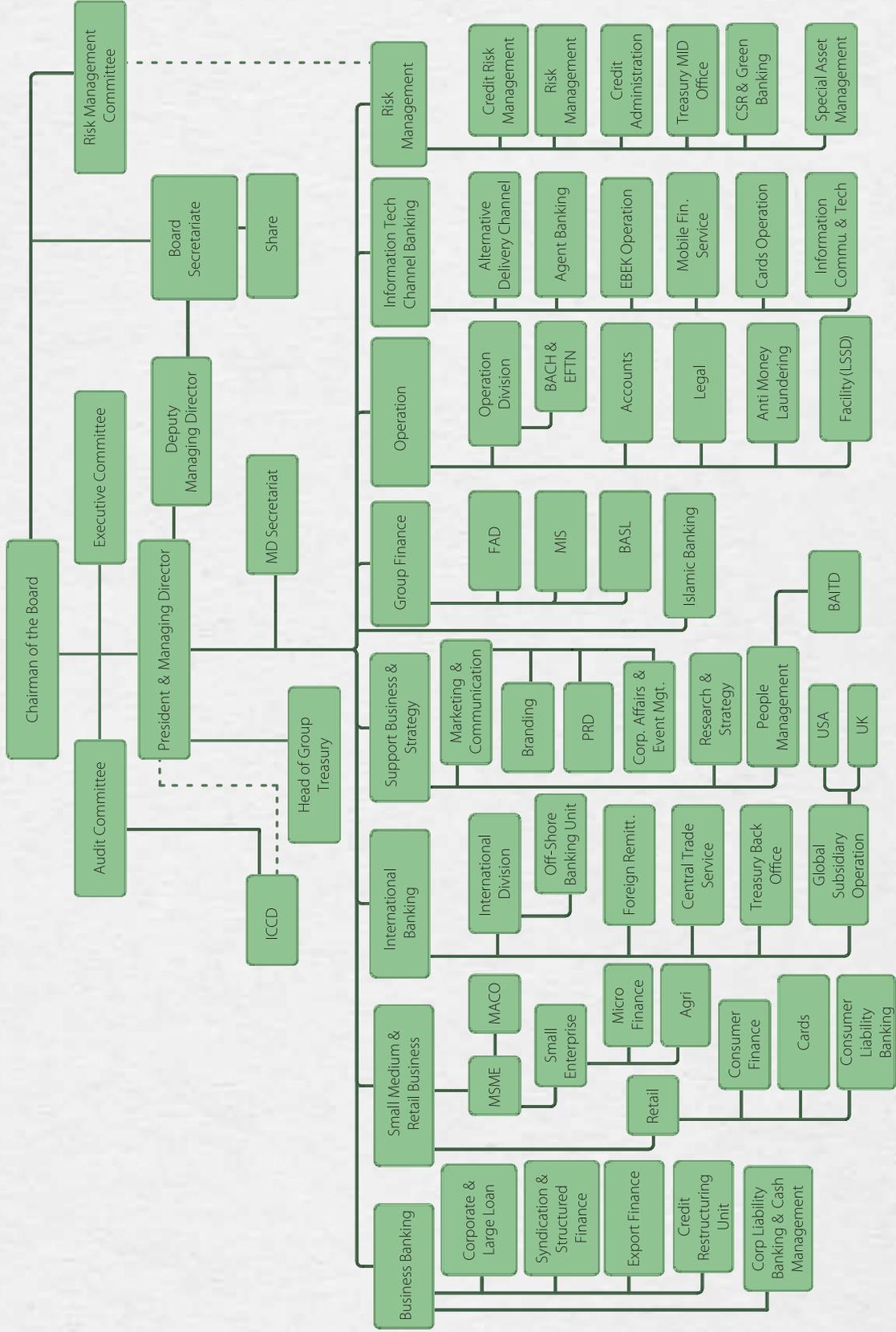
The transparency and fairness in dissemination of information to the stakeholders has always been a major character for Bank Asia. Here we are glad to share with utmost pleasure that Bank Asia achieved award for Best Sustainability Report in Overseas category in the 13th Sustainability Reporting Awards (SRA) 2017 by NCSR, Jakarta, Indonesia for our Sustainability Report 2016. This is noteworthy that we are achieving sustainability award every year under different category by NCSR.

Together with our concerted effort, dedication of our employees and the continuous support of our stakeholders we look forward to pay back more for our sustainable commitment with a sense of optimism and firm belief. At last, I express my sincere thanks and gratitude to all stakeholders and honestly acknowledge their active engagement towards Bank Asia's vision to contribute to a poverty free Bangladesh.



Md. Arfan Ali
President and Managing Director

CORPORATE ORGANOGRAM



AWARDS AND RECOGNITION



Achievement for Sustainability Report

Bank Asia produces separate full scale *Sustainability Report* every year following GRI Guidelines including GRI Content Index and page reference.

For more details visit : www.bankasia-bd.com

Bank Asia achieved Sustainability Reporting Awards (SRA) by NCSR (National Centre for Sustainability Reporting), Jakarta, Indonesia

- 'Winner-Best Sustainability Report in Overseas category' - 13th SRA 2017 for Sustainability Report 2016
- Best Sustainability Report in Bangladesh - 12th 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 - 9th SRA for Sustainability Report 2012

Paintings by children of the employees of Bank Asia for observing Independence Day 2017



Painting Competition
organized by Bank Asia for
observing Independence Day

CORPORATE PROFILE

Bank Asia Limited was incorporated on September 28, 1999 as a private commercial bank with the aim of contributing for the development of the economy by bringing superior quality, technology driven banking products and services.

In 2001, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, Agent Banking, EBK program and many more specialized services with its core banking activities.

To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7 ATM service and many other e-products. Bank Asia maintains an environment of strong corporate governance that helps to maintain its excellent brand image; reflected by consistent financial performance for its stakeholders. To attain sustainability, we focus more on strategic priorities measured by quantitative and qualitative determinants. Besides maintaining a steady growth, Bank Asia always prioritized in the structural and moral development of the society. From the very beginning the bank has 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 backhome. 'BA Exchange Company (UK) Limited' started its operation in London on May 16, 2011. The 3rd subsidiary of Bank Asia 'BA Express USA Inc.' started its operation on June 1, 2014 in New York. It has also opened its 2 new overseas branches in Jamaica and Brooklyn for remittance channeling to Bangladesh.

Branch Network

Currently we have 120 branches and SME service centers across the country spread over different zones that includes 116 branches, 4 SME agricultural branch and 4 SME service centers. Geographically 63 are placed in capital Dhaka, 37 in Chittagong the 2nd largest commercial hub after Dhaka, 7 in Sylhet zone one of the leading remittance flow area, 4 in Khulna zone the 2nd international port city and adjacent to world's largest mangrove forest, 4 in Rajshahi the silk city and world's finest mango production area, 2 in Rangpur famous for one of the oldest (1916) and best reputed college, Charmichael College, 2 in Barisal, the main rice producing center of Bangladesh and 1 in Mymensingh, renowned for one of the largest Agricultural University and largest residence of Garo ethnic communities of the country. All these branches and SME centers are efficiently supervised and monitored by Zonal heads who take care of their overall performance indicators on a regular basis. Every year on an average 7 new branches are added to our branch network.

Scale of the Reporting Organization

As of the end of 2017, our Bank's operating profit is Tk. 6,688 million and total assets are Tk. 288,996 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 14.89 %.

Number of employees	2,121 (2,087 of Bank and 34 of Subsidiaries)
Number of branches	120 (112 branches, 4 SME/Agri branches and 4 SME service centers)
Total operating income	Tk.11,967 million
Total debt & equity	Tk. 267,942 million & Tk. 21,054 million
Number of ATMs	132 own ATMs and more than 7,500+ shared
Number of credit cards	39,084
Number of VISA debit cards	More than 3, 36,061

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
- Islamic Banks Consultative Forum (IBCF)
- Central Shariah Board for Islamic Banks of Bangladesh (CSBIB)



G4-18, G4-24, G4-25, G4-26, G4-27

STAKEHOLDERS' ENGAGEMENT

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

- Responsibility: Bank Asia has direct legal responsibility to regulators, tax authority etc.
- Influence: Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.
- Proximity: The local community that influence heavily our daily operation.
- Dependency: Those who are dependent on their operational performance, e.g. business partners, and those whom we are dependent, e.g. customers.
- Representation: Those who represent Bank Asia to the outside world, e.g employees, board and those whom we face for various decision making purposes. e.g. business association leaders, local community leaders .

Impact analysis from the aspects of governance, economic, environment and social influences help the bank recognize and respond to emerging risks and opportunities and meet the expectations of those who shape the operating environment. Continuous engagement with stakeholders is integral to the success of our business.

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



G4-24

G4-26

G4-27

Stakeholders	Ways of inclusion	Their priorities	Our response
Customers	<ul style="list-style-type: none"> ● Customer Relationship Management ● Complaints and customer satisfaction survey ● Customer feedback Management ● Ongoing market research and product innovation ● Customer Service Enhancement Program 	<ul style="list-style-type: none"> ○ Good return from deposits ○ Fast service delivery with excellence ○ Preferential pricing, charges and commission ○ Strict Shariah compliance in Islamic products and services ○ Product varieties catering market demand ○ Online banking solutions with secured transactions, privacy and confidentiality ○ Ensuring better and uniform services to the customers 	<ul style="list-style-type: none"> ○ ALCO sits every month to decide pricing and rates based on market analyses ○ All network nodes are run by online core banking system (CBS) ○ E-products like mobile banking, internet banking, tele banking, EFT ○ Separate online CBS for Islamic products ○ Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship ○ Proper actions are taken of customers complaints if any service goes against the customer service policy of the Bank ○ First working day in every month is being observed as 'Customer Service Day'
Employees	<p>Business conferences, teleconferences, video conference etc. Training, workshops and orientation program, internal meeting, group emails, intranet circulation, physical fitness, Future Leadership Development Program (FLDP), safe and clean working environment, physical fitness</p>	<ul style="list-style-type: none"> ○ Talents and performances development ○ Regular training ○ Inflation adjustment in pay package planning ○ Job description setting as per individual skill ○ Performance driven career progression ○ Healthy working environment and Policy formulation for safe working atmosphere ○ Ensure hygienic and congenial workplace by observing Cleanliness Day ○ Group Health Insurance ○ Gymnasium at Corporate office and BAITD ○ Transport facilities for female employees ○ Future Leadership Development Program & Sports Tournament 	<ul style="list-style-type: none"> ○ 61,095 man hours training for 2,611 human capital in 2017 ○ Salary package adjusted in line with market competitiveness and inflation ○ Yearly performance bonus for employee motivation ○ Well set KPIs for performance and inherent quality analysis ○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise ○ 260 Claims of insurance received of Tk. 8.99 million in 2017 ○ Pick and drop facilities has been provided through 14 vehicles both in Dhaka and Chittagong region ○ Formulation of 'Female anti harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner ○ Employees under different mentors are being trained as per FLDP program ○ First Saturday of every alternate months is being observed as 'Cleaning Day' where employees are actively participate to clean the office premises
Subsidiaries	<ul style="list-style-type: none"> ● Policies formulation ● Agreed upon strategic goals 	<ul style="list-style-type: none"> ○ Goals and Strategic focuses are based on local environment analyses & regulatory purview 	<ul style="list-style-type: none"> ○ Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries

G4-24

G4-26

G4-27

Stakeholders	Ways of inclusion	Their priorities	Our response
Local Communities	Promoting financial inclusion both for banked and unbanked people, CSR contribution- Scholarship to poor meritorious students	<ul style="list-style-type: none"> ○ Provide banking facility to geographically dispersed poor segment of the society through Agent Banking network ○ Benefit economy by poverty reduction through banking services to rural poor people by EBEK Project ○ Support under privileged people through Social Safety Net programs 	<ul style="list-style-type: none"> ○ Strongly consider environmental and social impact and restrain from adverse impact upon society ○ Target segment is under developed and under privileged people ○ Services to old citizen, widow and disable beneficiaries ○ Significant contribution to education, health, disaster management, art & culture, environmental and sports sector
Business Partners	Procurement management, training and communication	<ul style="list-style-type: none"> ○ Fair trade, fair enlistment, ○ Sustainable and stable growth of the bank 	<ul style="list-style-type: none"> ○ Free from any bias or coercion from influencing quarters ○ Fair play & competition to award work order ○ Timely payment to vendors
Shareholders/ investors	AGM, EGM, annual & semiannual report, publishing quarterly financials, credit rating and PSI in newspapers	<ul style="list-style-type: none"> ○ Healthy return on investments and stable dividend policy ○ Growing earnings ○ Sound governance and risk management, ratings of the bank based on overall financial performances 	<ul style="list-style-type: none"> ○ Maintained attractive plough back ratio ○ Timely payment of debt with stated return ○ Established risk management culture ○ Transparency & integrity in financial reporting ○ Maintained consistent ratings through financial commitments ○ Each queries of the investors meet up through our share department efficiently and fairly
Board & Management	<ul style="list-style-type: none"> ○ Decisions based on financial and business delegation of different levels ○ Major decisions must be placed to board for approval 	<ul style="list-style-type: none"> ○ Governance principles, policies & procedures formulation ○ Strategic focus & value creation ○ Strategic business planning 	<ul style="list-style-type: none"> ○ At least one board meeting in every month, frequent executive committee meeting, audit committee meeting ○ Board members meet management on various occasions like annual & semi- annual business conferences, bank's anniversary celebration
Government & regulatory Authority	Strict ethics & compliance with applicable laws, rules and regulations	<ul style="list-style-type: none"> ○ Proper compliance with laws & regulations ○ Timely reporting as per requirement ○ Timely payment of income tax and VAT accurately 	<ul style="list-style-type: none"> ○ We ensure proper compliance and timely reporting to government bodies and regulators ○ Contributed Tk. 4,408.07 million to National Exchequer which significantly contributed to Government's revenue collection

G4-18, G4-20, G4-21

MATERIAL ASPECTS AND BOUNDARIES

Material Aspect	Boundaries inside the organization	Boundaries outside the organization
Financial Inclusion	Client base of the organization increases with diversity, tapping business opportunities, increase of revenue generation.	The community including the overall economy benefited from reduction of poverty through augmenting economic activities in the geographically dispersed areas.
Energy Consumption	Efficient use of scarce resources.	Sequestration of carbon emission and the national GHG inventory will be reduced.
Human Capital & Talent Management	Enhancement of operational level efficiency. Attaining cost savings through reducing time requirement. Customer retention rate will be higher.	The clients will be benefitted from customer friendly efficient services and will be more loyal to bank
Agricultural Credit	Product diversification and attachment to mainstream of the economic activity of the country.	As an agricultural country, share croppers and marginal farmers will be benefited by lower interest rate and their poverty level will be improved.
Environment friendly Investment	As a responsible corporate entity, the Bank believes in doing business without compromising with the eco system. It emphasizes conserving scarce resources for next generation.	Public awareness as well as regulatory requirement enforced the organization to increase environment friendly investment gradually.
Building the Community	Discharging our responsibility towards society to ensure sustainable balanced growth in economic, social and ecological arena.	Overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.

STAKEHOLDERS RELATIONSHIP/ GRIEVANCE REDRESSAL

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

PROCESS ● REDRESSAL	● CHECKLIST	Yes	No
queries/ complaints/ grievance lodged by shareholder	Shareholders are properly communicated for collection warrants which have been refunded for non-delivery by the courier	<input checked="" type="checkbox"/>	<input type="checkbox"/>
↓	Dividend warrants Revalidate the upon demand	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review all logs objectively and fairly and give solution within a short time frame	Bank account information are corrected while sending dividend through BEFTN system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
↓	Dividend warrants are reissued in case of failure to send dividend through BEFTN system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Send intimation to concerned shareholder after redressal by share department	Issue shareholding certificate, dividend certificate as and when required	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	e-TIN number is collected in case of cash dividend	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Bank’s Viewpoint Bank Asia strongly believes in equitable treatment to every shareholder. We are committed to address any sort of grievance or complaints of our stakeholders which includes general shareholders, customers, vendors and employees etc. We have a separate department in our corporate office to resolve queries and complaints of general shareholders on priority basis within shortest possible time.

Shareholders’ Perspective

Bank Asia’s redressal system covers the following issues

- Receiving the complaints for non-receipt of dividend warrant, dividend intimation letter, cash dividend;
- Transfer of shares from suspense account to the shareholders BO account;
- Mitigation for non-receipt of Annual Integrated Report, half-yearly financial position;
- Clarification of any price sensitive information over telephone;
- Grievance for not receiving of Annual Integrated Report, half-yearly financial position timely;
- Concerns relating to share dematerialization (DEMAT);
- Queries about and clarification on recent or upcoming price sensitive information over telephone, etc.

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



G4-24, G4-26, G4-27

Redressal Statistics 2017

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none">● Demat 461,150 shares;● 6,108,035 bonus shares credit among 98 shareholders from suspense account;● Re-issue 4(four) dividend warrants;● Issuance of 111 shareholdings certificate for income tax purpose;	<ul style="list-style-type: none">● Demat confirmed 461,150 shares timely;● 98 request responded;● 4 (four) duplicate dividend warrants issued;● 111 shareholdings certificate were issued;

The bank continues to have regular communication with the shareholders through periodic updates of performance and at any time when it believes it to be in the best interest of shareholders generally.

