



# Sustainability Report 2020

According to United Nations, by 2025, the world's cities will produce 2.2 billion tons of chemical waste every year, more than three times the amount produced in 2009. With increased industrialization in both developed as well as developing countries, all basic elements of environment air, water and soil now contains toxic substances that are direct results of Chemical Pollution.

Chemical pollution is caused by the discharge of chemicals into the atmosphere through steam and wastewater. It includes industrial wastes like toxic heavy metals from mining or chemicals from factories, and also sewage and particulates from power plants. Because of rapid industrialization, chemicals are becoming the integral parts to almost all sectors of the society, however, if poorly used and managed, hazardous chemicals and waste threaten human health and the environment.

Bangladesh is one of the fastest growing economies in South Asia. Along with expanding the ready-made garments (RMG) sector, the key driver of Bangladesh's GDP rise, the country is observing rapid growth in power plant, textile, pharmaceutical, and process industries, leading to increased chemical demand. Sound management of chemicals and waste is one of the key contributors for achieving the Sustainable Development Goals (SDGs).

The best way to combat chemical pollution is to prevent it. By using new efficient technologies and processes, we can ensure environmental protection by reduction of emission in air, water and soil. This kind of act can be achieved by spreading awareness among stakeholders and also ensure strict regulatory compliance. This is the main intention behind choosing **Chemical Pollution** as the theme of our Sustainability Report 2020 for creating awareness among our stakeholders.



 Bank Asia



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## Mission

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

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

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

## Vision

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

## Core Values

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

# CODE OF CONDUCT

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

GRI 102-45, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54

# REPORT PARAMETER

Bank Asia is the pioneer in the banking industry to publish Sustainability Report as per GRI framework. Our prior two reports were based on GRI reporting framework G3/ G3.1 guidelines. But from the year 2014 to 2017 we have prepared our sustainability report based on GRI reporting framework G4 guidelines. From 2018 we are reporting on GRI reporting framework GRI Standards with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects including both positive and negative contribution. This report has been prepared in accordance with the GRI Standards: Core option.

## Reporting Scope

This report intends to touch upon all significant environmental, economic and social impacts resulting from Bank Asia's activities in the financial year 2020. This is our eighth Sustainability Report and there is no significant changes regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report. The Sustainability Report will be prepared once in a year describing activities and achievements through-out the year.

## Boundary of the Report

The report boundary of the year 2020 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, CSRS, Assistant Vice President, Group Finance; Mr. Mahub-Ul Anam Khan, CSRS, SEO, Group Finance and Ms. Nahid Tania Khan, CSRS, SEO, Group Finance. They may be reached through

**E-mail** [sustainability.ba@bankasia-bd.com](mailto:sustainability.ba@bankasia-bd.com)

## Bank Asia Limited

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# STRATEGIC FOCUS FOR SUSTAINABILITY

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

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

**GOING GREEN  
IN THE  
FUTURE OF  
BANKING**

**PROMOTING  
FINANCIAL  
INCLUSION**

**GIVING  
BACK**

**CUSTOMER  
SATISFACTION**

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.

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.

# TRIPLE BOTTOM LINE

## 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. 2.47 million and Tk. 0.83 million respectively during 2020. 1,17,224 man-hours training (both physically & virtually) have been provided to 19,051 employees in 2020 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, 384 man hours of training provided to 256 staffs regarding green banking under foundation and other trainings course in 2020.

### PROFIT

During 2020, Bank Asia generated operating profit of Tk. 6,071 million.

# SUSTAINABLE BANKING OPERATIONS

KEY HIGHLIGHTS 2020

## Key Highlights 2020

Tk.  
**11.03**  
million

Provided to students for supporting their education under BA's Higher Studies Scholarship

**1,232,500**  
unbanked villagers

Came under Bank Asia's banking service network by ABAK project for poverty alleviation

**1,743,219**  
Households

Received remittance from rural and semi-urban areas of Tk. 75,363 million through our MFIs network business

**57,870**  
Rural Farmers

Benefitted financially through our agricultural/rural credit

**1,17,224**  
Man-hours

Training for development of Human Capital

**1,109,110**  
numbers

E-Statements delivered to customer

**68%**  
ATM

Cash Transactions done through ATM

**952,676**  
transactions

Worth Tk 6,788 million done through bank Asia SMART APP

**4,628**  
agent outlets

Covering whole country (64 districts) for expanding Agent Banking in most geographically dispersed poor segment

Tk.  
**403**  
million

Disbursed for financing Green Building Project

# CHAIRMAN'S MESSAGE

COVID-19 pandemic was the most influential factor throughout the year 2020 over the economies of the world and our's is no different. The overall world was in lock down for a long time to protect human lives which caused business disruption and the ultimate result of declining world GDP growth and remained at negative growth of -3.50% (estimated) in 2020 from 2.80% last year. Bangladesh economy also witnessed the same but was very much successful to manage the growth. We are fortunate that our GDP growth declined but remained at positive note and ended with 5.20% in FY 2020, declined from 8.15% last year.



Deposit of the Bank grew by 19% against the country growth of 13.50% and stood at Taka 303 billion. Advance increased to Taka 245 billion with a growth of 8%. On the contrary, Bank Asia's import and export registered negative growth alike the country and stood at Taka 141 billion and Taka 109 billion respectively. Bank attained net profit of Tk. 2.04 billion with a growth of 4% over previous year. The capital base of Bank Asia is fundamentally strong and is one of the highest in the banking industry. In 2020, total capital reached Taka 43.75 billion from Taka 42.76 billion in 2019. The capital adequacy ratio of the Bank was 17.16% against regulatory requirement of 12.50%. Total Assets of the Bank increased to Taka 409 billion from Taka 354 billion with the growth of 16%.

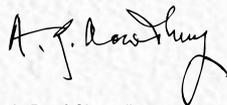
Bank Asia's vision is to have a "Poverty free Bangladesh" which is also aligned with global goal of Sustainable Development Goal (SDG). Attainment of SDG is only possible when development will embrace every segment of people as well as every sector of the economy. A major portion of the country people is unbanked and deprived from access to finance. But inclusive growth in real sense will happen when they could be included in the mainstream of financial inclusion. Bank Asia is the pioneer in introducing Agent Banking and Amar Bari Amar Khamar (ABAK), a government project for the poor, ultra-poor and landless people of Bangladesh focusing on poverty eradication within 2025. I feel really proud to announce that around 3.50 million unbanked people are already included in Agent Banking platform. In 2020, we have introduced agent centric business model where unbanked people will get access to finance at a very lower rate and eventually they will get relief from paying higher interest to micro finance institution and other informal channels. The Bank contributed substantial growth in financial inclusion arena by establishing 4,628 agent outlets covering 526 upazilas of 64 districts, registering 3.5 million customers, mobilizing deposit of Tk.28,199 million and disbursing loan of Tk.1,011 million through this alternative banking channel.

SME financing plays a crucial role in the economy in terms of production, employment generation as well as in the diversified economic development. Bank Asia also emphasizes on SME financing as a priority sector for encouraging financial inclusion as well as reducing loan concentration risk emanating from corporate clients and the inherent default risk. CMSME portfolio stood at Taka 35,350 million in 2020. Agricultural credit also plays a pivotal role in financial inclusion. In 2020, agricultural credit stood at Taka 5,410 million, an increase of 29% over last year and disbursed Tk.5,427 million to 57,870 rural farmers.

Bank Asia foundation was established with the aim of strengthening CSR program and streamlining the activities in a more systematic, structured and sustainable manner. In the meantime, Bank Asia Foundation has undertaken an initiative to set up a modern hospital with 250-beds at Malkhanagar, Sirajdikhan, Munshiganj named as "Bank Asia-Ma Amiran Medical College and Hospital". My family members and I donated 700 decimal land and a 3 storied building of 36,000 sft for the hospital and medical college. It started its operation of the OPD, diagnostic centre, pharmacy and emergency unit from 7th September, 2019. Till now, the hospital has extended its service to 19,683 patients. Bank spent Taka 283 million for CSR activities in 2020 having growth of 143% which was Taka 116 million in 2019. Scholarship is one of our most focused CSR initiatives under which poor and meritorious students are receiving Taka 51,000 every year for their higher studies. In 2020, the Bank has provided direct scholarship to 248 students for helping these students in pursuing their studies in the educational institutions. In addition to the regular CSR activities, your Bank has donated Taka 100 million to PM's Relief & Welfare Fund for prevention of COVID-19 crisis and treatment of patients and also donated PPE to Bangladesh Police Force valued Taka 10 million for protection from COVID-19.