CUSTOMERS' PERSPECTIVE

Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). Like investors we also address up our customers queries and complaints through our corresponding department, division or unit. All the complaints are centrally handled by BOD (Branch Operation Department). In 2017, the Bank received 78 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within 5 days (approx.) in which some complaints were met up within 24 hours.

EMPLOYEES' PERSPECTIVE

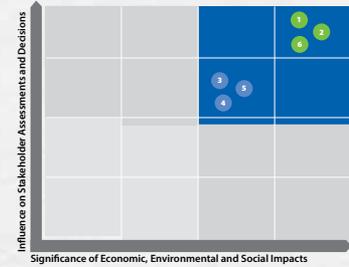
Employees are the main resource of the Bank, the human capital. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment we have separate Grievance Handling Policy and Female Anti- Harassment Policy. Our Human Resources Department takes necessary measures to redress if any adverse situation arises. In 2017, we didn't receive any complaints related to our employees.

General Shareholders at 18th AGM



G4-19

MATERIALITY MAPPING



Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L	M		H		
		1	2	3	4	5	
1	Financial inclusion						<ul style="list-style-type: none"> 1,629,286 beneficiaries from 21,816 villages under 35 districts came under Bank Asia's banking network through EBK (Ektee Bari Ektee Khamar) 311,947 bank accounts, opened in 62 districts under the Agent Banking network of the Bank To develop savings habit amongst future generation, school banking scheme has collected deposit of Tk. 16,886,551 through 7,354 accounts
2	Cyber Security						<ul style="list-style-type: none"> Developed reputed security solutions with sophisticated equipment, launched training programs and sent email on regular basis to make awareness and its significance regarding cyber security
3	Human Capital and Talent Management						<ul style="list-style-type: none"> 2,611 participants were trained up with a duration of 61,095 man hours to build up a skilled, efficient and industry standard personnel 87% employees of Bank Asia are aged below 40 which implies dynamic and energetic workforce Five trainings to 208 participants under Future Leadership Development Program (FLDP) for continuous leadership quality and skills progression
4	Agricultural credit						<ul style="list-style-type: none"> Tk. 22 million was disbursed among 1,367 poor farmers through smart agriculture card (a-card) to facilitate agro-business The Bank achieved 123.88% against its target for 2,100 million agri/rural credit set by Bangladesh Bank for the last three consecutive years
5	Building the Community						<ul style="list-style-type: none"> Total Tk. 183.83 million with a growth of 69% was spent as CSR for the betterment of nation Under CSR activities 1,547 students have been awarded higher study scholarship in 2017 Bank Asia Foundation established for focusing more on CSR activities
6	Environment friendly Investment						<ul style="list-style-type: none"> Total Tk. 5.99 million was saved during the year from environment friendly banking operations Measures taken to reduce use of energy installing solar panel in 11 branches, utilizing maximum day light, energy savings bulbs, green computing based data center etc. Financed Tk. 26.80 million in 14 projects to set up zigzag chimney for better energy efficiency and lower emissions Total Tk. 3,594.52 million agriculture/rural credit was disbursed among 92,139 beneficiaries in 2017 which helps in sequestration of carbon

GOVERNANCE

COMMITMENT AND STAKEHOLDERS

Bank Asia complied with relevant guidelines of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission while forming its board of directors. The number of members in the board of Bank Asia is 10 (ten) excluding the managing director as of December 31, 2017. In the Board 4 (four) members are Independent Director and all of them are highly educated, esteemed professional and/or successful businessman with long experience in banking industry. The board approves the bank's budget and business plan and reviews those on quarterly basis so as to give directions as per changing economic and market environment. The board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. In 2017, 21 meetings held where 1,011 memos were presented.

Meeting held by board of directors

21

Major agenda covered in 2017

1. Implementation of Bangladesh Bank's guidelines on Credit Risk Management (CRM) towards restructuring credit operation system of Bank Asia Ltd.
2. Appointing and signing of contract with 4DL Bangladesh Limited for Development and management of websites and contract center of own overseas subsidiaries of Bank Asia Ltd.
3. Business Related information to the Board as per Bank Company (amendment) Act 2013
4. Surveyor Enlistment Policy of Bank Asia Limited
5. Forced Demand Loan Policy
6. Formation of Sustainable Finance Unit/Department (SFD) and a Sustainable Finance Committee (SFC) to oversee the Green Banking and CSR activities
7. Corporate Governance disclosure and compliance status on Corporate Governance under BSEC
8. Bank Asia capital planning for 5 years 2017-2021: Way Forward
9. Appointment of the research and advocacy organization "Unnayan Shamannoy" for conducting the advisory for "Documentation and Assessment of Financial Innovations of Bank Asia"
10. Investment of Tk. 64 million in 7 Year Non-Convertible Cumulative Redeemable Preference Shares of Summit Barishal Power Limited (SBPL), a sister concern of Summit Corporation Limited under the issue manager of Lanka Bangla Investment Limited
11. Policy on financing the proprietorship concern
12. Incorporation of new regulation of Bangladesh Bank for credit card financing
13. Policy exception in recruitment
14. Revision of "Bank Asia Internal Control & Compliance Policy"
15. Certification on the effectiveness of Internal Control Policy, Practice and Procedure to the Board of Directors by the Senior Management Team(SMT) for the year 2016
16. Operational Manual for Islamic Deposit products
17. Deferral Policy for Security/Support documents
18. "Money Laundering and Terrorist Financing Risk Management Guidelines"
19. Expenditure Policy of Doubtful Income of Bank Asia Islamic Banking
20. Revised Policy paper for extending agri/rural credit through MFI

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 5 (five) 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 2017, 48 meetings held where 709 memos were presented.

Meeting held by executive committee			48
Loan approval in 2016		Million Taka	
	No. of Memo	Funded	Non-funded
New sanction	284	40,900	21,300
Enhancement	135	9,632	9,560
Rescheduling	16	950	
Forced Loan	6	135	

Audit Committee

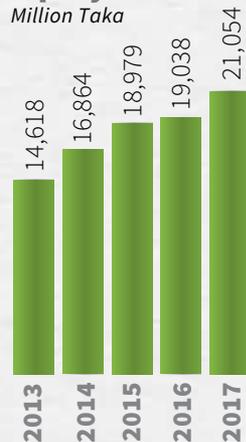
The audit committee of the board of Bank Asia was first constituted in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no SEC/ CMRRC/2006-128/134/admin/44 dated 7, August 2012 Audit Committee must consists of at least 3 (three) members with 1(one) Independent director. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. All the members of Audit Committee should be selected from Directors and the chairman must be an independent Director. Bank Asia's Audit Committee consists of 3 (three) members. Mr. Mashiur Rahman, the chairman of the audit committee is an Independent Director and has more than four decades of banking experience in nearly all areas of banking industry. All the members are financially knowledgeable and have long experience in banking industry. More information is available in the Director's Profile at pages 20 to 25 and the 'Report on the activities of the Audit Committee' at page 199 in the Annual Integrated Report 2017. 9 meetings held where 52 memos were presented in 2017.

Major agenda covered in 2017

- External Audit Report of the Bank and the recommendations of the Bank
- Bangladesh Bank comprehensive inspection report and the recommendations
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank
- The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports
- Management Report on Accounts of the Bank for the year ended on 31.12.2016
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs

Total Shareholders' Equity

Million Taka



Capital Structure

December 31, 2017

Million Taka

Particulars	Taka	USD
Paid up Capital	9,870	119
Statutory Reserve	7,345	89
Revaluation Reserve	2,154	26
General Reserve	8	0.10
Retained Earnings	1,677	20
Total Shareholders' Equity	21,054	255

Exchange rate is used 1 USD equivalent to Tk. 82.70 (2016: Tk. 78.65)

Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee will supervise whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risks. Currently 4 (four) members are in the Risk Management Committee. In 2017, 06 meetings held where 41 memos were presented.

Meeting held by Risk Management Committee	06
Major agenda covered in 2017	
<ul style="list-style-type: none"> ■ Memo on Capital Management Function-MCR (Pillar-1) ■ Submission on policy weaknesses in the operations of the Bank reported in the Internal Audit & Inspection reports ■ Memo on Rating against Core Risk (RCR) of Bank Asia Ltd. for 2016 ■ Memo on Core Risk Assessment (Internal) and Scope of Development ■ Early Alert System ■ Memo on Surveyor Enlistment Policy. ■ Outcome of Stress Testing ■ Memo on Risk Management Paper ■ Risk Appetite and Management Action Trigger (MAT) of Bank Asia Ltd. ■ Outcome of Additional Capital Assessment 2016 ■ Memo on Risk Management Structure of Bank Asia Ltd ■ Mandatory Credit Rating for all customers required credit facilities (Tk. 1 million & above) ■ Memo on Risk Appetite for the year 2017 & 2018 ■ Outcome of Additional Capital Requirement for 2016 under SRP ■ Memo on Risk Control Self Assessment (RCSA) 	

Senior Management Team (SMT)

The highest committee of Management is the Senior Management Team(SMT),which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. The SMT operates under delegated authority from the board and membership of the management committee consists of the President and Managing Director, Deputy Managing Directors, c-level executives and the heads of major operational departments. The current number of SMT members is 8. In 2017, 08 meetings held where 31 memos were approved. The name of the SMT members and their photos can be seen at pages 34 to 35 of the Annual Integrated Report 2017.

Meeting held by SMT

8

Major agenda covered in 2017

- Framing of full-fledged Proprietorship Firm financing policy
- Finalization of draft Real Estate Financing policy
- Finalization of draft policy on Deferred Payment L/C
- Finalization of Policy regarding maintenance of Single Pool for exporters and its Utilization
- Approval and adoption of Revised Asset Liability Management (ALM) Policy Guideline (2017)
- Finalization and approval of Product Program Guideline (PPG) titled Bahon for micro and small Enterprise loan for commercial vehicle
- Finalization and approval of Product Program Guideline for SME Current Account
- Finalization and approval of i) Bank Asia ICC Policy-2017(draft) and ii) Compliance Policy-2017
- Finalization and Approval of Operation Manual for Mudaraba Savings Account-Staff(MSA) and Mudaraba Corporate Privilege Savings Account(MCPSA) under Islamic Banking
- Finalization and approval of Operation Manual for Mudaraba Special Notice Deposit Account for Banks & NBFIs(MSND-BN) and Mudaraba Term Deposit Account for Banks & NBFIs(MTDA-BN)
- Finalization and approval of Product Program Guidelines for SME Products under Islamic Banking
- Finalization of Policy on Valuation Methodology
- Letter to be sent to the Branches and SME Service Centers regarding strict compliance regarding obtaining and preservation of TP and KYC of the Customers and to ensure periodic updates.
- Framing Post Sanction Credit Review & Monitoring Guidelines
- Approval of Product Program Guideline for(PPG) for Mudaraba Deposit Pension Scheme(Version 2.0)
- Review and approval of Brief Operational Guideline for Online Islamic Banking Services of Bank Asia
- Updating ISR-based Mudaraba Profit Distribution Module of Bank Asia Islamic Banking

ALCO

The Asset Liability Committee (ALCO) comprising the senior management, take strategic decisions on fixation of asset liability pricing, on liquidity management in the context of changing market scenarios. The Member-Secretary of the ALCO will call for a meeting of the committee based on a regular schedule. When needed special ALCO meetings are held to respond to the unusual or seasonal market behavior or other volatile market scenarios. Proactive measures of ALCO kept the credit deposit ratio within a comfortable range that helped the bank to earn through foreign exchange and money market products of treasury line. In 2017, there are 7 members in ALCO. The committee may be reconstituted as and when deemed necessary.

Meeting held by ALCO

12

Major agenda covered in 2017

- Market scenario & economic outlook
- Projections on Exchange Rate and Interest rate
- Peer group analysis
- Discussion on Risk appetite and budgeting for business targets
- Review of Fund clearance process for business proposals
- Review of key ALM indicators (LCR, NSFR, ADR, MCO, MCR, CRAR)
- Commitment position analysis and strategies for sustainable earnings
- Capital allocation calculation of business transactions
- Ratio analysis
- Monthly trend and variance of Deposit- Advance and planning of strategies
- Balance Sheet Gap analysis as per time bucket & forecasting
- Re-pricing gap of Asset-Liability
- FC Inflow-outflow & commitments scenario
- Investment analysis and decision for Banking & Trading book
- Currency wise B/S position & gap analysis
- Fixation of asset liability pricing

Credit Committee

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

Sanction type of credit committee	Number of proposal
Facility Approved in 2017	
New	241
Renewal	314
Enhancement	89
Renewal with Enhancement	76
Reduction	0
Renewal with Reduction	0
Restructuring	0
Renewal with Restructuring	0
Rescheduling	0
One-time	6,547
Others	395
Total	7,662

SRP Committee

The Supervisory Review Process (SRP) committee is formed under the second pillar of Basel II capital accord. Bank Asia has developed internal methodology to assess requirement of additional capital to address risks that have not been considered under minimum capital requirement (MCR), i.e. credit risk, operational risk and market risk. The SRP committee is a representation of senior management working under board. The committee consists of 9 (nine) members: President and managing director (chairman of the committee), DMD & Chief Risk Officer, Head of ICCD, Chief Financial Officer, Head of Treasury, Head of RMD. Core responsibilities of the committee are to ensure that bank has comprehensive Internal Capital Adequacy Assessment Process (ICAAP) and adequate level of capital is maintained and reported considering appropriately the level of risk. A separate risk management committee (RMC) supervises day-to-day risk identification, mapping and mitigation.

Meeting held by SRP Committee	1
Major agenda covered in 2017	
<ul style="list-style-type: none"> ■ Additional Capital Requirements for the year 2016 ■ Calculation Methodology of ICAAP 2016 ■ Core Risk Compliance 	

Independent Director

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

They are: Three renowned retired bankers Mr. Mashiur Rahman, Mr. M Shahjahan Bhuiyan, Mr. Dilwar H Choudhury and Mr. Md. Nazrul Huda, a retired central banker. This is a matter of great sorrow that, Mr. A M Nurul Islam, a renowned bureaucrat, one of the independent directors and vice chairman of the Bank was passed away on 18.10.2017. The Independent Directors are also member of the sub-committees of the Board. Two of them are the members of the Executive Committee, two are the members of the Audit Committee, and one is the member of the Risk Management Committee.

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

The functional responsibilities of the Chairman of the board and of the President and Managing Director are kept separate and independent of each other. The Chairman is responsible for leading the board and overseeing the entire functioning of the bank as per corporate governance framework. Mr. A Rouf Chowdhury is the current Chairman of the Board. Through his dynamic leadership, he is leading the Bank towards the success.

The Managing Director leads the bank by developing, designing and implementing the business strategic plan of the Bank. The President and Managing director, Mr. Md. Arfan Ali is also responsible for developing long term business plans and the day-to-day operation. He is also accountable to the shareholders and the board of the bank.

For attending the Board Meeting, Audit Committee Meeting, Executive Committee Meeting and Risk Management Committee Meeting, the Directors receive an honorarium of Tk. 8,000.00 each. But in management level no remuneration was given to any for any meeting regarding setting remuneration. During 2017, the expenditures incurred related to directors were Tk. 2,992,000.00 for Directors' honorarium and Tk. 1,221,413 for Directors Travelling purpose.

Mechanism to Provide Advice to the Board

Bank Asia maintains transparency and close communication with its shareholders. With this view we publish annual & semiannual report, publishing quarterly financials and price sensitive information (PSI) in newspapers for shareholders, investors, capital market experts, and other equity participants in a complete, fair, accurate, timely and understandable manner within the framework of generally accepted accounting principles and legislation provisions. Our bank's shareholders can also use their query rights or can provide any recommendations or direction to the Board of directors at the annual general meeting and the Board answers all questions of shareholders. Prior to AGM, the meeting date, venue and agenda are announced and also the annual report is submitted to the shareholders through our bank's website or through different channels. After getting feedback from shareholders at AGM, the Board then directs the management to implement the recommendations of the shareholders. If the Management requires making any change in policy or practice, the Board approves those changes; otherwise if this authority of approval is beyond the power of the Board, this can be approved by the shareholders of Bank Asia Ltd. at AGM through voting. In applicable cases extra ordinary general meeting (EGM) of general shareholders may be called. So far 18 AGMs and 12 EGMs have been successfully arranged.

Avoiding Conflict of Interest

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

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

Shareholding Structure

At the end of the year 2017, the shareholding structure of Bank Asia Limited was as follows:

Category	No. of shareholders As on 31-12-2017
Sponsor & Director	27
General Public	10,219
Foreign Investments	3
Investment Companies	75
Institutions	281
Non Resident Bangladeshi	76
Total	10,681

Share Holding Structure



Sponsor & Director **51.66%**
 General Public **16.17%**
 Foreign Investments **0.65%**
 Investment Companies **6.56%**
 Institutions **24.26%**
 Non Resident Bangladeshi **0.70%**

CAPITAL MANAGEMENT

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

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

Million Taka

Capital Fund of Bank Asia	2017		2016	
	Amount	%	Amount	%
Tier-1: Core Capital	18,853	57.28	16,735	67.55
Tier-2: Supplementary Capital	14,061	42.72	8,039	32.45
Capital Fund	32,914	100	24,775	100
Risk Weighted Asset	221,115	-	199,491	-
Capital to Risk Weighted Asset Ratio (CRAR)	-	14.89	-	12.42

- Standard MCR is 10% on risk weighted assets (RWA), which will gradually increase up to 12.50% in the year 2019 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will by 3%, liquidity coverage ratio will be $\geq 100\%$ and net stable funding ratio will be $> 100\%$.
- Bank Asia is always committed to ensure sustainability in doing business including capital adequacy to support healthy growth of business. In this pursuit Bank Asia has issued Tk. 5.00 billion worth subordinated bond in 2017.
- Upon the issuance of this 7 year floating rate non-convertible subordinated bond as Tier 2 capital of the bank the CRAR (Capital to Risk weighted Asset Ratio) reached to 12.89% as on December 31, 2017 against regulatory required of 10%.