Every year we work on a new theme to focus on the adverse impact of economic activities over environment. This year, we focused on "Chemical Pollution". For rapid industrialization and power generation activities, it has become a serious threat to the life of living beings.

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 more socially responsible institution by way of extending extensive inclusive banking services through alternate banking channels and helping the society extend various social services under active guidance of the Board. 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**





The year 2020 was a completely different year for the global economy as the entire world experienced an unorthodox version of lifestyle due to the life threatening pandemic of COVID-19 that affected all the sectors. Like every nation, this pandemic has caused colossal impacts on the sustainable development of Bangladesh's economy, our GDP had a sharp decline from 8.15% to 5.20%. To minimize the impact on our economy, the Govt. rapidly announced massive stimulus package for the affected sectors and also for financial sectors.

Despite the pandemic driven changing global scenario, Bank Asia strongly believes that with its stronger capital base and business ethics, it is contributing towards reaching a sustainable economy. In line with this thought, on behalf of Bank Asia, I am honored to present the Bank Asia Sustainability Report 2020 which focused on "Chemical Pollution" and described how it is creating harmful effects on human health and the environment. Besides that, I would like to share some initiatives taken by Bank Asia to build a sustainable future:

#### **Continuing banking during Covid-19 situation**

Offering smooth banking services during the COVID-19 pandemic in all our outlets by adequately maintaining health safety issues for both our employees and valued clients was a big challenge. Bank Asia addressed this issue by setting up disinfecting entrance chambers in corporate office premises, using adequate sanitization for incoming customers and maintaining social distance while giving services. From time to time, the bank management raised awareness among the employees through various circulars. Moreover, it formed a separate cell to address the pandemic issues promptly.

#### **Green Banking – For a Better Future**

Bank Asia aims to build a better future by growing responsibly and sustainably followed by eco-friendly measures across the organization. The bank circulated Green Banking Policy guidelines to raise awareness and conserve energy and water as well as save paper and fundamental resources. To step into paperless banking, we highly encourage customers to use E-Statement, SMS banking, SMS Alert, Net Banking, E-fund Transfer and E-mail Correspondences. More than 952,676 transactions worth Tk. 6,788 million were done through Bank Asia SMART APP which is an integrated internet and mobile banking solution.

Bank Asia always prioritises green financing opportunities such as renewable energy generation, carbon emission projects, solar home system, CNG conversion projects, biogas, managing different waste, treatment of liquid waste, urban building safety projects, effluent treatment plant in brickfields etc. The bank is actively involved in green financing activities worth Tk.128.86 million and during 2020, the bank disbursed Tk. 402.79 million as green finance favoring Well Group, a customer of our Agrabad Branch and Tk. 2,944 million for setting up of Spectra Solar Park, a client of Bank Asia Limited, MCB Banani Branch. This will highly reduce the operating cost of the business through using huge solar power without any adverse effect on the environment. The bank also provided 8 trainings and seminars on green banking to spread awareness among 280 employees.

### **Corporate Social Responsibility – Promoting Equitable Society**

To contribute to the social, economic and environmental development, Bank Asia spent Tk. 282.83 million in several CSR activities such as donating Tk. 100 million for the prevention of the COVID-19 crisis to Prime Minister's Relief & Welfare Fund, Tk. 23.23 million worth of warm clothes among cold-hit people in different parts of the country, supporting poor meritorious students by providing Higher Study Scholarship worth of Tk. 11.03 million.

### **Financial Inclusion across the nations- Banking beyond Banks**

Bank Asia, the pioneer of Agent Banking operations, with the aid of advanced technologies and flexible Agent Banking module, has covered 64 districts with its 4,628 agent outlets ensuring compatible security for the customers even in the most geographically dispersed poor segment. The bank has received the Bangladesh Business Innovation Award for “Agent Banking Business Model” by Bangladesh Brand Forum.

### **Focusing Agri-Economy – To build a strong agricultural nation**

In the financial year of 2020, Bank Asia disbursed loans and advances of Tk. 5,427 million to 57,870 rural farmers to enhance sustainable growth through the agricultural sector. In the fiscal year (July-June), the bank achieved 103% against the target of Tk. 3,750 million as set by Bangladesh Bank. The bank distributed Tk. 81.47 million to 2,170 number of Tk. 10 A/c holders to improve their livelihood where they participated in income-generating activities for which the bank received refinance of Tk. 78.36 million from Bangladesh Bank. Moreover, the bank assisted the rural farmers with rice cutter machine to rebound from the pandemic losses.

### **Optimizing People Asset**

In a service based organization, the human resource is considered as a major asset, so we provide our employees with ample opportunities for personal growth through comprehensive training and other development programs. In 2020, Bank Asia provided 117,224 Man hours of training on different operational and behavioral aspects for the development of human capital.

### **Award and Recognition**

Bank Asia believes in transparency in disclosing information to the stakeholders irrespective of different events. We are privileged to share that, Bank Asia has been granted 'Gold Rank' in Asia Sustainability Reporting Rating 2020 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for Sustainability Report 2019. It is noteworthy that we are achieving a sustainability award every year under different categories by NCSR.

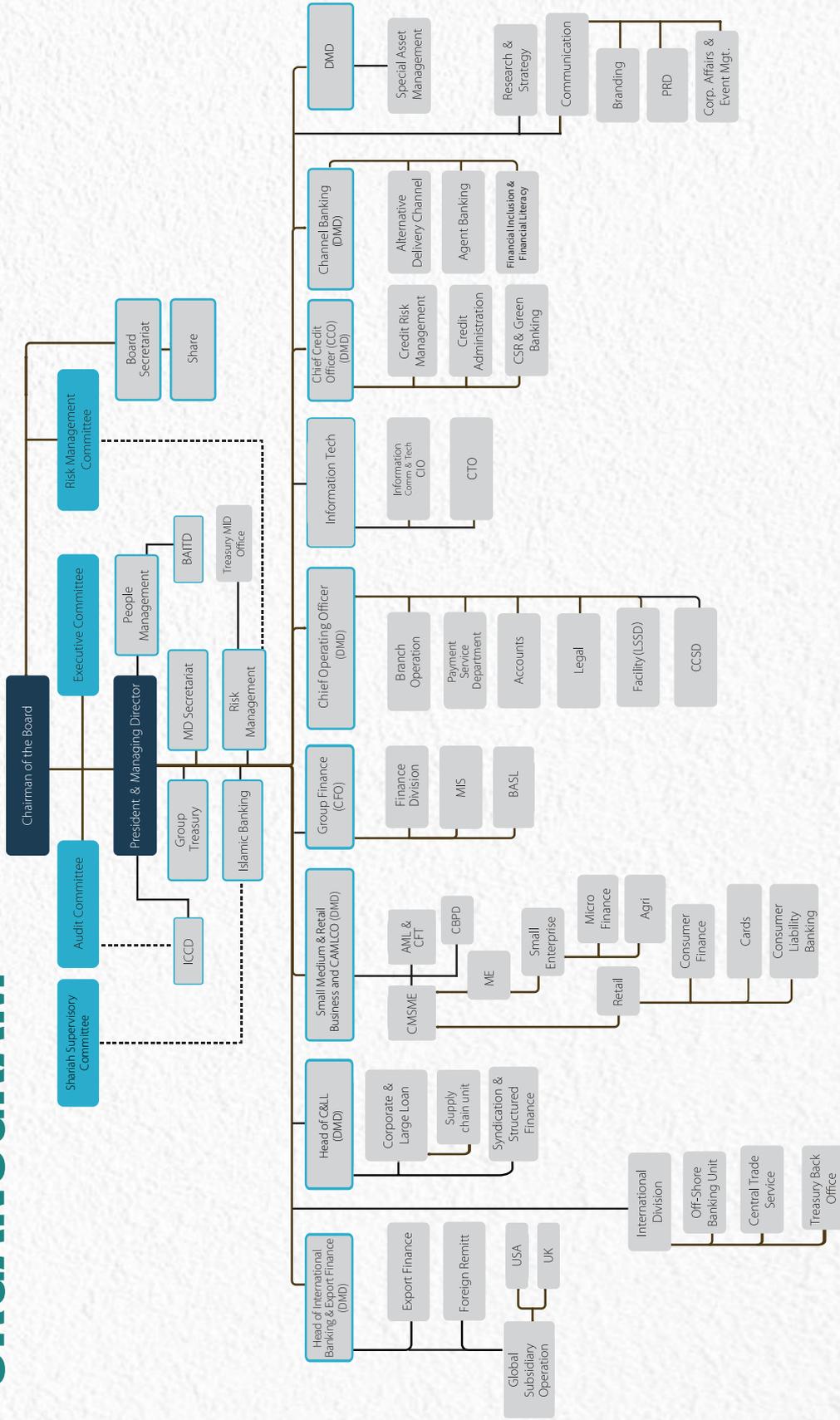
On that note, I would like to conclude by extending my profound gratitude and appreciation to all our valuable stakeholders for their enthusiastic and impactful engagement towards Bank Asia's vision to build a sustainable future for Bangladesh.