FINANCIAL PERFORMANCE

Major Financial Highlights

Million Taka

	2017	2016	2015	2014	2013
Paid up Capital	9,870.11	8,812.60	8,392.95	7,629.96	6,936.32
Deposits	207,041.47	191,272.58	169,827.34	140,869.29	133,489.37
Loans and Advances	197,504.14	163,609.78	136,396.34	116,808.85	104,911.26
Import	181,468.00	148,724.27	129,930.43	110,192.54	110,738.08
Export	118,172.00	103,139.15	89,275.32	77,646.91	71,968.83
Inward Remittance	51,778.00	41,665.14	42,996.80	41,732.50	34,334.40
Total Income	22,808.95	21,240.83	21,497.24	20,385.97	19,672.29
Total Expenditure	16,121.39	15,320.20	15,491.57	14,607.14	14,256.53
Operating Profit	6,687.56	5,920.63	6,005.66	5,778.83	5,415.76
Net Profit After Tax	2,047.53	1,545.91	2,573.92	2,218.69	1,459.82

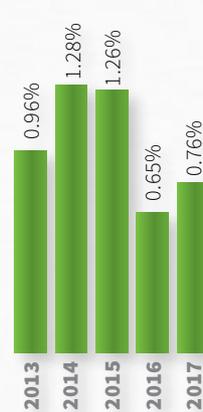
Total Assets
Million Taka



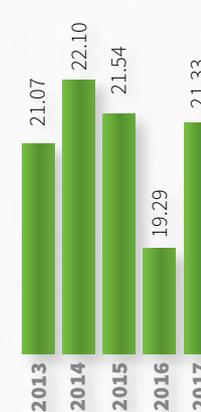
Total Capital
Million Taka



Return on Assets (ROA)



NAV per Share
Taka



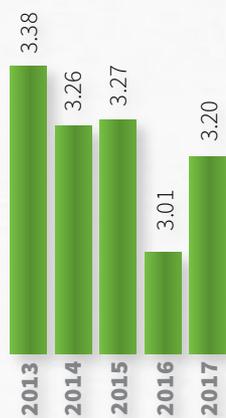
Key Management Ratios

Million Taka unless otherwise specified

	2017	2016	2015	2014	2013
Credit Deposit Ratio	81.88%	76.15%	71.50%	77.87%	75.85%
Cost of Deposit	5.08%	5.66%	6.87%	7.53%	8.82%
Administrative Cost	2.50%	2.51%	2.85%	2.93%	2.66%
Yield on Loans and Advances	9.03%	9.86%	10.97%	12.77%	14.22%
Spread	3.95%	4.20%	4.10%	5.24%	5.41%
Burden Ratio	0.43%	0.40%	0.21%	0.52%	0.42%
Salary Exp. to total Overhead Exp.	47.99%	49.84%	50.28%	46.98%	46.90%
Cost to Income/Efficiency ratio	44.12%	44.35%	41.84%	40.34%	36.53%
Earnings Per Share (Taka)	2.07	1.57	2.92	2.64	1.91
Dividend Coverage ratio	1.66	1.46	1.53	1.94	2.10

Profit per Employee

Million Taka



Return on Equity (ROE)



Non Interest Income & Non Interest Expense

Million Taka

- Non-Interest Income
- Non Interest Expense



Primary Brands Products & Services



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

Branding of Airport, Rebranding of Islamic Banking Services, Retail Deposit and Cards products, Launching of ID products and Agent Banking, etc. are some of the significant activities. CAB has done an excellent job to establish consistent and uniform communication of the Bank. On top of that, cost perception has been redefined. Principle of budget optimization has been implemented in every single activity starting from production, event management, item purchase, etc. CAB under the Public Relations Department contributed to media innovations. It produced and distributed branded gift items for clients on the occasion of 'Bangla Nabobarsha' and 'Mahe-Ramadan' that created an impulse in brightening image. Ramadan Schedule, Engraved wooden box, Branded wooden pen, pocket diary etc. created huge appeal among general people.



সবার জন্য সবখানে ব্যাংকিং সেবা



সেবাসমূহ

* সঞ্চয়ী ও চলতি হিসাব	* বৈদেশিক রেমিট্যান্স-এর অর্থ প্রদান
* মাসিক ও মেয়াদী সঞ্চয়ী হিসাব	* পাসপোর্ট ফি গ্রহণ
* চলতি হিসাব (আহু)	* ইউটিলিটি (পল্টা বিদ্যুৎ সহ) বিল গ্রহণ
* এসএনডি হিসাব	* এসএমই স্বপ প্রদান
* ইসলামী ব্যাংকিং	* কৃষি স্বপ প্রদান
* স্থূল ব্যাংকিং	* ব্যক্তি (পার্সোনাল) স্বপ প্রদান
* নগদ জমা ও উত্তোলন	* ডেবিট কার্ড প্রসেসিং
* ফাও ট্রান্সফার	* সামাজিক নিরাপত্তা ভাতা প্রদান
* ই.এফ.টি.এন. (যে কোন ব্যাংকের হিসাবে)	* প্রতিষ্ঠানের বেতন প্রদান প্রক্রিয়ায় সহায়তা



সামাজিক উন্নয়নমূলক প্রদান



এ-ক্যাডে কৃষিক্ষেত্র ভ্রমণ



ফ্রি শিল্প সুরক্ষিত



কৃষি স্থান পরিদর্শন



ওয়েব সুরক্ষিত

উন্নয়ন সহযোগী



OCAS-Diganta

We initiated reaching the rural and semi-urban mass of the population with the objective to do inclusive banking through establishment of Agent Banking all over the country. Though the initial value of the network pinned down to financial inclusion through an account for all, but we strongly realize the gap of required financing of the entrepreneurs of those localities. As we started to process the paper base proposals, we came across the need of digitization to minimize the duration gap of an entrepreneur finance proposal from initiation to reaching the corporate office. This need driven us to prepare a digital platform under the name of "DIGANTA" whereby customers KYC, Assessment, become digital and reaches Corporate office with one click through telecommunication network.

Implementation:

Bank Asia uses its own MSE finance programme to provide Micro & Small loans to optimistic entrepreneurs in the under-developed regions of Bangladesh. Typically, Cottage, Micro & Small Enterprises (CMSEs) in various parts of the country do not have collateral or may not have a credit history to secure a traditional loan. The local Bank Asia Agent points are channeling these loan propositions under the banner of Diganta. By providing greater automation of the loan approval process, the bank is able to drastically reduce the time taken to assess and approve financing proposals. This platform was developed with the help of challenge fund from BFP-B under UK Aid.

Benefits:

OCAS-Diganta is a software based financing system to facilitates the CMSEs, Agro Entrepreneurs, Retail financing through TAB & PC based digital platform. It reduces the time, papers and cost of the customers as well as bank and provides the banking service to the customer's access to finance in a better and faster manner.

Impact:

Till December 2017, about 1,900 customers got the benefit of access to finance at an affordable rate, with Tk. 72 crore worth of loans channeled through OCAS-Diganta.

বাংক এশিয়া

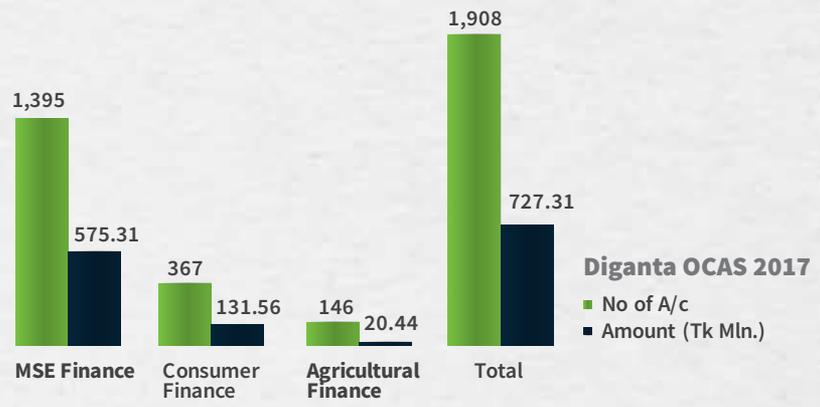
OCAS Diganta

ক্ষুদ্র ও কৃষি ঋণ প্রদানে 'দিগন্ত-'

- ঋণ আবেদন এখন ডিজিটাল। সময় লাগছে কম। বাড়ছে অর্থায়নের গতি
- এজেন্ট ব্যাংকিং চ্যানেলে প্রত্যন্ত অঞ্চলে মাইক্রো ও ক্ষুদ্র, কৃষি এবং রিটেইল জামানতবিহীন ঋণ বিতরণ
- ব্যাংকিং সেবা-বহির্ভূত জানপোতাঁকে 'মাইক্রো ও ক্ষুদ্র উদ্যোক্তা' ঋণ সুবিধায় অগ্রসূর্তি
- ক্ষুদ্র শিল্পোদ্যোক্তা, সেবাদানকারী প্রতিষ্ঠান, ব্যবসায়ীকে এসএমই ঋণ ও কৃষককে কৃষি ঋণ সুবিধা প্রদান

■ ঋণ অনুদানের দায়িত্বের 'সিঙ্গল' ডিস্কেসরি (ইউকেএইড)-এর অর্থিক সহযোগিতায় উন্নিত

উন্নয়ন সহযোগী UKaid Business Finance for the Poor in Bangladesh SME BANKING



Agent Banking

Bank Asia Limited has introduced Agent Banking Services as the pioneer in Bangladesh with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. Despite substantial bank branch expansion and emergence of microfinance institutions (MFIs), scant access to basic financial services remains a deprivation suffered by large segments of the poorer rural and urban population in Bangladesh, and therefore financial inclusion is viewed as a high policy priority for more inclusive and more equitable economic growth. A vast majority of Bangladeshi lives outside the full formal banking network (about half of the adult people) and therefore deprived from essential financial services and subjected to unfair money lending practices. The Banks have traditionally been very cautious in extending its branches to remote areas. The root causes for the uneven coverage of financial facilities are manifold:

- Long distances & low population density
- High bank cost relative to income
- Low education & illiteracy
- Poor product/ channel design
- Awareness & Policy Support

Bank Asia has taken initiative to overcome all those constraints by implementing Agent Banking in all districts of Bangladesh. Bank Asia has implemented 1,497 Agent outlets in 62 districts of Bangladesh.

Transactions details for the year 2017

SL.	Transaction Type	No. of Transaction	Taka
1	Deposit	950,433	25,751,519,175
2	Withdrawal	641,801	14,569,057,030
3	Fund Transfer	598,752	21,905,348,356
4	Foreign Remittance	277,210	8,626,254,524
5	Palli Bidyut	1,547,699	793,000,029
6	Passport	434,539	1,676,981,580
	Total	4,450,434	73,322,160,694

Balance as on Dec. 31, 2017

SL.	Account Type	No. of Account	Taka
1	Savings	251,431	1,338,359,552
2	Current	17,721	381,073,160
3	DPS Account	29,028	386,227,000
4	TDS	2,411	528,444,881
5	School Banking	7,354	16,886,551
6	10 Taka	4,002	3,069,423
	Total	311,947	2,654,060,566



The details of Agent Banking Product & Services at Page 52 under Product and Services segment

Collaboration approach for gaining capabilities throughout the year 2017

- Collaboration with UNDP to implement shared Digital Financial Inclusion project with an initial focus on Safety Net Payment.
- Collaboration with Post Office to facilitate Agent Banking Services through 6 e-post centers.
- Bank Asia Agent Banking has been promoted by JICA for introducing innovative social program in Japanese market.
- Accomplished pilot project with Swisscontact and Metlife Foundation for financial inclusion of RMG workers. According to the project 3750 numbers of RMG workers have received financial literacy and 650 numbers of accounts have been opened for RMG workers.
- Through A- card, 1,401 numbers of loans have been disbursed of Tk. 19.6 million.
- Bank Asia, pioneering in agent banking services in Bangladesh and Western Union, an international money transfer company, has joined hands and launched an innovative service to distribute international remittances to the grassroots people across the country through the Bank's Agent Banking digital platform.
- In 2017, 4,805 numbers of accounts (cumulative account no 7,392) have been registered under school banking platform with a deposit of Tk. 9,091,037(cumulative deposit volume Tk. 16,836,551).
- Bank Asia signed an agreement with United Purpose funded by Coca Cola Foundation to leverage the impact of Woman Business Centre (WBC) by linking them to formal financial services and empower the woman entrepreneurs towards the sustainability.
- Access to Information (a2i), Mastercard and Bank Asia entered into a tripartite Memorandum of Understanding (MOU), in an endeavour to offer financial services to rural unbanked people of Bangladesh and make digital payment services accessible to grassroot people.
- Partnership with Bluenumber, SME Corporation limited, United purpose, PRAN-RFL group, Unnayan Shamonnay, Pragati Life Insurance, Cloudwell for facilitating Agent Banking service through different channel.
- Piloting of Agent Banking services through the retail store” Daily Shopping” established by Pran-RFL group.
- Partnership opportunity with the largest telecom operators to facilitate Agent banking services through the service outlets of the operators.



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

Social Safety Net Program

With experience of implementing of EBЕК Project, Bank Asia is now capable enough to provide services to other government projects like Social Safety net Programs in collaboration with Social Welfare Department under Ministry of Social Welfare.

Services covered under this program

- Senior citizen allowances
- Insolvent autism allowances
- Payments for widow or divorced women allowance
- Payments of freedom fighters allowance
- Wages of road maintenance workers
- Student stipends and related allowances
- Food security allowances (Cash payments)
- Teachers salary both government primary and non-government high school teachers, and others

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

Particulars	EBЕК (3 rd Revision)	EBЕК (Phase I & II)	Social Safety net	SWAPNO	SHOUHARDO	Local Govt. Salary/ Allowance Disburse	Total
Districts	31	35	05	02	08	01	39
Upazillas	220	252	05	14	23	01	295
Union	2,200	2,424	12	76	115	10	2,637
Village	21,000	21,816	520	160	479	89	22,835
Beneficiaries	458,599	1,170,687	12,599	2,989	32,748	271	3,173,607



Account opening is going on for SHOUHARDO III project beneficiaries at Sreepur union, Sundarganj Upazilla & Gaibandha District



Social Safety Net (Allowance for Disabled) beneficiary getting banking service by putting his leg thumb at Zawar UDC, Tarail Upazilla, Kishoreganj



Bank Asia officials providing old age allowance through biometric authentication at Khshabari, Shoguna Union, Tarash, Sirajganj



Providing Social Safety Net beneficiary allowance (Widow Allowance) at Isswaripur Union Digital, Shyamnagar, Satkhira



LGD wages & honorium payment (Chairman, Member, Gram Police) in presence of UNO of Netrokona Sadar at Kailati Union, Sadar Upazilla, Netrokona



Cash disbursement (UNDP Project) among the land slide affected people at Rangamati with the help of UNDP officials & local Government

Over the time we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow and Disable beneficiaries. We will start full coverage of Kishoreganj district for Safety net payment where 133,500+ beneficiaries will get banking service from their own union. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and 76 unions for disbursing the daily woman worker wages payment from their union. Cash for work is another prestigious program for Bank Asia which is run by Ministry of Disaster.

Moreover, we have started another World's largest Non- Government funded mega project named SHOUHARDO III with CARE Bangladesh where 168,000 beneficiaries will be getting banking service from 8 districts. Already 32,748 beneficiaries are getting banking service in different remote areas.

SCHOOL BANKING

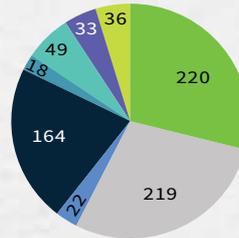


Bank Asia brings School Banking Account for those kids who aspire to be in the mainstream of life from their very first day at school. Any school going child can open a School Banking Account and start saving for the future. This account is meant to help our future generation to grow up with a savings habit along with being accustomed with the banking culture and system. The salient features of our School Banking account are:

- Attractive interest rate for Savings and Term Deposit Accounts
- No account maintenance charges with free ATM Cards
- Options for opening DPS Accounts
- Both Parents and student can operate the account
- Payment of school fees
- Stipend facilities for meritorious students, and Financial assistance for education of the student in the event of death of the earning member of the family

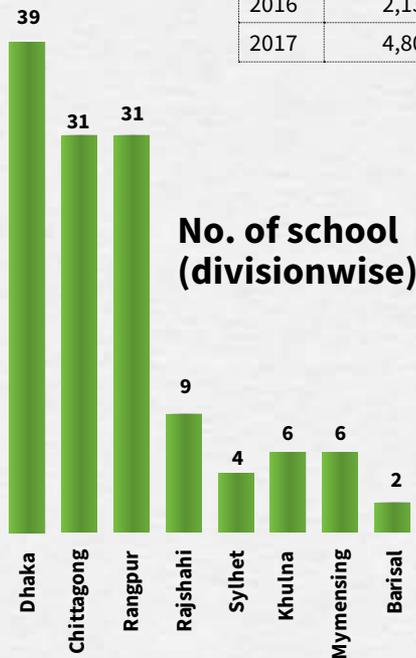
Bank Asia introduced School Banking on June 27, 2015. Till January 2017 it has got 1,102 schools of 52 districts under its operation. Among those 8 Schools are under pilot program of BRAC Gono Kendra in Munshigonj. 128 schools are using fee collection module of Bank Asia Agent Banking solution.