**Md. Arfan Ali**

President and Managing Director

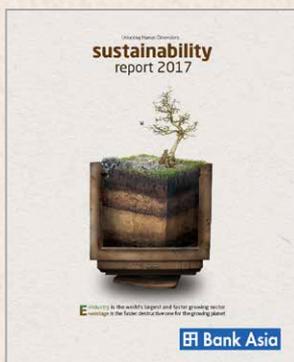
# GRI 102-45 CORPORATE ORGANOGRAM



# AWARDS AND RECOGNITION



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



## Achievement for Sustainability Report

- Bank Asia has been granted 'Gold Rank' in Asia Sustainability Reporting Rating 2020 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for Sustainability Report 2019
- Bank Asia has been granted 'Gold Rank' in ASRR 2019 by NCSR and ICSP for Sustainability Report 2018
- Gold Rank- Best Sustainability Report in ASRR 2018 - 14<sup>th</sup> SRA 2018 for Sustainability Report 2017 by NCSR and ICSP
- 'Winner-Best Sustainability Report in Overseas category' - 13<sup>th</sup> SRA 2017 for Sustainability Report 2016
- Best Sustainability Report in Bangladesh - 12<sup>th</sup> SRA 2016 for Sustainability Report 2015
- Best Sustainability Reporting Award 2015, Runner up 1 in Overseas Category for Sustainability Report 2014
- Sustainability Reporting Award 2014 (SRA 14) for Most Impressive Report 2013 for Sustainability Report 2013
- Sustainability Reporting Award 2013 (SRA 13) for Most Progressive Report 2012 for Sustainability Report 2012
- Commendation for the first time - 9<sup>th</sup> SRA for Sustainability Report 2012

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

## Awareness creation through Sustainability Reporting over the years

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

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

# CORPORATE PROFILE

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

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

To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7ATM service and many other e-products. Bank Asia maintains an environment of strong corporate governance that helps to maintain its excellent brand image; reflected by consistent financial performance for its stakeholders. To attain sustainability, we focus more on strategic priorities measured by quantitative and qualitative determinants. Besides maintaining a steady growth, Bank Asia always prioritized in the structural and moral development of the society. From the very beginning the bank has started its Corporate Social Responsibility (CSR) activities for the development of our country's unprivileged segments in the areas of education, health, environment, sports, arts & cultures and the likes.

## Nature of Ownership and Legal Form

Bank Asia Limited was formed as a public limited company under the Companies Act 1994, and governed by the Banking Companies Act 1991. The Bank obtained Certificate of Incorporation on September 28, 1999 and banking license on October 06, 1999. It went for public offering on September 23, 2003.

## Number of countries where the organization operates

Bank Asia runs its operation only in Bangladesh. However, the Bank has two fully owned subsidiaries in overseas. Among these subsidiaries, 'BA Exchange Company (UK) Limited' and 'BA Express USA Inc.' facilitate as speedy and dependable

medium for remitting the hard-earned money of expatriates back home. 'BA Exchange Company (UK) Limited' started its operation in London on May 16, 2011. The 3rd subsidiary of Bank Asia 'BA Express USA Inc.' started its operation on June 1, 2014 in New York. It has also opened its 2 new overseas branches in Jamaica and Brooklyn for remittance channeling to Bangladesh.

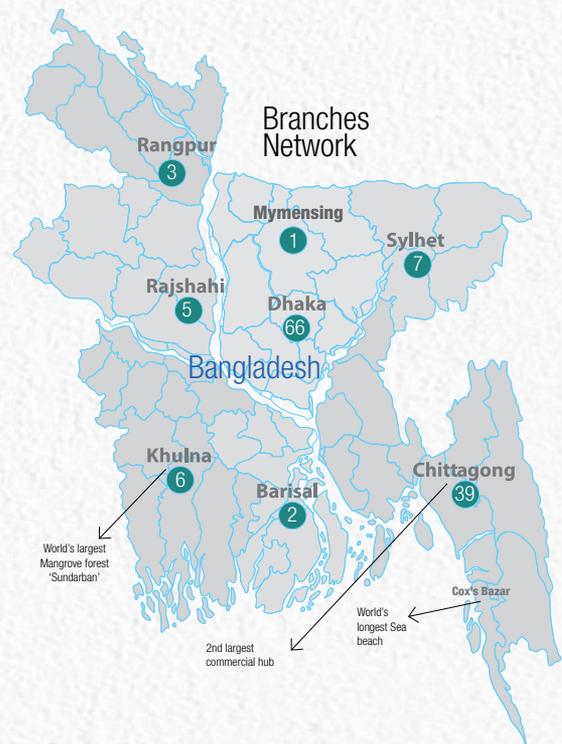
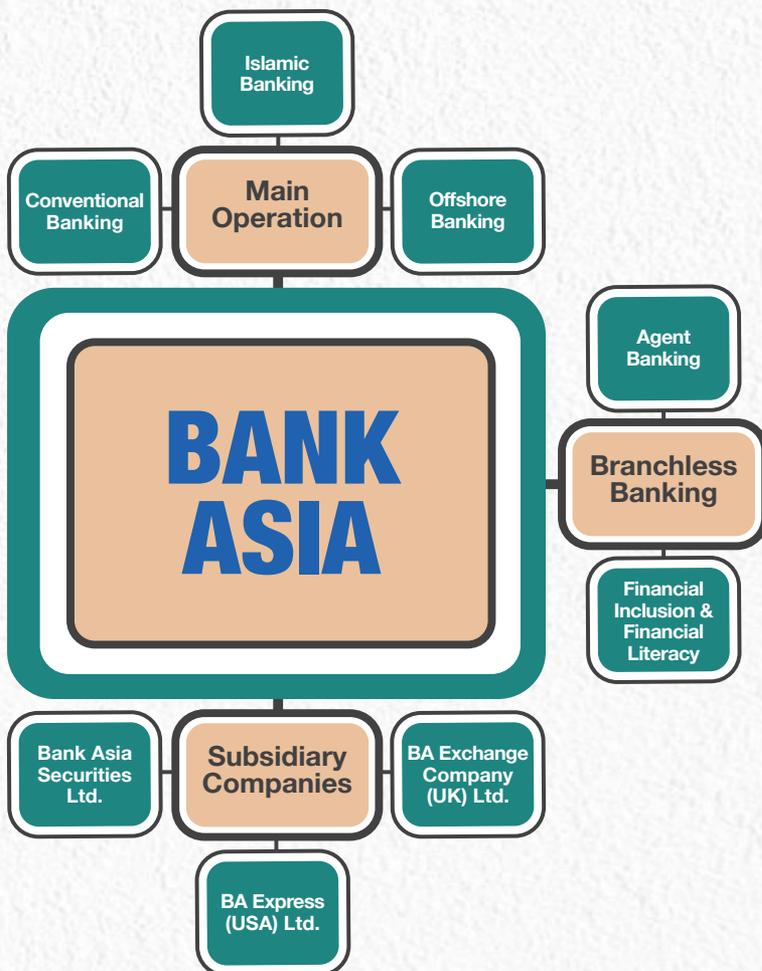
## Banking Channel

Currently we have 129 branches and SME service centers across the country spread over different zones that includes 121 branches, 4 SME agricultural branch and 4 SME service centers. Geographically 66 are placed in capital Dhaka, 39 in Chattogram, 7 in Sylhet zone, 6 in Khulna zone, 5 in Rajshahi, 3 in Rangpur, 2 in Barisal, and 1 in Mymensingh. All these branches and SME centers are efficiently supervised and monitored by Zonal heads who take care of their overall performance indicators on a regular basis. Due to the low operational cost as well as increasing popularity of agent banking operations, Bank Asia is emphasizing on adding new agent outlets. There are total 4,628 agent outlets in 64 districts. Agent banking network outreaches the customers through individuals, passport, institutions, UDC, Post office. Bank Asia has Automated Teller Machine (ATM) that provides banking services to its customers 24 hours a day, 7 days a week and 365 days a year. In our total 68% cash transactions of Bank Asia are done through its 187 own ATMs and more than 15,000+ shared ATMs all over the country. In terms of Internet banking, currently we have more than 105,473 active users.

Number of employees	2,492 (2,463 of Bank & 29 of Subsidiaries)
Number of branches	129 (121 branches, 4 SME/Agri branches and 4 SME service centers)
Total operating income	Tk.13,179 million
Total debt & equity	Tk. 381,336 million & Tk. 27,381 million
Number of ATMs	187 own ATMs and more than 15,000+ shared
Number of credit cards	105,518
Number of VISA debit cards	More than 6,52,728

### 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)
- Baridhara Cosmopolitan Club



### Division wise Agent Outlet

Division	No. of Outlet
Dhaka	852
Chittagong	907
Rajshahi	572
Mymensing	391
Khulna	591
Sylhet	319
Rangpur	490
Barishal	259
Total	4,381

GRI 102-40, 102-42, 102-43, 102-44, 102-46

# STAKEHOLDERS' ENGAGEMENT

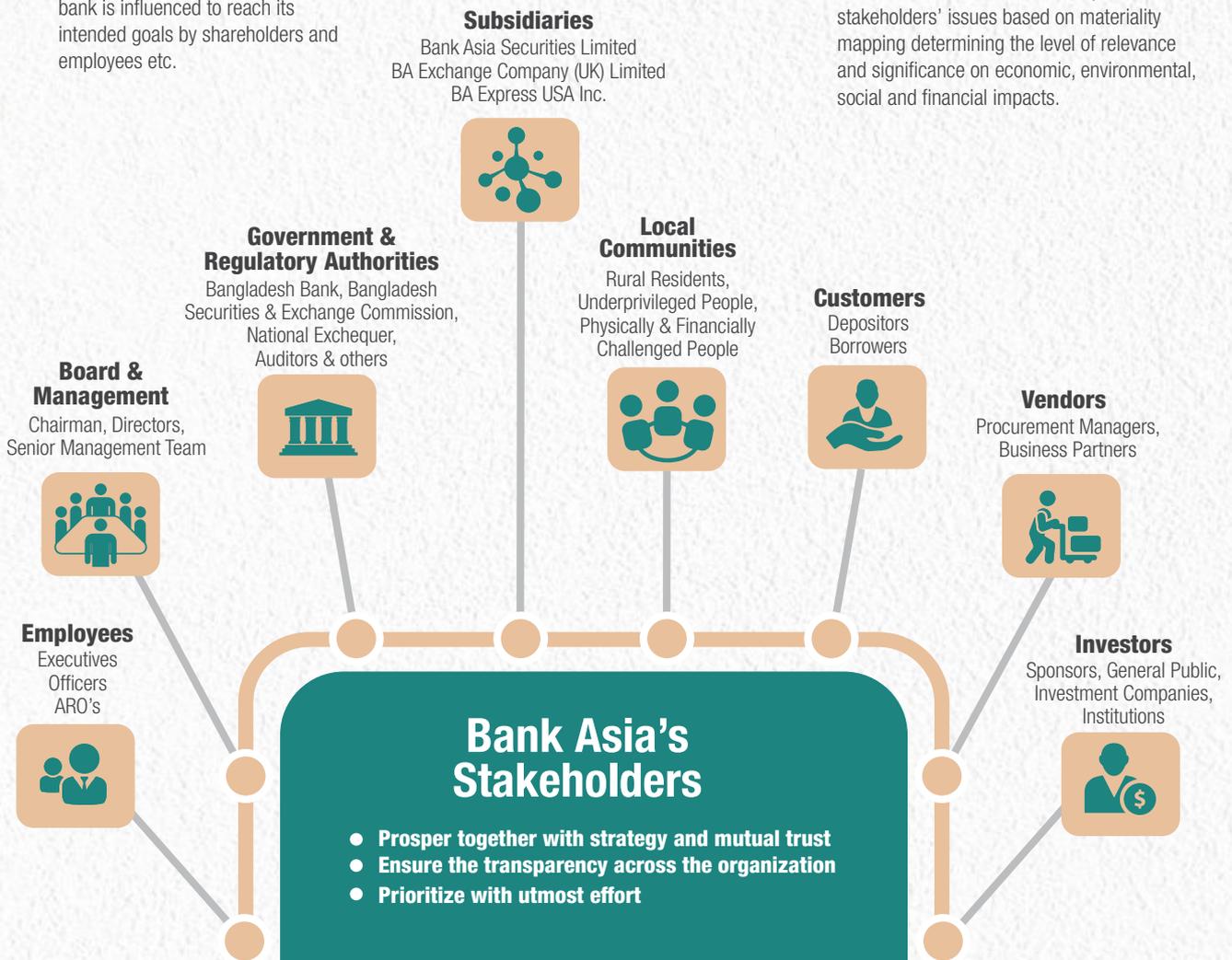
Bank Asia believes in the proper stakeholders' engagement in every aspect of its banking activities. We identify our stakeholders through conducting impact analyses in respect of

- Responsibility: Bank Asia has direct legal responsibility to regulators, tax authority etc.
- Influence: Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.