Year	No. of AC	Amount of Deposit
2015	443	2,338,942
2016	2,136	3,257,726
2017	4,805	9,091,037



No. of schools under school banking operation

- Dhaka
- Chittagong
- Rangpur
- Rajshahi
- Sylhet
- Khulna
- Mymensing
- Barisal



No. of school (divisionwise)



School Banking Conference 2017

Disclosure on Product Portfolio

Incorporation of Environment Risk in Core Risk Management

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

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

Introducing Green Finance

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

As Bank Asia has a participation agreement with Bangladesh Bank under the refinancing scheme for lending in solar energy, bio-gas, effluent treatment plant (ETP) and hybrid hoffman kiln (HHK); we periodically determine business ventures under these sectors where we can provide lending facilities.

Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for its borrowers as well as stakeholders. Bank Asia also financed of Euro 5.17 million under the Export Credit Agency (ECA) to Engreen Sharishabari Solar Plant Ltd. for establishing a 3-MWp (megawatt-peak) Grid-Tied SPV (solar photovoltaic) independent power plant on 8.23 acres of land at Sharishabari of Jamalpur. Moreover, we have saved Tk. 5.99 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E- Fund Transfer, Digital Attendance, E –Mail correspondence etc.



Bank Asia financed Triple Apparels Limited, having USGBC Certified LEED Certificate

Assessing and Screening Environmental and Social Risks

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

EDD checklist Guideline Matrix:

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

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

Improving Staff Competency for Environmental and Social Responsibility

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

As greening of mind, several trainings were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2017, BAITD has provided 5 trainings on Green Banking under Foundation training course to 181 employees. Moreover, our bank also organized a seminar in collaboration with IFC on 'Seminar on Sustainable Energy Financing'. Besides this, 3 of our officials participating in the workshop on 'Sustainability Reporting Practices in Banks of Bangladesh' organized by BIBM. In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, the articles on Green Banking, sustainability reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers.

During 2017, 14,371 proposals dealt through OCAS (Online Credit Approval System) have been developed as a part of Technological improvement of the Bank. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier and will provide a competitive edge over other banks on online banking.

Transport

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

Business Portfolio
(as on December 31, 2017)

Corporate & Large Loan

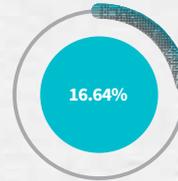
Loans & Advance portfolio of Bank Asia has always remained focused on Corporate and Large Loan Financing



Outstanding
Tk. 122,474 million

CMSME

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



Outstanding
Tk. 32,860 million

Agricultural

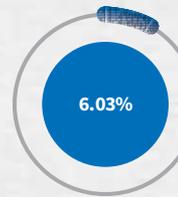
Through agriculture loan, Bank Asia finances marginalized farmers and contributes to rural development which eventually facilitates green banking culture where BDT 3,595 million was disbursed among 92,139 beneficiaries in 2017 under agriculture and rural wing.



Outstanding
Tk. 4,083 million

Islamic

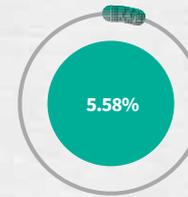
To achieve sustainable economic growth with justice & equity serving a major segment of business under religious framework, Bank Asia now operates five Islamic Banking Windows. In addition to that Salamah Online Banking Service is available to all branches of the bank.



Outstanding
Tk. 11,906 million

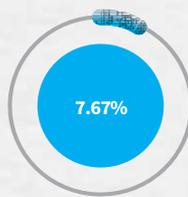
Retail

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. Here, card segment is under extensive competition which enforces the Bank to offer loyalty and benefit packages to retain customer base.



Outstanding
Consumer Finance
Tk. 9,425 million
Credit Cards
Tk. 1,601 million

OBU



Outstanding
Tk. 15,155 million

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

Monitoring Clients' Environmental and Social Compliances

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

For better energy efficiency and lower emissions, Bank Asia financed Tk. 26.80 million in 14 projects to set up Zigzag chimney. In 2017, Bank Asia approved the funded limit Tk. 1,090 million and non funded limit of Tk. 588 million to Triple Apparels Limited, having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction).

Region wise Portfolio

Region wise portfolio summary as on December 31, 2017 was as under

Division	Million Taka			
	Urban	Rural	Total	%
Dhaka	149,085	9,555	158,640	80.32%
Chittagong	23,856	4,151	28,007	14.18%
Khulna	3,348	-	3,348	1.70%
Rajshahi	1,772	1,790	3,562	1.80%
Barisal	564	-	564	0.29%
Sylhet	1,896	368	2,264	1.15%
Rangpur	805	-	805	0.41%
Mymensingh	314	-	314	0.16%
Total	181,640	15,864	197,504	100.00%

Economic Environmental and Social Value Generated through Various Products

Micro finance, Small and medium enterprise (MSME)

MSMEs have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken MSME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2017, the MSME portfolio stood at Tk. 30,277.76 million.



MSME Portfolio in 2017

In Million Taka

- Trade **11,422.89**
- Manufacturing **8,811.24**
- Service **9,857.08**
- WE **186.55**

Sectoral Distribution of Credit

The Bank's loans and advances portfolio increased to Tk. 197,504.14 million achieving a growth of 21%. Sector wise distribution of loans and advances is as follows:

Million Taka

SL. No	Sectors/Sub-Sectors	2017		2016	
		Million Taka	% of Funded Loan	Million Taka	% of Funded Loan
1	Industries				
	Agriculture and Jute	4,074.80	2.06%	2,340.58	1.43%
	Cement	-	0.00%	517.00	0.32%
	Chemicals	1,632.80	0.83%	1,983.39	1.21%
	Electronics	3,794.80	1.92%	2,549.37	1.56%
	Food & Allied	11,966.50	6.06%	12,282.27	7.51%
	Paper	8,648.30	4.38%	7,739.05	4.73%
	Readymade Garments	22,666.40	11.48%	18,153.01	11.10%
	Real Estate	4,732.80	2.40%	11,992.02	7.33%
	Steel	6,225.20	3.15%	9,475.07	5.79%
	Textile	20,274.90	10.27%	13,617.37	8.32%
	Others	33,457.63	16.94%	13,313.31	8.14%
	Subtotal	117,474.13	59.48%	93,962.44	57.43%
2	Infrastructure				
	Power	2,023.40	1.02%	50.52	0.03%
	Telecom	348.50	0.18%	453.30	0.28%
	Construction	5,280.50	2.67%	5,758.25	3.52%
	Transport	2,823.90	1.43%	2,359.10	1.44%
	Sub total	10,476.30	5.30%	8,621.17	5.27%
3	Commercial Lending	34,740.50	17.59%	32,044.40	19.59%
4	Export Financing	11,620.46	5.88%	12,668.20	7.74%
5	House Building Loan	1,072.53	0.54%	923.36	0.56%
6	Consumer Credit Scheme	9,425.51	4.77%	7,076.44	4.33%
7	Small & Medium Enterprise	4,945.19	2.50%	3,957.23	2.42%
8	Staff Loan	1,323.51	0.67%	1,329.10	0.81%
9	Credit Card	1,600.31	0.81%	1,252.44	0.77%
10	Non-Banking Financial Institution	4,825.70	2.44%	1,775.00	1.08%
	Total	197,504.14	100.00%	163,609.78	100.00%

PRODUCTS AND SERVICES

RETAIL BANKING PRODUCTS

Deposits

Low Cost/No Cost Deposit Accounts

- Current Deposit Account
- Savings Bank Account
- Star Savings Account
- Short Notice Deposit Account
- Foreign Currency Account
- Account for Under-privileged Section (10 Taka, Street Urchin, Beneficiaries of National Service program, Cleaners, Garment Workers, Technicians of Small Industries, etc.)

Consumer Finance

- Auto Loan
 - Shapner Bahan
- House Finance
 - Shapner Abash
 - Griha Shaj
 - Shapner Kuthir
 - Shapner Nirman
 - Nijer Bari
- Consumer Durable Loan
- Unsecured Personal Loan
 - Proyojon
 - Chuti
 - Sheba

Credit Card

- VISA Platinum Card (with Priority Pass)
- VISA Classic Local Card
- VISA Classic Dual Card
- VISA Ladies Card
- VISA Butterfly Card
- VISA Gold Local Card
- VISA Gold Dual Card
- Hajj Card
- Virtual Card
- Master Silver Card
- Master Gold Card
- SME Credit Card
- LankaBangla Card Cheque
- Gift Card

Islamic Credit Card

- Salamah Platinum Card
- Salamah Gold Card
- Salamah Silver Card

ISLAMIC BANKING PRODUCTS

Deposit Products

- Al Wadiah Current Account (AWCA)
- Mudarba Savings Account (MSA)
- Mudarba Corporate Privilege Savings Account (MCPSA)
- Smart Junior Saver (School Banking) Account
- Mudarba Special Notice Deposit Account (MSNDA)
- Mudarba Term Deposit Account (MTDA) for different tenure
- Corporate Term Deposit Account (CTDA) for different tenure
- Mudarba Monthly Profit Paying Deposit Scheme (MMPPDS)
- Mudarba Deposit Pension Scheme (MDPS)
- Mudarba Hajj Savings Scheme (MHSS)
- 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
- Quard against Schemes

MICRO, SMALL, MEDIUM AND AGRICULTURE BANKING PRODUCTS

Deposits

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



Term Deposit (s)

- Fixed Deposit Regular

Scheme Deposit (s)

- Monthly Benefit Plus
- Double Benefit Plus
- Triple Benefit Plus
- Bank Asia Sanchay Plus
- Deposit Pension Scheme Plus
- Shonchoy E KotiPoti

- Loan for Professionals
 - Shabolombi
- Loan for Senior Citizens
 - Purnata
- Green Energy Loan
- Talent Learning and Earning
- Bicycle loan
- Motorcycle loan

Micro & Small Enterprise Finance

Asset Product

- Shomadhan - Over draft for Trading, Manufacturing, Service & Women Entrepreneurs
- Utshob-Collateral free Seasonal loan
- Shubidha -Collateral free Term loan for Trading
- Sristi -Collateral free Term loan for Manufacturing
- Shofol - Collateral free Term loan for Service
- Shondhi -Term loan for Trading
- Shombridhi - Term loan for Manufacturing
- Sheba -Term loan for Service
- Subarno -Term loan for Women Entrepreneur
- Probaho-Term loan for Electric Cluster at Dhaka
- Shombhabona-Term loan for New Entrepreneur
- Bondhon-Term & seasonal loan for Handloom & Specialized cloth Cluster at Bogra
- Bahon-Commercial Vehicle Finance
- Nilima-Collateral free Term Loan for Women Entrepreneur (except Dhaka & Chittagong)

Liability Product

- Astha-SME Current Account

Medium Enterprise Finance

Funded Products

- Secured Over Draft (SOD)
- Cash Credit Hypo
- Over Draft A/C
- SOD (Earnest Money)
- Loan against Imported Merchandize
- Loan against Trust Receipt
- Payment against Document (PAD)
- Documentary Bills Purchased - LCY
- Demand Loan (Workorder)
- Forced Demand Loan against L/C
- Term Loan Industrial
- Term Loan Others
- Loan General
- Transport Loan
- House Building Loan - General
- Lease Finance
- Time Loan

Non Funded Products

- Letter of Guarantee
- Letter of Credit (Sight/Deferred/UPAS/EDF)
- Back to back Letter of Credit (Local & Foreign)

Agriculture Finance

- SOD (10 Taka Savings)
- Demand Loan against 10 Taka Savings
- Short Term against 10 Taka Savings
- Cropping Demand Loan
- Dairy and Fattening Demand Loan
- Dairy and Fattening Term Loan
- Fishery Demand Loan
- Fishery Term Loan
- Equipment Term Loan
- Poultry Demand Loan
- Poultry Term Loan
- Demand Loan against NGO
- Agriculture Term Loan against NGO

CORPORATE BANKING

Cash Management Products

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

- Day-to-day cash control
- Account Packages – Current, SND and Fixed Deposits
- Monitoring money at the bank, both active and non-active cash
- Receipts and items in the course of collection
- Payments and items in the course of being paid
- Cash Pick Up & Delivery
- Short-term investments
- Short-term borrowings
- Short-term foreign exchange positions
- Electronic payments
- Booths

Funded Products

- Secured Over Draft (SOD)
- Cash Credit Hypo
- Over Draft
- SOD (Earnest Money)
- Exporter's Cash Credit
- Documentary Bills Purchased - FCY
- Documentary Bills Purchased - LCY
- Demand Loan (Work order)
- Loan against Imported Merchandize
- Loan against Cash Incentive
- Payment against Document (PAD)
- Loan against Documentary Foreign Bill
- FCY
- Forced Demand Loan against L/C
- Term Loan Industrial
- Term Loan Others

- Loan General
- Transport Loan
- Loan against Packing Credit
- Loan against Trust Receipt
- House Building Loan - General
- Lease Finance
- PAD (Export Development Fund)
- Export Development Fund (EDF) Loan (FCY)
- Time Loan
- Demand Loan (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
- FCY term Loan and syndication
- Multilateral financing
- Advisory services
- Trustee and agency services
- Arranging Debt (Bonds/Commercial Paper)
- Customized financial solutions
- Special arrangements (IPPF/ Special fund of BB/ Agribusiness Loan etc)

OFF-SHORE BANKING UNIT (OBU) PRODUCTS

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

AGENTBANKING

Products

- Current Deposit Account
- Savings Bank Account
- Short Notice Deposit Account
- School Banking Solution
 - Smart Junior Saver Account
 - School Banking Account
 - School Fee Collection
 - Payroll Banking for Teachers
- Term Deposits
- Remote Banking (EBEK)
- 10 Tk. Accounts

Services

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

TREASURY PRODUCTS

Money Market, Fixed Income, & Capital Market

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

Foreign Exchange

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

CAPITAL MARKET SERVICES

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



Agriculture/ Rural Credit

Bank Asia Ltd. has contributed greatly in Agricultural/ Rural credit sector. FY 2016-2017 was a good continuation of target achievement like every year. We have achieved 123.88% against our total disbursement target of Taka 2,100 million and distributed the credit facility to 79,767 rural farmers. Bank Asia has superseded the given target of Agri credit set by Bangladesh Bank consecutively last three years. Till to date, 500,890 number of farmers have received financial assistance from us.

Status of Agricultural/Rural Credit as on 31-12-2017 is given below:

Million Taka

Particulars	Direct Network	NGO Network	Total
Disbursement (from 01-01-2017 to 31-12-2017)	873.49	2,721.03	3,594.52
Outstanding (as on 31-12-2017)	624.17	3,458.48	4,082.65
No. of beneficiary	21,084	71,047	92,139

Besides target achievement in every sector of Agricultural credit in 2017, Bank Asia emphasized to extend credit facilities in the following contemporary form

A-Card
The Smart form of Agricultural credit was propagated into 1,367 rural farmers. Total Taka 22.00 million was used through A-card in this year.

10 Taka Account
We facilitated 2,140 borrowers by disbursing Taka 48.39 million and received refinance of Taka 45.50 million from Bangladesh Bank in the year 2017. Bangladesh Bank has appreciated Bank Asia Ltd. for the contribution in this sector.

Partnership with different international Organization
With the aim of attaining international level of agricultural/rural financing, Bank Asia has cruised partnership with different international organizations like USAID AESA project, USAID AVC Project, Swiss Contact, NAFCO etc.



Appreciation letter received by Bank Asia from Bangladesh Bank for significant contribution in disbursing loan to 10 taka savings account holders



Poultry farm financed by Bank Asia

Financing Effluent Treatment Plant (ETP)

In 2017, 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).

During 2017, Bank Asia disbursed Tk. 37.54 million for the treatment plant of liquid waste to Winter Dress Ltd.

Financing Environment Friendly project

In 2017, the Bank financed Tk. 26.80 million in 14 projects to set up Zigzag chimney for better energy efficiency and lower emissions. Bank Asia approved the funded limit Tk. 1,090 million and non funded limit of Tk. 588 million to Triple Apparels Limited, having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction).

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. It is giving a strong competitive edge to Bank Asia over the other players in the market by catering the banking need of an emerging sector. In 2017, we have done 1,626 transactions and paid an amount Tk. 38.24 million equivalent to USD 0.48 million through 'Payza' and 155,063 transactions amounting Tk. 2,521.04 million equivalent to USD 31.31 million through '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 ICCD completed the audit and inspection tasks of 119 Branches, 05 Islamic Banking Windows, 30 Corporate Office Divisions/Departments including subsidiaries and 81 Agent Point Outlets in 2017. Besides, ICT/IS Audits on 14 Branches & Corporate Office Divisions/Departments and Anti-Money Laundering Audits/Inspections on 21 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.

We are also committed to enhancing consumer financial capability and invest in ways to help our customers improve their financial decision-making. All our financial products are delivered by using various methods like direct selling, cross selling by branches as well as corporate office employees'. There are divisions among corporate clients based on the loan portfolio just to ensure timely and effective services to our clients. In a way to keep pace with our objectives in mind, we

have developed loan products policy. The policies are designed in a way that every rules can be well understood by the delivering channels i.e. branch as well as corporate office employees' to communicate to the customers in the most convenient way. Moreover, there are flexibility in the policies in a way so that our customers can get customized services according to their need as well as that can protect the interest of the bank.

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

Initiatives to Enhance Financial Literacy by Type of Beneficiary

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

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

Islamic Banking Services

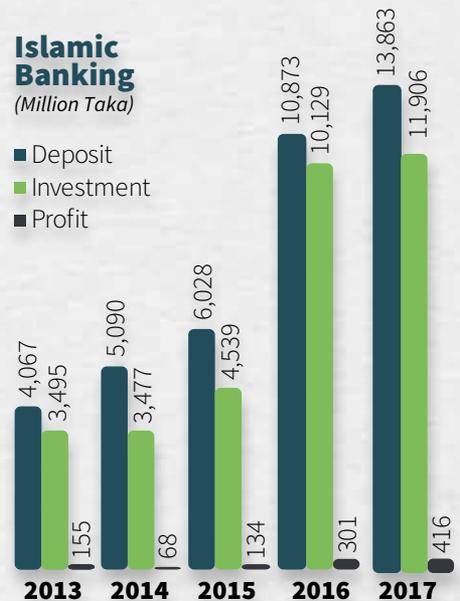
Bank Asia commenced its much acclaimed islamic banking services in 2008 and the bank has 5 islamic banking windows in Dhaka, Chittagong and Sylhet divisions. We provide this service with the help of a separate Islamic banking software–Hikmah to provide real-time online banking service from our entire branches network through islamic banking service desk in every branch under salamah brand. ISR (income sharing ratio) based unique profit distribution system on mudaraba deposit has given our Islamic banking services much acclaim and wide acceptance.

In November 2017, we have started our Islamic Agent Banking activities through 25 piloting outlets. Our Islamic Agent Banking is using separate software for conducting its business activities. Till December 2017, we covered 71 Agent points in 12 districts. We are going to offer our diversified deposit and investment products to the Islamic banking customers through all of our Agent points covering all districts in 2018. We hope that this would create stronger brand image of Islamic Banking throughout the country and would contribute more in the overall profitability of the Bank.



Islamic Banking
(Million Taka)

- Deposit
- Investment
- Profit



ENVIRONMENTAL PERFORMANCE

Energy Savings

Since 2011 i.e. the inception of our corporate Office, Bank Asia has been ensuring the maximum usage of natural day light to reduce the energy consumption substantially in contrast with other mainstream constructions. Moreover, energy savings bulbs consist of a third of the total lighting system here. As a result, more than 40% electricity i.e. Tk. 6,454,045 is saved using the day light in side corporate office. E-mail has been the focus of both internal and external communications with an aim to reduce the paper consumption since 2005 thereby reduce deforestation.

Energy Consumption

		Million Taka
		2017
Energy Type		Total
Electricity		93.97
Fuel & CNG		10.40

Solar Powered Branches

We have already installed solar panels in our 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME service Centre, Bank Asia Bhaban and Nimtola Branch.

Financing Renewable Energy and Carbon Offset Projects

During the year 2017 we have disbursed Tk. 22 million to 1,367 marginal farmers through A- card, the Smart form of Agricultural credit was propagate into 1,367 rural farmers of Tk. 22 million which helps sequestration of carbon.

Direct Energy Consumption by Bank Asia

Source	Consumption		Megajoules
Electricity	9,534,000	kwh	34,322,400
Diesel	16,108	ltrs	579,872
Octane	64,229	ltrs	2,055,342
CNG	204,286	m3	6,537,152
Total			43,494,766

Reducing Energy & Resource Consumption

Instruments of Green Banking offered by Cards Division include E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, and Digital Attendance and E Mail corresponding, which help reducing printing paper. In 2017, our Cards Department through its digital filling system have been archived more than 88,932 pages. Moreover New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as paper saved 1,50,000 pages and 20,000 courier service deliver cost. Unlike every year, the Bank has developed e-Cards for its stakeholders this year.

Energy Efficiency Table

Million Taka

No	Instruments	Quantity	Cost of Conventional Practice	Cost of Green Banking Concept
1	E Statement	92,981	0.93	NIL
2	SMS Banking	98,914	0.99	0.025
3	SMS Alert	215,862	2.16	0.054
4	Net Banking	59,826	0.60	NIL
5	E-Fund Transfer	49,918	0.50	NIL
6	Digital Attendance	996	0.000536	NIL
7	E-Mail Corresponding	88,942	0.89	NIL
Total amount			6.07	0.079
Net Savings Taka 5.99 million				

Solar Home System

Bank Asia is committed to enlighten every rural home with green electricity. At present, only about 40% of the rural households in Bangladesh have access to grid electricity. For the rest of the areas are not connected to the national grid, life comes to almost a standstill there after sun-set. Giving priority in this sector, Bank Asia has been supporting to import and install solar home systems in the off grid area. Bank Asia financed of Euro 5.17 million under the Export Credit Agency (ECA) to Engreen Sharishabari Solar Plant Ltd. for establishing a 3-MWp (megawatt-peak) Grid-Tied SPV (solar photovoltaic) independent power plant on 8.23 acres of land at Sharishabari of Jamalpur. This is first of its kind power project ever established in Bangladesh which has already gone to COD in 2017.

Water Usages

Bank Asia is very much conscious about efficient use of water. As a financial institution its use of water is already very much restricted. Major consumption of water is for drinking purpose. Our bank is also none compromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation every branches and corporate office are supplied with specially procured filtered mineral water. The management of the bank takes special care so that wastage of water as minimum as need. Total consumption is controlled by monitoring per employee drinking water cost per month.

Waste Management

This process is involved in dealing with the waste generated from day to day banking activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers. Being a financial institution Bank Asia does not deal with any hazardous waste.

- Both sides of papers are used and wasted papers are collected using bins after shredding
- Donate old equipment and furniture for charity or sold
- Food wastes are collected by community cleaners on daily basis
- Toner, cartridges and newspapers disposed off through community cleaners.

Liquid Waste Management

Bank Asia is very concern about the present situation of our environment because of wastes so the future of the people is threatened with boundless destruction. The situation is worst in both cities and villages. Environmental problems like unplanned urbanization, industrialization, disposal of hazardous wastes, rivers, lakes and roads, soil pollution, water shortage, water contamination and water logging are only a few to mention. In this situation, during 2017, Bank Asia disbursed Tk. 37.54 million for the treatment plant of liquid waste to Winter Dress Ltd.

Greenhouse Gas Emission

Since 2014, Bank Asia implemented Video Conferencing System to connect with remote branches for strengthening relationship between Head Office and branches. By using the system, Management can save time and money as well as CO2e by avoiding long distance travel in order to attend meetings. Currently, the system has been implemented in few branches.

Initiative to Reduce the Bank's Adverse Impact on Environment

Bank Asia by principle always averts financing in environment hazardous business. The bank has decided not to finance any tobacco related business, and all offices of the bank are declared smoking free zone. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers through environmental due diligence (EDD) checklists. In this regard, Bank Asia signed an agreement with Bangladesh Bank to finance export oriented Textiles & Textiles Products and Leather Manufacturing Industries under Green Transformation Fund (GTF) of Bangladesh Bank.

Reducing Carbon Footprint

Since inception Bank Asia has turned to eco-friendly banking as a way to lower carbon footprint in its' normal banking activities. Bangladesh Bank introduced a refinance scheme (Revolving Fund) of Tk. 200 crore to offer refinance facility against the Bank/Financial Institution's finance to promote smooth financing in Green products/initiatives in Bangladesh. 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 2017, the Bank entered into arrangement with Bangladesh Bank for two step loan for Urban Building Safety Project under JICA/Bangladesh Bank Refinancing Scheme.

In 2017, Bank Asia approved the funded limit Tk. 1,090 million and non funded limit of Tk. 588 million to Triple Apparels Limited, having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction). Moreover, the Bank also financed Tk. 26.80 million in 14 projects to set up Zigzag chimney for better energy efficiency and lower emissions.

Besides this, we facilitated 2,140 no. of borrowers by disbursing TK. 48.39 million for 10 Tk. Account holders and received refinance of Tk. 45.50 million from Bangladesh Bank in 2017.

Green House Gas Emission Table

Source	Consumption		Co2 Emission (tons)
Electricity	9,534,000	kwh	8,771.28
Diesel	16,108	ltrs	23.59
Octane	64,229	ltrs	98.58
Air Travel	3,545,000	km	1,104.36
Road Travel	5,317,500	km	303.10
Paper	81,811	Reams	261.80

Source
www.carbonneutral.com.au

Bank Asia and Green Banking

Bank Asia always believes in growing in a responsible manner maintaining eco-friendly environment by playing a major role to mitigate Environmental risks which is essential for our survival. Since its inception, Bank Asia has been committed towards Sustainable Development that makes environmentally, economically and socially responsible. As a Bank, we play an intermediary role between economic development and conservation of the environment. Our Green Banking activities are on multidimensional areas which include both in-house Green activities towards supporting Green Economy.

The Bank's working environment encourages usage of e-mails, relying on online instructions for communication, using natural daylight and extensive usage of energy savings bulbs. These steps show the Bank's efforts towards encountering in-house environment management as part of supporting green banking. Our Green Banking Policy Guidelines and Green Office Guide have been circulated to all our employees for creating awareness on Green Banking activities & providing instructions about conserving energy, water, saving paper, etc. Bank Asia developed its own Environmental Policies which proves our commitment to the Environment for a sustainable future. We have unified our sustainable operations under the "Green Banking Unit" equipped with permanent employees. Besides this, Bank Asia has also introduced a new department in early 2017 named Sustainable Finance Department the same in alignment with Bangladesh Bank with its proficient Sustainable Finance Committee to monitor Sustainable Banking and Sustainable Finance.

For a sustainable economy Bank Asia plays a crucial role for financing the project that enhances the positive impact over the society. In 2017, Bank Asia further financed to Valmont Fashion Ltd. of Tk. 0.73 million for importing Fire Alarm, Fire Detection system and Fire hydrant System for compliance of the project and procuring materials/ equipments/ accessories from local sources and installation of Fire system.

As part of sustainable finance initiative, Bank Asia ICT Division has introduced new green data center operated on green computing principles having same features and capabilities of a typical data center but uses less energy and space, and its design and operation are environmentally friendly. The Bank's ICT Division has already deployed Blade servers to reduce space occupancy as well as power consumption. To enhance cooling efficiency we have installed cold aisle containment system which has reduced significant power consumption in 2017. Moreover Bank Asia ICT Division has been providing automation system in different department for practicing paperless reporting and other documentations. We also deployed Smart Clients instead of conventional PCs which were highly secured and easy to deploy but low maintenance cost and low power consumption.

As greening of mind, several trainings were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2017, BAITD has provided 5 trainings on Green Banking under Foundation training course to 181 employees. Moreover, our bank also organized a seminar in collaboration with IFC on 'Seminar on Sustainable Energy Financing'. Besides this, 3 of our officials participating in the workshop on 'Sustainability Reporting Practices in Banks of Bangladesh' organized by BIBM.

In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, the Articles on Green Banking, sustainability reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers.

Like previous years, the Bank has published Sustainability Report and achieved 'Best Sustainability Report Category Overseas' for Sustainability Report 2016 in Sustainability Reporting Award 2017 (SRA 17) by NCSR (National Centre for Sustainability Reporting) Jakarta, Indonesia.

Online Banking

Technology continues to be a strong pillar in the Bank's idea to attract the banking experience of its customers. Bank Asia has been one of the pioneers in introducing Online Banking and in 2017, it covers 112 branches, 4 Agri/SME branches, 4 SME centers, 132 own ATMs, more than 7,500 shared ATMs and others. Clients can also have access to their accounts through Internet & Mobile Banking via Smartphone's which can be used for internet based applications for transactions. Total Mobile App user of the Bank is 17,799 and more than 1,13,257 number of transaction of tk. 425 million (approx) have done through this Mobile App. Online banking system is a great way to reduce wastage of paper.

Bank Asia has implemented most advanced solution in receiving utility bill payment and e-Government Procurement (e-GP) , Passport fee collection systems through a full real time online web based which has enables for payment in a smooth and hassle free manner. Currently 56 branches have been registered in e-GP system where customers have received around 31,229 services from our bank with their utmost satisfaction through e-Government Procurement (e-GP) system. We received more than 3,65,087 number of passport payments of Tk. 144 crore (approx) from clients through all our branches and ADC channels. Clients are now having banking facilities for 66 out of 67 RPOs over the country. Now the customers can transfer fund from their Account to Inter-Bank Accounts and Debit & Credit Cards real time by integrated Internet banking system where the Bank recently integrated Internet banking system to NPBS on first phase with other 5 NPSB Banks. Now the total Internet Banking user of Bank Asia is 65,000.

In our banking system recently 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking, Debit Card or Credit Card with less expense & in faster time from any time anywhere. Through SSL, Bank Asia's accountholder can purchase products & services from different Merchant websites.

Others

Bank Asia spent Tk. 183.83 million to Prime Minister Relief and Welfare Fund, Higher Studies Scholarship, construction of BSMMU & proposed 'Ma Amiran hospital' in Sirajdikhan, Malkhanagar, National Heart Foundation, different socio cultural and religious program in 2017.

Compliance

During 2017, 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

Value added statement shows how much value (wealth) has been created by the bank through utilization of its capacity, capital, manpower and other resources and how it is allocated among different stakeholders i.e. employees, shareholders, government etc.

In the year 2017, bank's net value addition was Tk. 7,051 million; 36% distributed to employees as salaries, 29% 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 2017

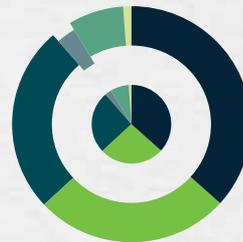
- 36%** To employees as salaries
- 29%** To providers of capital as dividend and reserve
- 28%** To Government as income tax
- 0.03%** Retained profit
- 7%** Depreciation
- 1%** Deferred Taxation

VALUE ADDED STATEMENTS

Million Taka

Items	2017	2016
Income from banking services	22,809	21,241
Less: Cost of services & supplies	(13,128)	(12,499)
Value added by banking service	9,681	8,742
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(2,630)	(2,634)
Total	7,051	6,108

Distribution of value addition	Year			
	2017		2016	
	Amount	%	Amount	%
To employees as salaries	2,534	36%	2,352	39%
To providers of capital as dividend & reserve	2,045	29%	1,715	28%
To Government as income tax	1,969	28%	1,678	27%
To expansion & growth				
Retained profit	2	.03%	(169)	-3%
Depreciation	460	7%	469	8%
Deferred Taxation	42	1%	63	1%
	504		363	
Total	7,051	100%	6,108	100%



Value Added Statement 2016

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

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. Shareholders Equity providers are always conscious about their return on capital invested. As a commercial banking company we are deeply concerned about delivery of value to all of our shareholders/ equity providers.

ECONOMIC VALUE ADDITION

Particulars	Year		
	2017	2016	2015
<i>Million Taka</i>			
Invested fund by shareholders			
Shareholders equity	21,054.49	19,389.81	18,979.33
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	9,589.05	8,586.44	7,264.26
Total invested fund by shareholders	30,643.54	27,976.25	26,243.59
Average invested fund by the shareholders [A]	29,310.23	27,109.92	24,710.08
Earnings for the year			
Profit after taxation	2,047.53	1,897.24	2,573.92
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	2,630.03	2,281.73	1,881.74
Less: written off during the year	2,138.55	920.45	1,075.79
Earnings for the year [B]	2,539.01	3,258.52	3,379.87
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium [C]	13%	13%	13%
Cost of average equity [D= A x C]	3,810.33	3,524.29	3,212.31
Economic Value Added [B-D]	(1,271.32)	(265.77)	167.56

MARKET VALUE ADDED STATEMENT

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders i.e. book value of equity. During the year 2017, total market value of the bank was Tk. 22,799.96 million and total book value of equity is Tk. 19,387.72 million i.e. addition of market value was Tk. 3,412.24 million.

Particulars	No. of shares (in Million)	Share price (in Taka)	Taka
Market value	987.01	23.10	22,799.96
Book value	881.26	22.00	19,387.72
Market Value Added			3,412.24

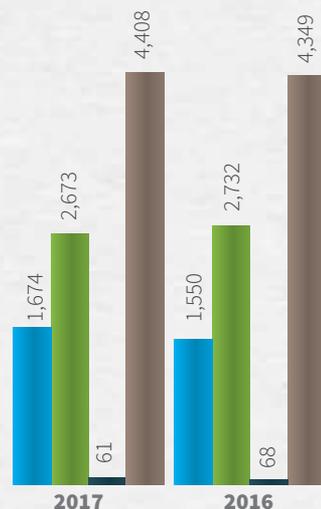
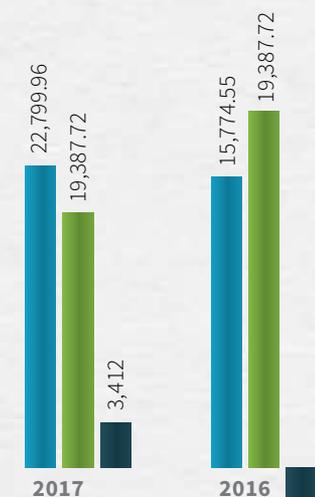
CONTRIBUTION TO NATIONAL EXCHEQUER

Bank Asia has contributed significantly to the government's effort of revenue collection. As a corporate entity, the bank pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2017, the Bank contributed Tk. 4,408.07 million to national exchequer.