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

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

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



Stakeholders	Ways of inclusion	Their priorities	Our response
<b>Customers</b>   	<ul style="list-style-type: none"> <li>● Market research and product innovation</li> <li>● Customer Service Enhancement Program</li> <li>● Customer Relationship Management</li> <li>● Direct Customer feedback</li> <li>● Different channels, Branches, Agent outlets, Call Centre, Priority Centre, ATM Booth, Internet Banking &amp; others</li> </ul>	<ul style="list-style-type: none"> <li>○ Quality service delivery</li> <li>○ Good returns from deposits</li> <li>○ Preferential pricing, charges and commission</li> <li>○ Privacy and Information</li> <li>○ Security Dispute Resolution</li> <li>○ Product Information, Affordability and Convenience</li> <li>○ Product variation according to market demand</li> <li>○ Strict Shariah compliance in Islamic products and services</li> </ul>	<ul style="list-style-type: none"> <li>○ Proper actions are taken of customers complaints if any service goes against the customer service policy of the Bank</li> <li>○ Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship</li> <li>○ E-products like internet banking, mobile apps, SMS banking, EGP service, E- commerce, E- payment solution, ALCO sits every month to decide pricing and rates based on market analyses</li> <li>○ All network nodes are run by online core banking system (CBS)</li> <li>○ First day in every month is being observed as ‘Customer Service Day’ where Corporate Office executives met with customers in branch premises</li> <li>○ Encourage clients to use cards as contactless modality in Covid19 pandemic</li> </ul>
<b>Employees</b>     	<ul style="list-style-type: none"> <li>● Training, workshops and orientation program, Internal meeting, Group emails, Intranet Circulation</li> <li>● Business conferences, teleconferences, video conference etc.</li> <li>● Team building through cross-cutting working groups</li> </ul>	<ul style="list-style-type: none"> <li>○ Regular training &amp; Performance Development</li> <li>○ Social distancing maintain by ensuring Home office, rotation wise work</li> <li>○ Periodical salary review to adjust with cost of living index</li> <li>○ Proper job description setting as per individual skill with performance driven career progression</li> <li>○ Ensure hygienic and congenial Workplace</li> <li>○ Group health insurance policy &amp; leave policy</li> <li>○ Transport facilities</li> </ul>	<ul style="list-style-type: none"> <li>○ 1,17,224 man hours of training to 19,051 participants in 2020 also Virtual training with employees to raise their awareness on Covid-19 and prevention measures</li> <li>○ Salary package adjusted in line with market competitiveness and inflation</li> <li>○ Yearly performance Bonus and festival bonus for employee motivation</li> <li>○ Well set KPIs for performance and inherent quality analysis</li> <li>○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premises</li> <li>○ provided face mask, PPE, disinfected spray, placement of Disinfected tunnel</li> <li>○ Social distancing maintain by ensuring Home office, rotation wise work</li> <li>○ Established COVID Isolation centre to ensure healthcare facilities</li> <li>○ Provided Medical expenses &amp; Tk. 11.44 million received as insurance claim</li> <li>○ Introduce sick leave policy &amp; amended quarantine policy</li> <li>○ Pick and drop facilities has been provided through 10 vehicles</li> <li>○ Provided Excess conveyance during lockdown period</li> <li>○ In addition to the end service benefit, provided additional financial benefits to the employees who expired for COVID</li> </ul>
<b>Subsidiaries</b>   	<ul style="list-style-type: none"> <li>● Policies formulation</li> <li>● Agreed upon strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>○ Goals and Strategic focuses are based on local environment analysis &amp; regulatory purview</li> </ul>	<ul style="list-style-type: none"> <li>○ Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries</li> </ul>

Stakeholders	Ways of inclusion	Their priorities	Our response
<b>Shareholders/ investors</b>  	<ul style="list-style-type: none"> <li>AGM, EGM, Annual &amp; Semi annual report</li> <li>Corporate disclosures</li> <li>Price Sensitive Information (PSI)</li> <li>Quarterly financial report</li> </ul>	<ul style="list-style-type: none"> <li>Return on investments and stable dividend policy</li> <li>Sustainable growth</li> <li>Sound governance and risk management performances</li> <li>Business ethics</li> <li>Assets quality</li> </ul>	<ul style="list-style-type: none"> <li>Maintained attractive plough back ratio</li> <li>Timely repayment of debt with stated return</li> <li>Each queries of the investors meet up through our share department efficiently and fairly</li> <li>Established risk management culture</li> <li>Transparency &amp; integrity in financial reporting</li> </ul>
<b>Board and Management</b> 	<ul style="list-style-type: none"> <li>Decisions based on financial and business delegation of different levels</li> <li>Major decisions must be placed to board for approval</li> </ul>	<ul style="list-style-type: none"> <li>Governance principles, policies &amp; procedures formulation</li> <li>Strategic focus &amp; value creation</li> <li>Strategic business planning</li> </ul>	<ul style="list-style-type: none"> <li>At least one board meeting in every month, frequent executive committee meeting, audit committee meeting</li> <li>Board members meet management on various occasions like annual &amp; semi- annual business conferences, different remarkable day celebration</li> </ul>
<b>Government &amp; regulatory Authority</b>  	<p>Strict ethics &amp; compliance with applicable laws, rules and regulations</p>	<ul style="list-style-type: none"> <li>Proper compliance with laws &amp; regulations</li> <li>Timely reporting as per requirement</li> <li>Timely payment of right amount income tax and VAT</li> </ul>	<ul style="list-style-type: none"> <li>We ensure proper compliance and timely reporting to government bodies and regulators</li> <li>Contributed Tk. 6,018 million to National Exchequer which significantly contributed to Government's revenue collection</li> <li>Providing timely and up-to-date information to the regulators as per their requirement</li> </ul>
<b>Local Communities</b>          	<ul style="list-style-type: none"> <li>Promoting financial inclusion both banked and unbanked people</li> <li>CSR contribution on Health especially COVID related issues , Scholarship Disaster Management, Sports etc.</li> <li>Financing in environmental friendly projects</li> </ul>	<ul style="list-style-type: none"> <li>Provide banking facility to geographically dispersed poor segment of the society</li> <li>Benefit economy by poverty reduction through banking services to rural poor people by ABAK Project</li> <li>Compensation for adverse direct or indirect impact for bank's activities</li> <li>Support to under privileged people through Social Safety Net Program</li> <li>Formation of Bank Asia Foundation (BAF)</li> <li>Strongly consider environmental and social impact and restrain from adverse impact upon society</li> </ul>	<ul style="list-style-type: none"> <li>Bank Asia donated for prevention of COVID-19 crisis &amp; treatment of patients to PM's Relief &amp; Welfare Fund</li> <li>Bank Asia donated PPE to Bangladesh Police Force for protection from COVID-19 who actively engaged for keeping security of the nation</li> <li>Significant contribution to education, health, disaster management, Art &amp; culture, environmental and Sports sector of Tk. 282.83 million</li> <li>Disbursed Tk.402.79 million on green finance</li> </ul>
<b>Business Partners</b>  	<p>Procurement management, training and communication</p>	<ul style="list-style-type: none"> <li>Fair trade, fair enlistment,</li> <li>Sustainable and stable growth of the bank</li> </ul>	<ul style="list-style-type: none"> <li>Free from any bias or coercion from influencing quarters</li> <li>Ensure fair play and competition to award work order</li> <li>Timely payment to vendors</li> </ul>

GRI 102-46

# MATERIAL TOPICS AND BOUNDARIES

Material Topics	Boundaries inside the organization	Boundaries outside the organization
<b>Safety of employees and clients</b>	Ensure smooth banking services to the clients during the pandemic	To excel the wheel of economy
<b>Technological advancement</b>	Technological advancement is on progress for reduction of lead time to provide banking services. Alternative delivery channels gained momentum during this pandemic.	The clients will have access to get efficient services without physical presence.
<b>Financial Inclusion</b>	Client base of the organization increases with diversity, tapping business opportunities, increase of revenue generation	The community including the overall economy benefitted from reduction of poverty through augmenting economic activities in the geographically dispersed areas
<b>Energy Consumption</b>	Efficient use of scarce resources	Sequestration of carbon emission and the national GHG inventory will be reduced
<b>Human capital &amp; Talent Management</b>	Enhancement of operational level efficiency. Attaining cost savings through reducing time requirement. Customer retention rate will be higher	The clients will be benefitted from customer friendly efficient services and will be more loyal to bank
<b>Agriculture Credit</b>	Product diversification and attachment to mainstream of the economic activity of the country	As an agricultural country, share croppers and marginal farmers will be benefitted by lower interest rate and their poverty level will be improved
<b>Environment Friendly Investment</b>	As a responsible corporate entity, the Bank believes in doing business without compromising with the eco system. It emphasizes conserving scarce resources for next generation	Public awareness as well as regulatory requirement enforced the organization to increase environment friendly investment gradually
<b>Building the Community</b>	Discharging our responsibility towards society to ensure sustainable balanced growth in economic, social and ecological arena	Overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.

GRI 102-40, 102-43, 102-44

# STAKEHOLDERS RELATIONSHIP/ GRIEVANCE REDRESSAL

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

Bank Asia strongly believes in equitable treatment to every shareholder. We resolve any shareholders' complaint on a priority basis and have committed to serve the appropriate mechanism to address the shareholders' grievance within the time frame stipulated by the Bank.