Market Value Added

Million Taka

Total market value of the equity
Total book value of the equity
Market Value Added



Contribution to National Exchequer

Million Taka

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

CONTRIBUTION TO NATIONAL EXCHEQUER

Particulars	Million Taka	
	2017	2016
Income tax payment on bank's earnings	1,674.00	1,550.00
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	2,673.21	2,731.65
Income tax payment by the employees	60.86	67.69
Total Payment	4,408.07	4,349.34

SUPPORTING THE ENTREPRENEURS THROUGH CMSE

Cottage, Micro and Small businesses are catalyst in the socio economic development of many countries of the world. They are viewed as vehicles for the achievement of national macroeconomic objective in terms of employment generation at low investment cost and enhancement of apprenticeship training. Keeping this in mind, Bank Asia SME has stepped into the territories where no Bank or FIs have reached so far. With 4 SME Service Centers & 116 branches in urban & rural areas Bank Asia provides its services for promoting and expansion of businesses which ultimately created productive new off-farm employment.

To take the financial accessibility to the unserved / underserved population across the country, Bank Asia focused on increase of market coverage and as a part of that objective to develop the MSEs from rural level the bank opened 1,497 Agent Banking outlet throughout the year 2017. We introduced 4 fully agricultural branches to widen the access to finance and assist our

agro community with the most specialized and innovative banking solution available.

Focusing on cluster financing, grooming-up new entrepreneurship development, promoting women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to underserved people Banks Asia's CMSE Department always engaged for opening the door of prosperity to many entrepreneurs of the country. Bank Asia also adopted a cluster-based approach for financing cottage, micro, small and medium enterprises (CMSEs) as a full-fledged commercial bank. Throughout the year, we financed 330 entrepreneurs in different CMSME clusters with the disbursement amount of Tk. 175 million.

The department participated in "Banker-SME Women Entrepreneur Gathering & Product Fair-2017" organized by Bangladesh Bank and also in the "Entrepreneur-Banker Match Making & Loan Disbursement program with Central Bank" held at Tarail Kishorgonj, Maijdee Noakhali, Comilla and Jessore.

In 2017, CMSE strongly focused on cottage & micro enterprise financing, cluster financing, new entrepreneurship development financing, promoting rural people as well as rural women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to the unbanked new entrepreneurs.

The SE & SPL Department of the Bank has arranged launching of 3 new products titled "Nilima"-for Women Entrepreneur, "Bahon"-for Commercial Vehicle Finance and "Astha"- Special Current Deposit account for SME Entrepreneur.

Apart from the above, the Bank arranged different business meeting with the existing and potential clients throughout the year.

EMPOWERING COMMUNITIES THROUGH AGRI/RURAL CREDIT

During 2017, Bank Asia has disbursed Tk. 3,594.52 million (Tk. 873.49 million through own network and Tk. 2,721.03 million through our NGO Network) as 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. Total number of beneficiaries was 92,139.

FINANCIAL INCLUSION IN ECONOMICALLY DISADVANTAGED AREAS

Agent Banking

With the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population, Bank Asia has introduced Agent Banking services as the pioneer in Bangladesh. Our Bank made a unique Agent banking module with technology based banking concept ensuring appreciate security with real time banking for customers. The Bank has implemented 1,497 Agent outlets in 62 districts in most geographically dispersed poor segment of the society. During the year, the Bank provides Agent Banking services through



Banker-SME Women Entrepreneur Gathering & Product Fair-2017

Union Digital Centres, E-commerce solution to be established with the Agent Banking network, introducing A-Card for farmers to be benefited in their agricultural productions, Mobile Application for Agent Banking Customer (both in English and Bengali).

In 2017 Agent Banking deposit was Tk. 2,654.06 million through 311,947 accounts. We are determined to support Government's commitment in building 'Digital Bangladesh' as charted out in the vision 2021 by bringing rural people under Agent Banking platform across the country through our local and international partners for developing their lives and livelihood. We remain committed, and see it as its duty to the nation to facilitate and encourage various formal and approved channels for providing convenient and accessible services, especially by bringing underprivileged sections and rural people into the fold of basic banking services.

EBEK (Ektee Bari Ektee Khamar)

Bank Asia is the leading Bank of implementing Ektee Bari Ektee Khamar (EBEK) a government project for the ultra-poor people of Bangladesh focusing Poverty eradication and reduce poverty level up to 10% within 2021. Government wants to help the poor people by encouraging savings, providing grants, engaging & monitoring their economic activities as a group (Samitee) in each village of Bangladesh. Bank Asia is now operating EBEK Banking services for Phase I, II & III to 35 districts having 252 Upazillas and 1,629,286 beneficiaries. This operation has spread over 21,816 villages of 2,424 unions. Bank Asia provides online banking services through this

EBEK project to unbanked people with good reputation in the above districts in Bangladesh.

With experience to implement of EBEK Project, Bank Asia is now capable enough to provide services to all government projects like Social Safety net Programs. We will start full district coverage of Kishoregonj for Safety net payment where more than 133,500 beneficiaries will get banking services from their own union. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and 76 unions for disbursing the daily woman worker wages payment from their union. Cash for work is another prestigious program for Bank Asia which is runned by Ministry of Disaster. Moreover, we have started another World's largest Non- Government funded mega project named SHOUHARDO III with CARE Bangladesh where's 168,000 beneficiaries will getting banking service from 8 districts. Already 32,748 beneficiaries are getting banking service in different remote areas.

FOREIGN REMITTANCE

Remittance is the second most important sources of foreign exchange earnings for Bangladesh, after readymade garments



Account opening for SHOUHARDO III project beneficiaries at Sreepur Union, Sundarganj Upazilla & Gaibandha District



Account opening through Digital Systems and allowance disbursement at Isfwaripur UDC, Shyamnagar, and Satkhira

(RMG). Bangladesh's foreign exchange reserves hit a record high of USD 33.22 billion at the end of December 2017. However, country remittance inflows reached at USD 13.53 billion in 2017, lower by 0.59% from 2016 whereas FRD remittance inflow increased by 23% (2017: USD 654 million and 2016: USD 532 million).

Bank Asia's position was 8th in 2017 for remittance collection among all Bank's in Bangladesh where the Bank's total wage remittance inflow was USD 465 million in 2017 with 11.24% growth from 2016. Bank's total remittance collection agent network was 45 and 5 collection agent network are under our correspondence in 2017. Mentionable that, this year Bank Asia awarded "Bangladesh Bank Remittance Award-2016" for sending highest volume of Foreign Remittance through Bank Asia in 2016 by two remitters.

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. It is giving a strong competitive edge to Bank Asia over the other players in the market by catering the banking need of an emerging sector. In 2017, we have done 1,626 transactions and paid an amount Tk. 38.24 million equivalent to USD 0.48 million through 'Payza' and 155,063 transactions amounting Tk. 2,521.04 million equivalent to USD 31.31 million through 'Payoneer'.



Bank Asia & IFC signed agreement for providing Working Capital Solutions (WCS) Facility by IFC under Global Trade Finance Program (GTFP)



Bank Asia and Western Union joined hands to send foreign Remittance to grassroot people through Agent Banking Digital platform

COMMUNITY INVESTMENT STRATEGY

With an aspire to ensure the Bank as a socially responsible corporate entity, Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising ecological condition. In the year 2017, Bank Asia spent an amount of Tk. 183.83 million for the overall betterment of the nation. All the donations made under CSR program for social and environmental well-being and endeavor to ensure sustainable balanced growth in economic, social and ecological arena. Bank's stakeholders were immensely benefitted by way of its community based social programs; education support Tk. 45.70 million, health support Tk. 13.18 million, disaster management Tk. 82.60 million, environment Tk. 0.33 million, sports Tk. 0.20 million, art & culture Tk. 0.50 million and others Tk. 41.32 million.

INDIRECT ECONOMIC IMPACTS

As one of the leading financial services provider in Bangladesh, Bank Asia has an extensive role in the economy and society. Bank Asia makes a positive difference to society and local, regional and national economies where we operate through our community initiatives and investments. We help foster local economic development and stimulate growth and innovation through loans, credit and other financing to organizations of all sizes. In particular, Bank Asia is a major supporter of SMEs across Bangladesh and invests in community programs, which enable youth and those are less fortunate, to create brighter economic futures for them. In 2017, total volume of disbursed MSME loan is Tk. 42,720.72 million.

FINANCIAL ASSISTANCE FROM GOVERNMENT

Bank Asia does not receive any financial assistance from the government and also does not contribute to any political organization. But we support all the public policy developed for the betterment of nation and we never lobby for making any policy in favor of us.

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 2017, 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 2017 Million Taka

Education	45.7	25%
Health	13.18	7.17%
Disaster Management	82.6	44.93%
Environment	0.33	0.18%
Sports	0.2	0.11%
Art & Culture	0.5	0.27%
Others	41.32	22.48%



Growing Together

for sustainable environment



Driving environment-friendly innovative agricultural value chain

- **Creating awareness on advanced agricultural techniques that promote optimal usage of fertilizer and pesticides: scaling up towards sustainable development.**
- **Growing farmer’s center network through **Agent Banking** where farmers will become environmental change maker.**
- **Establishing social franchise that offers financial freedom to farmers.**
- **Serving agro ecosystem digitally: loans and accounts (Online Banking Platform)**

Supported by:



Partners:



SUSTAINABLE HR DEVELOPMENT

Employee Profile We strive to make Bank Asia a great workplace to work by creating a performance driven culture that rewards success and encourages employees to take control of their personal development. Through the process of learning and rewarding, we intent to enable individuals to think, behave, take actions and make decisions independently.

Salary Policy We target a fair human resource management by using a performance based system. Our salary policy is the same in all branches and service points for the beginner level. In addition to drive further development of individual skill sets and competencies, speaking foreign languages is compensated. There is no incident of discrimination in terms of remuneration provided to male and female employees.

Benefits to Employees Every employee is paid salary on monthly basis, which is a combination of basic salary, fringe benefits and other benefits disbursed on 25th of each month or previous working day if 25th is holiday. Bank Asia's benefit schemes are as follows:

Fringe Benefit Schemes

- House rent allowance
- Conveyance allowance
- Medical allowance
- Entertainment allowance
- House maintenance allowance
- Utilities allowance
- Car maintenance allowance

Other Benefit Schemes

- Group health insurance
- Benevolent
- Leave fare assistance
- Furniture allowance
- House building loan (HBL)
- Car loan
- Provident fund loan
- Mobile phone allowance (talk time)
- Mobile handset allowance
- Ex-gratia payment

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

- Provident fund
- Gratuity
- Superannuation
- Leave encashment

Minimum Notice Period Regarding Operational Changes Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees. Minimum notice period before changing department is 1-30 days as per situation or demand of concern branch/department.

Total Employee Out of total number of 2,087 employees, 496 employees are female and rest 1,591 employees are male. As such, a profound commitment is reflected in the Bank's employment policy and service rules. Bank's employees are mainly concentrated on branches in terms of number and in 2017 total employees' composition in branch and corporate office was 71% and 29% respectively.

Offices	2017		2016	
Corporate office	641	29%	563	29%
Branches	1,480	71%	1,407	71%

New employee

239 new employees were recruited during 2017, among which 44% for branches as a part of network expansion of the bank and remaining 56% for corporate office to ensure effective and timely support to branches

Offices	2017		2016	
Corporate office	135	56%	67	32%
Branches	104	44%	145	68%

Employees by Diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees (99.7%) dominated in diversity composition.

Officials	2017	2016
Local	2,081	1,964
Indigenous	6	6

Employees by Region

Bank's employees are mainly spread over Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 74% in 2017 for corporate office and branches in Dhaka city.

Region	2017	2016
Dhaka	1,540	1,377
Chittagong	362	412
Sylhet	73	65
Rajshahi	43	45
Barisal	15	10
Khulna	40	46
Rangpur	14	15

Gender Positioning

Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels. Among our female colleagues 1 is in top level management, 28 in mid-level and 467 in low-level management.

Gender Positioning of Directors

Board Level	2017		2016	
	Male	Female	Male	Female
Directors	5	4	9	3

Gender Positioning of Employees

Management Tier	2017		2016	
	Male	Female	Male	Female
Top Level	32	1	39	1
Mid Level	309	28	752	174
Low Level	1,250	467	702	287

in a total of 2,087 employees, overall male female ratio stands at 76:24 and non-executive segment has the highest concentration of female employees.

Gender Positioning by Position

Position	2017		2016	
	Male	Female	Male	Female
Executive	341	29	342	24
Non-Executive	1,233	467	1,151	438

Gender Positioning by Employment Level

Employment Level	2017		2016	
	Male	Female	Male	Female
Parmanent	1,621	497	1,502	462

Age Distribution

Bank Asia has a relatively younger segment in its overall employee pool where 58% of the employees fall in 31-40 years age bracket.

Age Group	Male	Female	Total
30 & Below	388	123	511
31-40	871	330	1,201
41-50	298	40	338
51-60	34	3	37
Total	1,591	496	2,087
Percentage	76%	24%	100%

Employee Turnover Rate by Gender

Male and female employees' turnover rate is almost equal in terms of percentage. Overall employee turnover rate is very low in the Bank which is around 8.08% of total employees in 2017.

Gender	2017		2016	
	No.	%	No.	%
Male	144	9.29%	66	4.19%
Female	20	4.18%	13	2.73%

Employee Turnover Rate by Region

As per demographic scenario, employees of Dhaka city left the Bank in 2017 which was 82.32% of total employees left.

Region	2017	2016
Dhaka	135	66
Chittagong	22	08
Sylhet	03	02

Performance Management System

Region	2017	2016
Rajshahi	01	01
Barisal	01	00
Khulna	01	01
Rangpur	01	01

Bank Asia is solely depending on the contribution of its existing talents. From the year 2013, Bank Asia introduced a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-à-vis set target of a given year. We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors are introduced. The benefits of using KPI are the followings:

- Reduce the number of decisions and make decisions based on objectivity and facts.
- Quantify the achievement of goals
- Focus on facts and see where individual's improvement is needed.
- As individual initiative grows, it becomes more difficult to remain as close to the operational details as it is, in such case, KPI results can bring back to reality.
- Employees are clear about his/her obligations to deliver during the year and would be able to plan accordingly to meet the expectation.
- Last but not least, unbiased performance evaluation at the end of the year.

Learning and Development

Knowledge and skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the bank continues to organize training and workshop to the officers and executives in an effort to improve their professional efficiency. The bank always puts the highest importance on training of its employees as a continuous process of human resources development. Bank Asia Training Institute for Training & Development (BAITD) is at new venue in it's own 6 storied building at lalmatia from 2016 which is equipped with all modern study aid and course materials.

Training by Gender

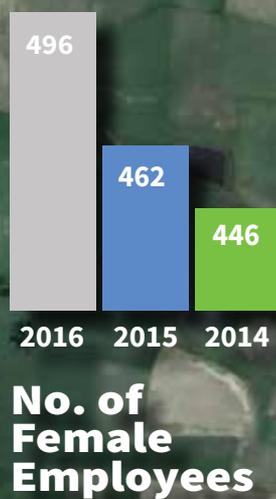
Gender	2017		2016	
	Persons	Hours	Persons	Hours
Male	1,946	44,946	1,790	38,170
Female	514	11,872	607	8,048

Training by Position

Position	2017		2016	
	Persons	Hours	Persons	Hours
Executive	386	8,915	762	7,838
Non-Executive	2,074	47,903	1,635	38,380

HUMAN CAPITAL DISTRIBUTION

260 claims of insurance received for Tk. 8.99 million





Gender Positioning

Male 76% Female 24%



Employee by Position

Executive 18%
Non-Executive 82%



Age Distribution

30 & Below 24.48%
31-40 57.55%
41-50 16.20%
51-60 1.77%



Regional Distribution of Employees

Dhaka 1,540
Chittagong 362
Sylhet 73
Rajshahi 43
Barisal 15
Khulna 40
Rangpur 14

In 2017
61,095 man hours training
for human capital
development

21 female employees
availed 3,769 days
maternity leave
during 2017

Training by Different Institutes

Particulars	Year 2017	
	Participants	Man Hours
In House Training	2,435	56,618
Bangladesh Bank	26	376
BIBM	54	1233
Overseas / Foreign Training	26	1218
Training by Other Institutes	70	1650
Total	2,611	61,095

Bank has organized 5 (five) foundation training courses each 6 weeks long for entry level employees to improve knowledge base and proficiency in banking.

Sustainability and green banking

- As greening of mind, several trainings were organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, Financial inclusion, CSR and Green Banking this year. In 2017, BAITD has provided 5 trainings on Green Banking under Foundation training course where 181 employees attended.
- Sustainability Report has been published since 2012 as per GRI guidelines by Bank Asia. To create awareness among the stakeholders each year the theme of Sustainability Report has been designed considering environmental issues of the world. With this consequence, the theme of Sustainability Report 2016 was 'Plastic Soup'. Moreover the articles on green banking were published in different newspapers reflecting green initiatives by the Bank to our employees, stakeholders and all subscribers of those newspaper.
- During 2017, 14,371 proposals dealt through OCAS (Online Credit Approval System) have been developed as a part of Technological improvement of the Bank. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier and will provide a competitive edge over other banks on online banking.
- In 2017, Electronic sanction archive system has been developed for 6 departments; namely: CRM, CMSE, Islamic Window, SAMD, CFC & Agricultural wing. Total number of sanction archived during 2017 is 14,300.



Training program on Transformational Leadership

Learning Value Chain (LVC)

LVC is a value creation framework that was learning and knowledge enhancement as strategic levers.

- Bank Asia and BRAC signs MoU on financial literacy to students
- Bank Asia and The Daily Star signs deal on Knowledge Development

Parental Leave

Return to work after parental leave is 100% for both male and female.

Maternity Leave

As per bank's policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 6 months maternity leave with regular salary and allowances. An employee can avail this leave not more than two occasions during the entire period of service. The employee's annual KPIs (Key Performance Indicators) and thereby increment, promotion are not affected for this long term leave.

Maternity Leave Availing in 2017

No. of female employees	Average leave at a stretch
21	6 months

Paternal Leave

As per bank's policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 5 working days paternal leave. An employee can avail this leave not more than two occasions during the entire period of service. In 2017, every entitled employee of Bank Asia has availed paternal leave facility.

Child Care Center Facilities

To provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market, 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. Parents who will keep their babies in the center will get the opportunity to watch their babies in their device from anywhere, any time through Live CCTV footage. The target number of Children is 60. The age limit of the babies will be 6 month to 6 years. Currently the Day Care center consists of 28 babies, among them 2 are from Bank Asia's employee. There are 5 nannys, 3 teachers, 1 supervisor and 1 security guard for overall maintenance of the center. Moreover, one bank representative also engaged in the day care center.

Occupational Health, Safety and Environment

Board and management of Bank Asia strongly believe safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. So the bank is very careful about ensuring modern, healthy & safe workplace for its employees. All the branches, SME service centers and SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces and adequately equipped with fire-fighting equipment and fire drills.

A team of logistics supports and services department of the bank is specially entrusted to visit regularly to monitor cleanliness, safety measures and other amenities remains ensured in all outlets. If found any deviation, take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.

HUMAN CAPITAL



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

Bank Asia reported the total value of Human Capital to be Tk 16,896 million in the year 2017 compared to Tk. 16,772 million in 2016 using Present Value of Future Earning Model (Lev & Schwartz) which discounts total benefits payable to employees with the assumption of minimum expected earnings from the year mentioned up to respective retirement.

Category wise Break down is presented in the table below

Million Taka

Category	2017			2016		
	No. of Employees	Per Capita Value	Total Value	No. of Employees	Per Capita Value	Total Value
Executives	370	16.11	5,961	358	16.39	5,868
Officer	1,717	6.37	10,935	1612	6.76	10,905
Total	2,087		16,896	1,970		16,772

According to the model, the total value of employees was regarded as Human Capital which saw a 1% growth in the value of human capital in 2017 over 2016 due to net addition of 151 head counts of veteran and fresh recruitments meeting the necessity for expanding the business as well as improvement of service quality and customer satisfaction experience. Bank Asia, therefore, proliferates training expenditures on annual basis to aid in excelling employee performances.

**Balance Sheet
Including Human
Capital**

Million Taka

Abridged for banking operation	31-Dec-17	31-Dec-16
Assets		
Total Asset (Conventional)	288,997	253,196
Human Asset (Individuals' value)	16,896	16,772
Value of investments	15	12
Total Asset including Human Asset	305,908	269,980
Capital & liabilities		
Total Liabilities (Conventional)	288,997	253,195
Human Capital	16,911	16,784
Total Capital & Liabilities including Human capital	305,908	269,980

98% of employees received Anti-corruption training (AML/CFT matters)

Cleanliness Day

Bank Asia has developed its status for tidiness and well maintenance of Branch premises and Corporate Office. Tidiness is a basic piece of our way of life. Safeguarding of vouchers, records and other office archives are additionally as essential as tidiness. The costly interior decoration and expensive furnishings end up looking plainly vain unless the premises are kept up all around. The administration, thus, chose to watch 'cleaning day' on the 'first saturday' of each alternative month where all employees of the branch and the Corporate Office work together to clean their respective desk, furniture and fixture.

Cultural events and amusement

Bank Asia Pitha Utshob (Rice Cake Festival)

The season of winter is always considered exceptional in our country and we celebrate it with pitha & date juice that has become our age long tradition. On the eve of New Year, Bank Asia Limited always arranges for Pitha Utshob keeping conformity with our culture and to create a common ground for all employees to come and exchange pleasantries. Bank Asia Pitha utshob is marked for a new beginning of the year with a note of positivity and festivity.



Celebration of Bank Asia's Piths Utshob- 2017

Bank Asia Cycling Club

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

Future Leadership Development Program (FLDP)

The Future Leaders Development Program (FLDP) is an activity which has been taken with a perspective of focused improvement that gives hands-on involvement to all parts of the banking and escalated learning both at home and abroad. Through this program, a pool of talents is to be made from the officers of Bank Asia who can confront any difficulties those lie ahead. By applying dynamic learning techniques, this program strives to create a pool of skillful managers prepared to effectively and rapidly make a genuine commitment to the association. Each officer of this program gets a chance to be migrated to various capacities occasionally and into some strategic capacities in the Bank to quicken the learning procedure.

A total of 386 employees from the job grades of Executive Officer to Assistant Vice President of Dhaka and Chittagong region took part in the FLDP. Representatives take an interest in the program with eagerness and assurance which is unmistakably obvious amid different leadership development sessions.

To facilitate FLDP more vividly Bank Asia has developed a software system named Future Leader Application Software which is useful in managing the leaders' databases and developing information that will produce as and when required. Total 208 participants from Executive Officer to Assistant Vice President are provided 1,664 man hour transformational leadership training at five phases during 2017 to boost up their leadership expertise and compatibility and to have a positive productivity impact. Continuous leadership development program rewards opportunities to grow and develop human capitals. Each of the members began the trip of future pioneer improvement program with a pledge of "Ready to Fight".



An interactive assembly titled of "Future Leadership Development Program (FLDP)" at 'Town Hall Meeting'

Human Rights, Child Labor & Other Issues

Human Right issue is particularly relevant for organizations that operate in industries/regions where the protection of human rights is of significant concern to be sustainable in long term. Thus we integrated the human right issue in all our economic decisions including human right provision in all kinds of investment agreements, which is a part of our strategy to reduce the risks of investment. And we do not make any investment agreement and contract that violate human rights. Bank Asia also does not tolerate child, forced or compulsory labor. In 2017, no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

Grievance Redressal Policy

For building awareness regarding human rights among the employees in the bank, Bank Asia formulates

- Female anti-harassment policy
- Grievance handling policy

Female Anti-Harassment Policy

Bank Asia follows a zero tolerance approach to harassment of any kind to any female employees as the Bank feels harassment seriously weakens the working atmosphere.

The policy guides about personal measures of affected female employees in addressing a complaint, role of management, investigation procedures and disciplinary measures.

The policy also guides management about its role in case of false complaint.

Grievance Handling Policy

With a view to resolve undesirable issues at the workplace in the most effective manner Bank Asia has formally promulgated Grievance Handling Policy in 2014. The policy equally applies to all permanent and contractual employees for grievances related to promotions, transfer and posting, compensation package, incentive bonus, working environment etc. Under this policy, complaints are resolved informally where possible, and through a formal grievance procedure where necessary.

Anti Money Laundering Training

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

Anti-Money Laundering Department (AML), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 98% of total employees (Branch/Corporate Office) obtained AML & CFT related training.

AML/CFT Training 2017

No. of employees	%
1,906	98

Policy, Practice and Proportion of Spending on Suppliers

For running day to day operations, Bank Asia works with a wide range of suppliers and maintains good relationship with them. We work to create value through collaboration with them and strive for fairness in all interactions with suppliers. Our chain of suppliers consists of the following parties:

- Construction contractor
- Graphics and interior designers
- Advertisement agency
- Newspaper
- Printing maintenance
- ATM, hardware, software service providers
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator
- Nursery
- Security agency

Selection of supplier is managed centrally by the corporate office. The bank applies its own policy and practice for selecting these suppliers. It mainly takes into account the following criteria before selection:

- Status of compliance with government rules and regulation by the suppliers.
- Our bank doesn't make any collaboration with suppliers that employs child labor, creates environmental hazards, violates human rights etc.

We fully maintain these criteria in case of selecting suppliers. Bank Asia has a number of security service providers which specialize in all aspects of building security. All security providers practise the highest standards of training and operation. Their training incorporates all aspects of the law including human rights and non-discrimination.

Practices Related to Customer Satisfaction

Delivering high quality customer service is one of the top priorities of Bank Asia. To maintain customer service standard of the bank, acquiring of new clients, doing more business with existing clients, maintaining high client retention rate and lower client attrition rate all are correlated. Properly constructed customer satisfaction surveys may provide the insights that are very much essential for feeling the real. In this regard, Bank Asia approved a new customer service policy in 2014.

We took initiatives to conduct customer survey on the basis of their satisfaction over the product & services that we offered to them. In 2017, we conducted surveys on Call Center Performance in August and December respectively. 75 Calls were made and the data were recorded using the MSS method. We intended to find out to the extent we can improve our service quality to retain the customer

satisfaction and enhance it further. The Survey ensued in momentous finding that aided Bank Asia in elevating its performance from 77.2 to 80.5 on a scale of 100 leveling the peer bank average and opening up bright scope to improve the customer experience and relationship management.

The Scoring Index was distributed amongst Staff Performance (SP), Communication Channel Status (CCS) and Turn Around Time (TAT) with the weightage of 60, 15 and 25 respectively. From 48.5, Bank Asia marked an improvement to 50.7 in Staff Performance which contributed to the overall development of Bank Asia’s customer oriented Call Center performance. With proper training and attention, Bank Asia marked notable improvement in Professional Conduct, Product Knowledge, and Call Closing Skill in Staff Performance. While significant enhancement was observed in eliminating noise behind the agent in CCS and Attempt to Connect with Queue Waiting Time in TAT.

Therefore, it is mentionable that our customers can always inform us on their expectations via different channels (i.e. via e-mail, letter, personal visit etc.) The bank has an in-house policy and practice of measuring customer satisfaction. In 2017 we have arranged 3 trainings of 106 employees on different aspects of customer service consisting of 848 man-hours of training to improve our human capital for serving better customer service.

Statement on Compliance

In the year 2017, 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.

Brief Economic, Environmental and Social Performance

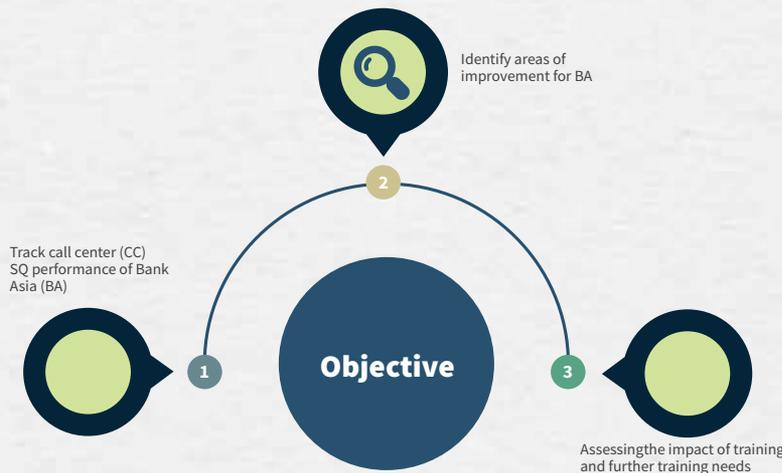
Our bank always maintained the fundamental principle of business regarding protecting customer privacy. Customer’s information/ data is not available to anyone other than the client himself and the Banks concerned personnel who is responsible for maintaining the data. We haven’t received any complaints relating to breach of customer privacy and loss of data.

Economic responsibility	No of loans accounts	+25%
	Deposit customer accounts	+24%
	Savings customer accounts	+34%
Shareholders responsibility	Profit after Tax	2,048 million BDT
	Shareholders’ fund	21,054 million BDT
	Share Price	23.10 BDT
Environmental responsibility	Electricity consumed	95,34,000 kwh
	Oil	80,337 ltrs
	CNG	204,286 m3
	Local business travel	88,62,500 km
Social responsibility	Paper used	81,811 reams
	Staff strength	+6%
	Benefits and emoluments	+8%

G4-8, G4-PR5

CUSTOMER SATISFACTION SURVEY

Bank Asia puts the highest emphasis on its customers and in order to learn about the Service Quality of its call centers, the bank ran two surveys using phone calls on August and December of 2017 to have a keen follow-up on the overall improvement of Service Quality rendered by the call center.



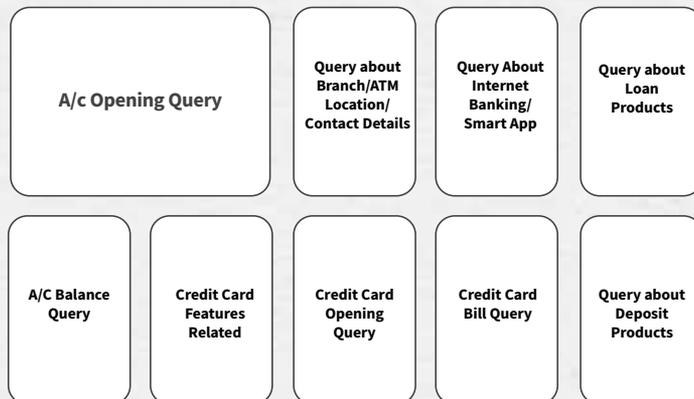
Objectives of the survey

The underlying objectives for conducting the survey were:

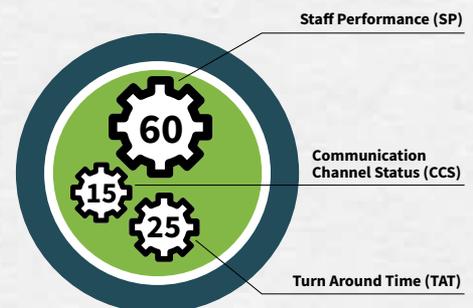
Survey Methodologies

To conduct the survey, 75 calls were made during the research tenure using the MSS data collection method. One month was taken as the duration for the research which was followed by rigorous training to curb the scope for grills.

Activities that were taken into consideration for the follow-up of improvement are:



The Scoring Index was distributed amongst 3 factors with respective weights.



Overall SQ Score (Wgt. 100)

- Benchmark Bank's Score (BBS)
- Peer Bank Aver. (PBA)
- BA (Aug'17)
- BA (Dec'17)



Out of 100 Bank Asia scored 80.5 which was marginally below than the Peer bank Average (PBA). The Overall SQ score improved in December due to recuperation in Staff Score which is higher than PBA but a little below than the Benchmark bank's Score (BBS).

Staff Score (Wgt.60)

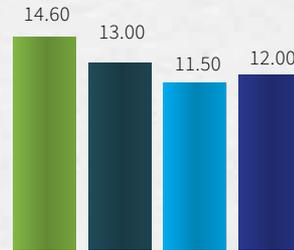
- BBS
- PBA
- BA (Aug'17)
- BA (Dec'17)



Bank Asia scored 50.7 out of 60 in Staff Index which was almost close to PBA and slightly below BBS. Staff Score improved in December'17 compared to August'17 due to different product and soft training facilities which significantly contributed towards the enhancement of product knowledge, conversion closing skill and professional conduct.

Communication Channel Status (Wgt. 15)

- BBS
- PBA
- BA (Aug'17)
- BA (Dec'17)



Bank Asia registered below the par performance in August only to improve the condition to be next to PBA and marginally below than BBS in December 2017. CCS score improved by curbing the Noise behind the agent that contributed to lower performance in August survey. The bank still has a lot of scope to upgrade the performance by enacting more improved noise control and intensifying Voice Clarity Score.

Turn Around Time (Wgt. 25)

- BBS
- PBA
- BA (Aug'17)
- BA (Dec'17)



Bank Asia Scored 17.7 in Turn Around Time (TAT) yardstick in December 2017 which was close to PBA and below BBS. Training improves Queue Waiting Time, Attempt to Connect and Call Holding Time. There is an improvement scope in Call Connection Time and Query Management Time to revamp TAT.

PD

- Dispute management (professional conduct)
- Right answer to queries (Product knowledge)
- Asking any help is required (Conversation closing skill)

AOL

- Proper addressing (Greeting Skill)
- Showing attentiveness (Listening skill)
- Uttering banking jargon (Speaking skill)
- Explaining reasons for making customer hold (Politeness & Courtesy)
- Requesting to call for any other banking needs (Conversation closing skill)

The Performance Drivers (PD) and Areas of Improvement (Aol) as found by the survey.

Considering the Benchmark Bank's Score and Peer Bank Average Score, Management of Bank Asia has managed a marked improvement in its call center service quality rendering planned training facilities to be a more customer friendly bank in the banking industry.