## REDRESSAL PROCESS OF BANK ASIA LIMITED

- Complaints raised by the investors/ shareholders must be dealt with courtesy and in a timely manner
- Complaints are treated and solved efficiently and treated fairly
- Communicate to the shareholders for collection of the dividend warrants which have been refunded for non-delivery by the courier
- Revalidate the dividend warrants upon demand
- Correction of bank account information while sending dividend through BEFTN system
- Re issue of dividend warrants, in case of failure to send dividend through BEFTN system

- Issue shareholding certificate, dividend certificate as and when required
- E-mail or letter must be send to all the investor who have submitted written complaints
- Request for e-TIN number in case of cash dividend

## Redressal Statistics 2020

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> <li>● Demat 2,072,960 shares;</li> <li>● 6,313,601 bonous shares credit among the shareholders from suspense account</li> <li>● Re-issue 1,089 dividend warrants for the year 2019 (which were returned from BEFTN)</li> <li>● Issuance of 66 shareholdings certificate for income tax purpose;</li> </ul>	<ul style="list-style-type: none"> <li>● Demat confirmed all the shares timely;</li> <li>● Credit all the shares as requested;</li> <li>● 1,089 duplicate fractional dividend warrants for the year 2019 issued</li> <li>● 66 shareholdings certificate were issued;</li> </ul>

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

## REDRESSAL POLICY



### SHAREHOLDER'S PERSPECTIVE

Bank Asia redressal system covers the following issues

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

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



### CUSTOMERS' PERSPECTIVE

Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). Like investors we also address up our customers queries and complaints through our corresponding department, division or unit. All the complaints are centrally handled by BOD (Branch Operation Department). In 2020, the Bank received 99 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within 5 days (approx.) in which some complaints were met up within 24 hours. We have already introduced Branch level customer service & complaint management desk (BLCS & CMB) introduced at all branches of the bank. Moreover the year 2020 declared as the Year of Relationship.



### EMPLOYEES' PERSPECTIVE

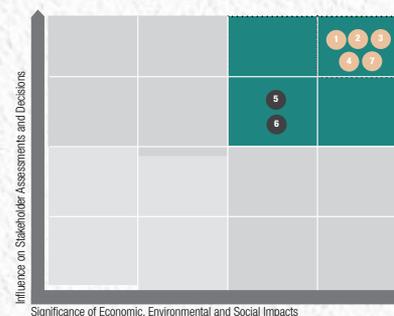
Employees are the main resource of the Bank, the human capital. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment we have separate Grievance Handling Policy and Female Anti-Harassment Policy. Our People Management Division takes necessary measures to redress if any adverse situation arises. In 2020, we didn't receive any significant complain related to our employees.

#### Redressal point for Shareholders

Bank Asia Limited  
Corporate Office  
Bank Asia Tower, Level: 02  
32 & 34, Kazi Nazrul Islam Avenue  
Karwan Bazar, Dhaka  
Phone: +8809617001100

GRI 102-47

# MATERIALITY MAPPING



Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L	M		H		
		1	2	3	4	5	
1	Lead time reduction by technological advances						<ul style="list-style-type: none"> <li>About 5,253 number of account with 8,932 million loans processed through OCAS-Diganta project (Tab based version)</li> <li>For channeling remittance from abroad implemented Robotic Process Automation for real-time payments</li> <li>Develop Artificial Intelligence Workforce (AIW)</li> <li>Focus on Digitization and innovative banking services so that clients have access to the banking service without have any physical presence</li> </ul>
2	Financial Inclusion						<ul style="list-style-type: none"> <li>Around 3.5 million unbanked people have already included through Agent Banking network in 64 districts through 4,381 agent outlets</li> <li>Through 4,802 digital centers of Agent Banking marginal farmers, small entrepreneurs and general people are enjoying loan facilities in easier &amp; faster manner by 26,39,052 accounts</li> <li>Develop Micro-merchant model for expanding digital financial inclusion where we serve 11,890 beneficiaries through 2,362 outlets</li> <li>Social Safety Network (SSN) funds of Government are disbursed to the poor, disadvantage and marginal people of Bangladesh through 10,47,583 no. of accounts under Social Safety Network program</li> </ul>
3	Building the Community						<ul style="list-style-type: none"> <li>Bank Asia spent Tk. 282.83 million to Health, Education, disaster management, and other social sectors as CSR activities for fostering healthy communities towards enhancement of well being and productivity of the country</li> <li>Donated Tk. 100 million for the prevention of the COVID-19 to PM Relief &amp; Welfare Fund</li> <li>Donated PPE to Bangladesh Police Force for protection from COVID-19 who actively engaged for keeping security of the nation of Tk.10 million</li> <li>Established COVID Isolation centre to ensure healthcare facilities</li> </ul>
4	Capital Planning & Management						<ul style="list-style-type: none"> <li>Total Capital Tk. 43,754 million   CRAR 17.16%</li> <li>LCR 200.35%   NSFR 114.45%   Leverage ratio 5.39%</li> </ul>
5	Human Capital and Talent Management						<ul style="list-style-type: none"> <li>19,015 participants were trained up of 117,224 man hours through trainings on virtual platforms using ZOOM, Cisco webex &amp; True Conf to build efficient, skilled and industry standard personnel</li> </ul>
6	Agriculture Credit						<ul style="list-style-type: none"> <li>In 2020, Tk. 5,427 million agricultural credit facility was disbursed to 57,870 rural farmers of and achieved 104% against total target of Tk. 3,750 million</li> <li>Under special Agricultural Credit at 4% concessional interest rate, we facilitated 234 farmers by disbursing Tk. 11.29 million.</li> </ul>
7	Environment Friendly Investment						<ul style="list-style-type: none"> <li>In 2020, total disbursement in projects having ETP of Tk. 695.86 million.</li> <li>Total outstanding amount of different liquid waste management project was Tk. 1,017 million</li> <li>We have saved Tk. 9.81 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E Fund Transfer, Digital Attendance, E-Mail correspondence etc.</li> </ul>

# GOVERNANCE COMMITMENT AND STAKEHOLDERS

Bank Asia is strongly committed to ensuring that its systems, procedures and practices reflect a high standard of Corporate Governance. It has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long-term and sustainable value, as well as fostering a culture that values ethical behavior, integrity and respect to protect shareholders' and other stakeholders' interests at all times.

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

	Build and maintain good governance framework for value creation and ensuring long-term growth	<p>Good Governance Practices result a solid growth in all aspect of business operations of the bank</p> <ul style="list-style-type: none"> <li>• Loans and Advances growth 7.63%</li> <li>• Deposit growth 19.44%</li> <li>• Good Asset quality (NPL 3.24%)</li> <li>• ROA 0.53%</li> <li>• ROE 7.81%</li> <li>• EPS 1.75</li> </ul>
	Follow openness & transparency in communication with stakeholders	<ul style="list-style-type: none"> <li>• Transparent</li> <li>• Providing both financial and non-financial data</li> </ul>
	Focus on technologically advanced banking system	<ul style="list-style-type: none"> <li>• Developed an online loan application system "GhoreBosheRinNei" during the Covid 19 pandemic</li> <li>• Develop Micro-merchant model for expanding digital financial inclusion where we serve 11,890 beneficiaries through 2,362 outlets.</li> </ul>
	Enhance operational risk management	<ul style="list-style-type: none"> <li>• Strong internal business process platform</li> </ul>

The Board meets on a monthly basis and meetings are scheduled well in advance (before the commencement of each financial year) to enable members to plan ahead. When required, the Board will meet on an ad hoc basis to deliberate urgent matters.

During FY 2020, the Board met eighteen (18) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Bank's strategies particularly in pandemic period of COVID -19.



## Capital Structure

December 31, 2020

Figures in Million

Particulars	Taka	USD
Paid up Capital	11,659	139
Statutory Reserve	9,844	117
General Reserve	8	0.10
Retained Earnings	2,092	25
Total Shareholders' Equity	27,381	327

## Total Shareholders' Equity

Million Taka



## Board Committee

To ensure a better performance of its functions through a suitable decision-making process, the Bank Asia's Board of Directors as per the guidelines of regulators has established specific Committees that assist it in matters falling within their remit, with a coordinated working system among them. These Committees are essential to ensure the correct discharge of the management oversight and control functions of the Board, on the basis of a system that guarantees full independence from the executive level, and therefore strengthening the checks & balances structure of Bank Asia's Corporate Governance System. In 2020, 18 meetings held where 729 memos were presented.

### Meeting held by board of directors

18

#### Major agenda covered in 2020

- Fund Transfer Policy (FTP) Document of Bank Asia Limited for 2020
- Profitability analysis of the Bank for the year 2019 and strategies for 2020
- Re-constitution of Risk Management Committee of the Board
- Proposal for approval of expenses to Introduce Green PIN for Debit & Credit Card
- Renewal of Employee Health Insurance Scheme of Bank Asia Limited with Reliance Insurance Limited with 20% increase in premium amount
- Corporate Governance disclosure and compliance status on Corporate Governance Code under BSEC
- Proposal for approval for appointing consultant on 5 (five) years ICT Capacity Planning
- Outcome of Additional Capital Assessment for the year 2019
- Sectoral Lending Cap for 2020
- Approval of Bank's Integrated Annual Health Report-2019
- Manual & Operation Guideline of Group Treasury- Review 2019
- 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 2019
- Renewal TrueConf Server on premises video conferencing software (Standard Type) with 300 online user license for Bank Asia
- Modifications of PPG of Retail Investment Schemes under Islamic Banking
- Policy for Withdrawal Facility instead of Qard from Mudaraba based Term Deposits & Schemes Accounts
- Comprehensive Risk Management Rating of December 2019
- Introducing Life Insurance Policy
- IRevision of Leave Policy
- Approval of Quarantine Leave of suspected and infected employees for the period from the date of outbreak of COVID-19 in Bangladesh
- Advisory Services from IFC for Bank Asia Digital Banking Subsidiary
- Bangladesh Bank Rating on Core Risk of Bank Asia Limited

## Executive Committee

The Executive Committee (EC) of the board of Bank Asia was first constituted in January 2010 to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions. The number of members in executive committee is 7(seven) nominated by the board from directors. The EC time to time reviews policies and guidelines issued by Bangladesh Bank regarding credit and other operations that are customized and adopted by the management after approval of the board of directors. EC approves credit proposals as per approved policy of the board. In 2020, 42 meetings held where 588 memos were presented.

Meeting held by executive committee	42		
Loan approval in 2020			
	No. of Memo	Funded	Non-funded
New sanction	491	97,341.30	91,523.40
Enhancement	42	884.40	1434.80
Rescheduling	7	1440.9	
Forced Loan	2	360.6	
Total	542	100,027.20	92,958.20

### Audit Committee

The audit committee of the Board of Bank Asia was first constituted in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the BSEC notification no BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 Audit Committee must consists of at least 3 (three) members with 1(one) Independent Director. All the members of Audit Committee should be selected from Directors and the Chairman must be an Independent Director.

Bank Asia's Audit Committee consists of 5 (five) members. All of them are non-executive directors from whom 3 of them are Independent Directors and the Company Secretary of the bank is the secretary of the Audit Committee. Mr. Dilwar H Choudhury, the Chairman of the audit committee is an Independent Director and all the members are knowledgeable in financial industry and have long experience in banking industry. More information is available in the Director's Profile at pages 24 to 32 and the 'Report on the activities of the Audit Committee' at page 213 in the Annual Integrated Report 2020. 7 meetings held where 43 memos were presented in 2020.

### Meeting held by Audit Committee

07

#### Major agenda covered in 2020

- Annual financial statements of the Bank for the year ended 31/12/2019 as certified by the External Auditors before submission to the Board for consideration
- Summary of Audit and Inspection reports on the Branches, Divisions and Departments of the Bank
- AML/CFT Issues of Audit and Inspection reports on the Branches
- Annual Risk Based Audit Plan
- Management Letter of the Bank submitted by the external auditor for the year ended 31/12/2019
- Un-audited quarterly and half-yearly financial statements of the Bank
- Bangladesh Bank comprehensive and Core risk inspection report and the recommendations made therein
- Actions taken by the management with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank
- The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports.
- Draft Annual Integrated Report of the Bank.
- Annual Health Report of the Bank.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- On-site & Off-site Monitoring Reports.
- Irregularities/Lapses in the Quarterly Loan Documentation Checklist (LDCL) including compliance status.
- Shortcoming/Deviation in the Quarterly Operations Report (QOR) including compliance status.
- Self-Assessment of Anti-Fraud Internal Controls including implementation status for the half-year ended 31 December 2019.
- Status of recovery of classified loans and necessary guidelines provided to the management to reduce Non-Performing Loan (NPL).
- Submission of Audit Committee's decision and implementation status on Audit Observations to the Board of Directors (BOD) of the Bank.
- Appointment of Auditors.
- The overall effectiveness of Internal Control Policy, Practice and Procedure of the Bank.
- Proposal of the management for realization of profit charged/accrued to income under the provisions of BRPD Circular Letter No.56 dated 10.12.2020.

### Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee will supervise whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risks. Currently 6 (six) members are in the Risk Management Committee. In 2020, 11 meetings held where 37 memos were presented.

<b>Meeting held by Risk Management Committee</b>	11
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#### Major agenda covered in 2020

- Portfolio of Risk Report
- Sectoral Lending Cap for 2020
- Capital Management Function on quarterly basis
- Outcome of Stress Testing on quarterly basis
- Risk Appetite for 2020
- Outcome of Additional Capital Assessment for the year 2019
- Sectoral risk management strategy
  - Ready Made Garment
  - Pharmaceutical
  - Cement sector
- Report on Top 20 Client(s) Analysis
- Policy Paper for Extending Agri/Rural Credit through NGO/MFIs
- Proposed Money Market Limit for Banks and NBFIs
- Risk Management Activities 2020
- Comprehensive Risk Management Rating

### Management Committee

Under the leadership of the President and Managing Director, management committee of the Bank has executive management responsibility for the steering of the Bank and its business. It assumes overall responsibility for developing the Bank and business division strategies and the implementation of approved strategies.

### Senior Management Team (SMT)

The highest committee of Management is the Senior Management Team (SMT), which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. The SMT operates under delegated authority from the

board and membership of the management committee consists of the President and Managing Director, Deputy Managing Directors, c-level executives and the heads of major operational departments. The current number of SMT members is 14. In 2020, 08 meetings held where 25 decisions were implemented among 31 decisions. The name of the SMT members and their photos can be seen at pages 44 to 45 of the Annual Integrated Report 2020.

<b>Meeting held by SMT</b>	8
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#### Major agenda covered in 2020

- Issuance of an instruction circular containing instructions and guidelines for Business Continuity Plan and Banking operation amidst corona virus pandemic during General Holiday declared by the Government
- Formation of Quick Response Team at Chattogram Zone for fighting COVID-19 Pandemic
- Assessing impact of Covid-19 on different sectors and review our sectoral exposure and limit accordingly
- Vetting and Modification of PPG for Retail Loan Products under Islamic Banking
- Finalizing 'Guidelines for Prevention of Trade Based Money Laundering' and placing to the Board and compliance with the guidelines
- Automation for analysis and reporting of transactions to manage AML & CFT risk
- Approval and roll out of Unsecured Personal Loan (UPL) for Landlord/Landlady
- Approval and roll out of Wage Earners' Support (WES) loan
- Implementation of operation policy for trade centralization

### SRP Committee

The Supervisory Review Process (SRP) Committee is formed under the second pillar of Basel III capital accord. Bank Asia Limited on year basis assesses the requirement of additional capital to address other material risks that have not been considered under minimum capital requirement (MCR) i.e. credit risk, market risk and operational risk of Pillar I of Basel III. The SRP Committee is comprised with senior management where President & Managing Director is the Chairman

of the Committee, other members are DMD & CCO, Head of RMD & CRO, Head of ICCD, Chief Finance Officer (CFO), and Head of Treasury. The Committee is primary responsible for ensuring that the bank has maintained an adequate level of capital and addressing appropriately the level of risks arises.

#### Meeting held by SRP Committee

1

##### Major agenda covered in 2020

- Assessment of Additional Capital Requirement for 2019
- Review of supplementary documents
- Calculation Methodology of ICAAP 2019

#### 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 2020, there are 8 members in ALCO. The committee may be reconstituted as and when deemed necessary.