BUILDING THE COMMUNITY

Bank Asia Foundation

With a view to implementing the guidelines of Bangladesh Bank for conducting larger Corporate Social (CSR) Activity through Foundation, Bank Asia Foundation has started its journey after its registration with Registrar of Joint Stock Companies & Firms in the year 2014. Initially it took a while for planning for the implementation of the project. The foundation got momentum after appointment of its Executive Director in the year 2017. The Foundation started operations from February 2017 in limited scale. In fact, the Foundation will henceforth carry out activities which the Bank had so long been performing in systematic, structured and sustainable manner.

The Foundation has embarked upon a plan to construct a 250 bed hospital cum medical college at Malkhanagar, Munshigonj. Mr. A Rouf Chowdhury, Chairman of Bank Asia and Bank Asia Foundation and his family members have donated 700 decimal and a 3 storied building for the proposed Hospital. It is intended to extend the building by two more floors and for this, necessary engineering study was carried out and as built architectural and structural design is under process.

The Foundation has completed the detailed exercise and finalized the list of 205 students for Bank Asia Higher Studies Scholarship for the year 2017. The distribution of scholarship money has already started.

The Foundation organized a medical camp at Malkhanagar in April 2017 in collaboration with Ad-din Hospital and provided free consultation, prescription and medicine to 2,154 poor villagers of the locality. The Foundation organized a voluntary Blood Donation program at the roof-top of Bank Asia's Corporate Office in December 01, 2017.

The activities of the Foundation, amongst others, will be the following:

1. Providing treatment facilities through of hospitals, clinics, medical & eye camps;
2. Providing scholarships to poor and meritorious students;
3. Distributions of blankets and winter cloths among the poor & distressed people;
4. Providing/rendering monetary and/or other help/assistance for the relief of people affected by natural and other calamities such as food, fire, famine, cyclone, earth-quack, storm, accident, pestilence, drought, epidemic etc.;
5. Promoting educational, scientific, religious and social activities/organizations and
6. Other similar charitable activities.



Mr. A Rouf Chowdhury, Chairman of Bank Asia handed over a cheque to Mr. Aminul Islam, CEO of BA Foundation from Bank's Islamic Banking unit for social welfare and charity works through the Foundation



Blood Donation Program for observing 18th anniversary of Bank Asia

Donation in Social Projects

Bank Asia Ltd, from the very beginning, concedes CSR activities as a part of its culture, identity and business practice. With an aim to ensure the Bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising an ecological condition Bank Asia is always aware of its Corporate Social Responsibility (CSR). During 2017, Bank Asia spent an amount of Tk. 183.83 million for the overall betterment of the nation.

million Taka

Initiatives	Donation	Percentage with total amount
Education	45.70	24.86%
Health	13.18	7.17%
Disaster Management	82.60	44.93%
Environment	0.33	0.18%
Art & Culture	0.20	0.11%
Sport	0.50	0.27%
Others	41.32	22.48%
Total	183.83	100%



Donation to Prime Minister's Relief Fund for Rohingya refugees



Bank Asia's Higher Studies Scholarship Program

Education **Bank Asia Higher Studies Scholarship**

One of the major CSR activities of Bank Asia Ltd. is Higher Study Scholarship program for rural poor and meritorious students, who are studying in public universities. The Bank initiated the program in 2005 for those students who have merit and dream to serve society, but not have the means to pursue higher studies. The scholarship is given through the Bank's rural branches on the basis of SSC and HSC results. Bank Asia has provided the scholarship for 1,545 students. Each of the students gets Tk.51,000/- annually as scholarship. In the year 2017, Bank Asia spent around Tk.45.70 million for direct scholarship and educational infrastructural development purpose. Bank Asia supports construction of a Nurse Hostel in the BSMMU Bank Asia is extending entire financial support for construction of an eight-storied `Nursing Student Hostel' at Bangabandhu Sheikh Mujib Medical University (BSMMU) to take the edge off acute accommodation problem of graduate nursing students. In this project Bank Asia spent Tk.57.40 million in 2017 for construction purpose.

Sharing Knowledge as a CSR initiative

The Daily Star, the highest circulated and prestigious English daily in the country, has been organizing various activities on knowledge development aiming to make a tangible change in the society. As part of such initiatives, the national daily plans to provide newspaper copies to meritorious students in different reputed public institutions. As a part of their knowledge development activities, Bank Asia providing 1,000 copies of newspaper everyday under a joint venture initiative titled "Sharing Knowledge as a CSR initiative" and in 2017 Bank Asia provided Tk.7.32 million for the purpose.

Health **Blood Donation program**

The members of Bank Asia formed Bank Asia Donor Group. The objectives of the group are to donate blood when and where necessary, donate eye posthumously, promote and encourage all levels of people to come forward to this priceless donation. Already about 100 members formally joined the donor group platform and started donating blood. Every year this group arranges a blood donation program and collected blood donates to Bangladesh Red Crescent Society.

COMMUNITY INVESTMENT

Education

Initiatives	Taka
BA Higher Studies Scholarship	26,823,500
Infrastructural Development of Nursing Student Hostel (BSMMU)	5,739,950
Infrastructural Development of Begum Badrunnessa Govt. Women College	3,100,000
Holy Family Red Crescent Medical College & Hospital	2,491,970
Dr. S.K. Majumder Agriculture & Technical College	200,000
Providing The Daily Star among meritorious students all over Bangladesh	7,311,190
Total	45,666,610

Health

Initiatives	Taka
Curative treatment of 9 individual patients	1,477,028
Contribution to Child Day Care Centre	400,000
National Heart Foundation, Sylhet	10,000,000
Proposed Hospital in Sirajdikhan, Malkhanagar	1,676,990
Total	13,554,018

Disaster Management

Initiatives	Taka
Support to Rohingya refugee	50,000,000
Support to flood-hit & cold-hit people	32,600,000
Total	82,600,000

Arts & Culture

Initiatives	Taka
Sponsorship to Aranyak Natyadal	100,000
Sponsorship for Gallery Shorrang, Dinajpur	100,000
Shibgonj general library for enrich cultural knowledge	200,000
Shahaba Jame Mosque	100,000
Total	500,000

Covering day by day by e-wastage

Initiatives	Taka
Sponsorship to Aranyak Natyadal	100,000
Sponsorship for Gallery Shorrong, Dinajpur	100,000
Shibgonj general library for enrich cultural knowledge	200,000
Shahaba Jame Mosque	100,000
Total	500,000

Other Social Projects

Initiatives	Taka
Prime Minister's Relief Education Assistance Trust & Suchona Foundation	40,000,000
Notre Dame College 3rd National English Carnival- 2017	345,000
Financial support to Ms. Rashida Kabir Reba, widow of one of the bereaved families of martyred Army officials killed in BDR munity	480,000
Sir William Beveridge Foundation	90,000
Total	40,915,000



Donation of computers to BSMMU Nursing Student Hostel

National Heart Foundation

National Heart Foundation, Sylhet, a non- government, service- oriented and a nonprofit organization and also a member of the World Heart Federation where Hon'ble Prime Minister of the Government of Bangladesh is the chief Patron of the Foundation. Considering the goodwill of National Heart Foundation and there effort to serve the people, Bank Asia stands beside them by contributing Tk. 10 million for a post CCU at the hospital.

Proposed Hospital at Makhanagar, Sirajdikhan, Munshigonj

With a view to implementing the guidelines of Bangladesh Bank for conducting larger Corporate Social (CSR) Activity through Foundation, Bank Asia Foundation has started its journey after its registration with Registrar of Joint Stock Companies & Firms in the year 2014. Mr. A Rouf Chowdhury, honorable Chairman, Bank Asia and Chairman, Governing Body, Bank Asia Foundation, has recently donated a huge quantum of land along with a three storied building at Malkhanagar, Sirajdikhan, Munshigonj for establishing a hospital, renovation and interior work of which is underway.

Disaster Management

Bank Asia is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2017, the Bank distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities and also to support flood-hit people. For this purpose the Bank donated Tk.82.60 million in 2017

Sports During 2017 Bank Asia contributed Tk.0.20 million to the Bangladesh Bridge Federation as sponsorship of World Cup Bridge-2017 and also organized different encourage in house tournament for encouraging the employees of Bank Asia.



Opening ceremony of Bank Asia Cricket Festival 2017

Arts & Culture Bank Asia always supports promotion of art and culture. The Bank distributed Tk.0.50 million among Aranyak Natyadal (Sponsorship), Gallery Shorrang Dinajpur for Organizing 4th Shishu Kishor Fine Arts Exhibition (Sponsorship), Shibgonj General Library for purchase books, and construction of Sahaba Jame Mosque.

Other Social Projects In 2017, Bank Asia donated/ sponsored/ spent Tk.40.90 million on the occasion of social project including Bangladesh Science Fiction Society, Bangladesh International Arbitration Center, Prime Minister's education assistance trust & suchona foundation, Notre dame College 3rd National English Carnival, Sir William Beveridge Foundation, BDR victim Family to help government to carry out its humanitarian activities smoothly.



Handed over a cheque to the Hon'ble Prime Minister by Bank Asia's Chairman at Gono Bhaban

GRI G4 Content Index

‘In Accordance’ Option: Core General Standard Disclosures

	Disclosure	Page no.	Comments	External Assurance
	Strategy & Analysis			
G4-1	Statement from the most senior decision-maker of the organization	10-14		No
	Organizational Profile			
G4-3	Name of the organization.	18		No
G4-4	Primary brands, products, and services	38		No
G4-5	Report the location of the organization’s headquarters.	6		No
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	18		No
G4-7	Nature of ownership and legal form	18		No
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	18-19, 47-49, 82-84		No
G4-9	Scale of the organization	18		No
G4-10	Total number of employees by type	68-74		No
G4-11	Percentage of total employees covered by collective bargaining agreements		No private commercial Bank in Bangladesh has trade union	No
G4-12	Supply chain	80		No
G4-13	Significant changes during the reporting period	6		No
G4-14	Precautionary approach	28-32		No
G4-15	External charters, principles, or other initiatives		Policy set by Bangladesh Bank regarding environmental risk management, green banking are adopted by Bank Asia	No
G4-16	Membership associations	19		No
	Identified Material Aspects & Boundaries			

	Disclosure	Page no.	Comments	External Assurance
G4-17	Entities included in the organizations's consolidated financial statements	6, 15		No
G4-18	Process for defining report content and the aspect Boundaries	20, 23		No
G4-19	Material aspects	26		No
G4-20	Material aspect boundaries within the organization	23		No
G4-21	Material aspect boundaries outside the organization	23		No
G4-22	Effects of any restatements	6		No
G4-23	Significant changes during the reporting period	6		No
	Stakeholder Engagement			
G4-24	Stakeholder groups engaged by the organization	20-22, 24-25		No
G4-25	Basis for identification and selection of stakeholders	20		No
G4-26	Approach to stakeholder engagement	20-22, 24-25		No
G4-27	Key topics raised during stakeholder engagements	20-22, 24-25		No
	Report Profile			
G4-28	Reporting period	6		No
G4-29	Date of most recent previous report	6		No
G4-30	Reporting cycle	6		No
G4-31	Contact point for questions regarding the report	6		No
G4-32	In accordance option chosen	6		No
G4-33	Policy regarding report assurance	6		No
	Governance			
G4-34	Governance structure of the organization	27-34		No
	Ethics & Integrity			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	4-5		No

Specific Standard Disclosures

Disclosures on Management Approach (DMAS)

	Disclosure	Page no.	Comments	External Assurance
	Product profile			
FS1	Policies with specific environmental and social components applied to business lines	45-46		No
FS2	Procedures for assessing and screening environmental and social risks in business lines	46		No
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	46		No
FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	46		No
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	46		No
	Audits	54		No
	Economic (EC)			
Aspects	Economic Performance	58, 61-66, 85-91		No
	Market Presence	61-66		No
	Procurement Practices		All our suppliers are local	No

	Disclosure	Page no.	Comments	External Assurance
	Environmental (EN)			
Aspects	Energy	56		No
	Emissions	58-59		No
	Effluents and Waste	57		No
	Products and Services	58-59		No
	Compliance	60		No
	Transport	46		No
	Overall	58-60		No
	Environmental Grievance Mechanisms		We faced no grievances in 2017	No
	Labor Practices and Decent Work (LA)			
Aspects	Employment	68-73		No
	Labor/Management Relations	68		No
	Occupational Health and Safety	78		No
	Training and Education	71-74, 80		No
	Diversity and Equal Opportunity	69-71		No
	Equal Remuneration for Women and Men	68		No
	Labor Practices Grievance Mechanisms	79		No
	Human Rights (HR)			
Aspects	Investment	79		No
	Child Labor	79		No
	Forced or Compulsory Labor	79		No
	Security Practices	79-80		No
	Indigenous Rights	79-80		No
	Human Rights Grievance Mechanisms	79		No
	Society (SO)			
Aspects	Anti-corruption	80		No
	Compliance	66, 81		No
	Grievance Mechanisms for Impacts on Society		We faced no grievances in 2017	No
Aspects	Product Responsibility (PR)			
	Product and Service Labeling	50-52, 55		No
	FS15: Policies for the fair design and sale of financial products and services	54		No
Aspects	Marketing Communications	81		No
	Customer Privacy	81		No
	Compliance	81		No
	Product Portfolio			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	47-49		No
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	47-49, 53-55		No
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	47-49, 53-55		No
	Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	54		No

	Disclosure	Page no.	Comments	External Assurance
Category: Economic				
Economic Performance				
G4-EC1	Direct economic value generated and distributed FSS: Commentary added to the value generated by the organization's community investment programs and breakdown of community investment by theme	61-66, 85-91		No
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	58		No
G4-EC3	Coverage of the organization's defined benefit plan obligations	68		No
G4-EC4	Financial assistance received from government	66		No
Market Presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		Bank Asia practices competitive salary package in all level in line with the industry best practices	No
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		All the employees of Senior Management are hired from Bangladesh	No
G4-EC7	Development and impact of infrastructure investments and services supported	61-66		No
G4-EC8	Significant indirect economic impacts, including the extent of impacts	66		No
Procurement Practices				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		All our suppliers are local	No
Category: Environmental				
Energy				
G4-EN3	Energy consumption within the organization	56		No
G4-EN6	Reduction of energy consumption	56-57		No
G4-EN7	Reductions in energy requirements of products and services	56-57		No
Emissions				
G4-EN15	Direct greenhouse gas (ghg) emissions (scope1) FSS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel	58		No
G4-EN19	Reduction of greenhouse gas (ghg) emissions	57-58		No
Effluents and Waste				
G4-EN23	Total weight of waste by type and disposal method FSS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions.	57		No
Products and Services				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	58		No
Compliance				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	60		No

	Disclosure	Page no.	Comments	External Assurance
	Transport			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	46		No
	Overall			
G4-EN31	Total environmental protection expenditures and investments by type	58		No
	Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2017	No
Category: Social				
Sub Category: Labor Practices and Decent Work				
	Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	69-71		No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	68		No
G4-LA3	Return to work and retention rates after parental leave, by gender	75		No
	Labor/Management Relations			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	68		No
	Occupational Health and Safety			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	78		No
G4-LA8	Health and safety topics covered in formal agreements with trade unions		No private commercial bank in Bangladesh has trade union	No
	Training and Education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	71, 74		No
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	74		No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	71		No
	Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	69-70, 72-73		No
	Equal Remuneration for Women and Men			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	68		No

	Disclosure	Page no.	Comments	External Assurance
	Labor Practices Grievance Mechanisms			
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	79		No
Category: Social				
Sub Category: Human Rights				
Investment				
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening "FSS: Commentary added to report on investment agreements for the financial services"	79		No
G4-HR3	Total number of incidents of discrimination and corrective actions taken	79		No
Child Labor				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	79		No
Forced or Compulsory Labor				
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	79		No
Security Practices				
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	80		No
Indigenous Rights				
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	79, 81		No
Human Rights Grievance Mechanisms				
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	79		No
Category: Social				
Sub Category: Society				
Local Communities				
FS13	Access points in low-populated or economically disadvantaged areas by type	63-64		No
FS14	Initiatives to improve access to financial services for disadvantaged people	63-66		No
Anti-corruption				
G4-SO4	Communication and training on anti-corruption policies and procedures	80		No
G4-SO5	Confirmed incidents of corruption and actions taken		After proper investigation corrective actions were taken against corruption in 2017	No
G4-SO6	Total value of political contributions by country and recipient/beneficiary	66		No

	Disclosure	Page no.	Comments	External Assurance
	Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	66, 81		No
	Grievance Mechanisms for Impacts on Society			
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		We faced no grievances in 2017	No
Category: Social				
Sub Category: Product Responsibility				
	Product and Service Labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	50-52		No
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	81		No
G4-PR5	Results of surveys measuring customer satisfaction	80-84		No
FS16	Initiatives to enhance financial literacy by type of beneficiary	55		No
	Marketing Communications			
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	81		No
	Customer Privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	81		No
	Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	81		No



YOUR FEEDBACK

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



EMAIL & WEB

Email us at:
sustainability.ba@bankasia-bd.com
web: www.bankasia-bd.com



CONTACT

contact us on
Phone: +88 02 47110062
Fax: +88 02 49577841



WRITE

write us at:
Sustainability Reporting Team
Bank Asia, Corporate Office
Rangs Tower
68, Purana Paltan, Dhaka-1000