#### Meeting held by ALCO

11

##### Major agenda covered in 2020

- 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 key ALM indicators (LCR, NSFR, ADR, MCO, MCR, CRAR)
- Asset pricing models
- Commitment position analysis and strategies for sustainable earnings
- Review of FTP Policy
- Capital allocation calculation of business transactions
- Ratio trend analysis and future prospect projection
- Monthly trend and variance of Deposit- Advance and planning of strategies
- Balance Sheet Gap analysis as per time bucket & forecasting
- Bank's profitability analysis
- 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
- Deposit product analysis [Term, Rate, Other conditions]
- Business unit raise asset product analysis [Rate, Term, Cashflow, Classification]

#### Credit Committee

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

Type wise sanction for credit committee during 2020

Sanction Type	Number of Proposal	Funded Facility	Non Funded Facility	Total Facility
Fresh Approval	1,611	31,110.09	16,281.55	42,074.12
Enhancement	84	2,180.70	2,792.87	4,625.57
Renewal	934	76,881.41	107,103.34	168,143.68
Renewal with Enhancement	271	37,811.97	37,732.62	70,967.76
Renewal with Reduction	59	9,380.25	8,905.59	16,063.96
One-time	1,282	11,879.60	16,341.13	27,481.11
Reduction	11	106.00	21.00	122.00
Modification	918	-	-	-
Rescheduling & Restructuring	77	9,495.67	3,012.00	11,669.67
EOL	76	181.82	444.21	4,598.72
<b>Grand Total</b>	<b>5,323</b>	<b>179,027.51</b>	<b>192,634.31</b>	<b>345,746.59</b>

#### Policy Review Committee

Bank Asia Limited has formed Policy Review Committee (PRC) to review Bank's Policies, Product Program Guidelines (PPG), Manual and Standard Operating Procedure (SOP) in a timely interval. The Committee

is also responsible to identify the Department/ Division/Unit specific required documentation (i.e. PPG/Policies/SOP). This Committee ensures the quality and substance to an acceptance level for the overall management of different category of risk.

### **Independent Director**

Bank Asia complied with relevant guidelines of Bangladesh Bank circulars, rules and regulations of the Bank Companies Act, 1991 (amended up to 2018) and guidelines of Bangladesh Securities and Exchange Commission regarding composition of its board of directors. While appointing new directors Bank Asia emphasizes the mix of knowledge, skills, experience and perception. The directors are elected by the shareholders in AGM. In case of nomination, removal, causal vacancy and alternate directors, Bank Asia follows all relevant rules and regulations. The Bank's non-executive directors are independent of management and free from day to day business of the bank.

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

The functional responsibilities of the Chairman of the board and of the President and Managing Director are kept separate and independent of each other. The Chairman is responsible for leading the board and overseeing the entire functioning of the bank as per corporate governance framework. Mr. 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 each. But in management level no remuneration was given to any for any meeting regarding setting remuneration. During 2020, the expenditures incurred related to directors were Tk. 3,208,000 for Directors' honorarium and Tk. 14,300 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 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 20 AGMs and 10 EGMs have been successfully arranged.

### **Avoiding Conflict of Interest**

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

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

# CAPITAL MANAGEMENT

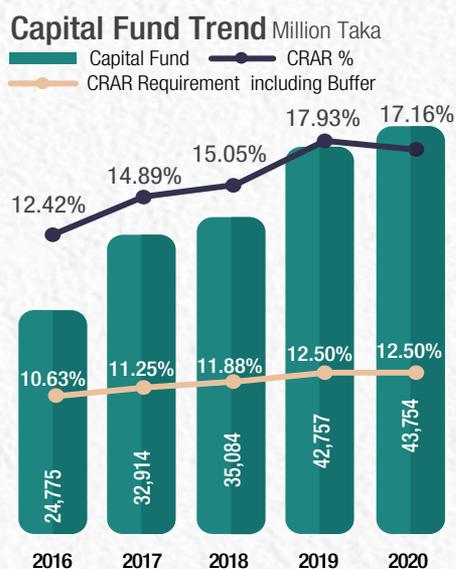
Bank Asia is very much keen about maintaining capital adequacy. The management continuously plans capital requirements considering risks and shocks of financial market movement and assess the sensitivity with regard to interest rate risk, FX risk, equity risk and liquidity risk. Currently Bangladesh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

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

Million Taka

Capital Fund of Bank Asia	2020		2019	
	Amount	%	Amount	%
Tier-1: Core Capital	23,558.00	54%	22,636.00	53
Tier-2: Supplementary Capital	20,195.00	46%	20,121.00	47
Capital Fund	43,753.00	100	42,757.00	100
Risk Weighted Asset	254,905.00		238,427.00	-
Capital to Risk Weighted Asset Ratio (CRAR)		17.16	-	17.93

- Regulatory MCR is 10% on risk weighted assets (RWA), which will gradually increase up to 12.50% in the year 2020 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will by 3%, liquidity coverage ratio will be  $\geq 100\%$  and net stable funding ratio will be  $> 100\%$ .
- Bank Asia is always committed to ensure sustainability in doing business including capital adequacy to support healthy growth of business. As on December 31, 2020 CRAR (Capital to Risk weighted Asset Ratio) reached at 17.16% against regulatory requirement of 12.50%. Moreover Bank Asia has decided to issue further Tk. 5000 million worth perpetual bond in 2021. In this regard Bank has appointed City Bank Capital Resources Ltd. & IDLC Finance Ltd and UCB Investment Ltd. As Trustee.
- Upon the closing of the transaction of Tk.5,000 million 7 year floating rate non-convertible subordinated bond as Tier 2 capital of the Bank, CRAR (Capital to Risk Weighted Assets Ratio) reached at 17.16% on December 31, 2020 against regulatory requirement of 12.50%.



# FINANCIAL PERFORMANCE

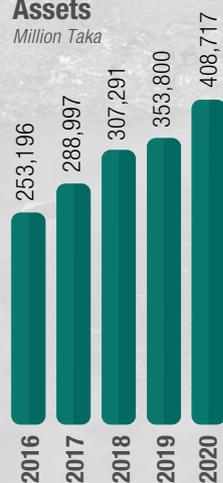
## Major Financial Highlights

Million Taka

	2020	2019	2018	2017	2016
Paid up Capital	11,659.07	11,659.07	11,103.87	9,870.11	8,812.60
Deposits	303,028.11	253,709.57	222,471.72	207,041.47	191,272.58
Loans and Advances	244,642.03	227,298.96	214,618.15	197,504.14	163,609.78
Import	141,289	158,115	165,203.00	181,468.00	148,724.27
Export	108,549	132,465	136,733.00	118,172.00	103,139.15
Inward Remittance	98,911	79,750	60,113.00	51,778.00	41,665.14
Total Income	28,105.56	30,536.30	27,130.56	22,808.95	21,240.83
Total Expenditure	22,034.72	21,213.84	19,070.18	16,121.39	15,320.20
Operating Profit	6,070.84	9,322.46	8,060.4	6,687.56	5,920.63
Net Profit After Tax	3,957.71	3,920.81	4,616.3	4,057.53	3,286.91

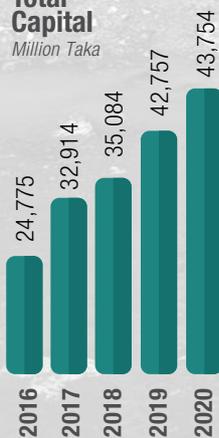
### Total Assets

Million Taka



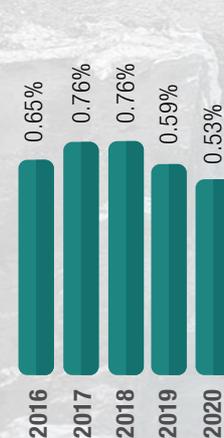
### Total Capital

Million Taka



### Return on Assets (ROA)

Taka



### NAV per Share

Taka



## Key Management Ratios

Million Taka unless otherwise specified

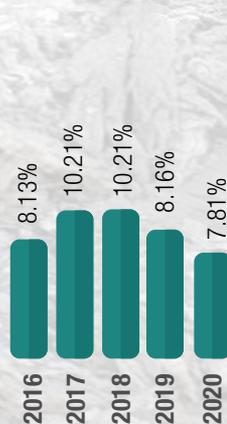
	2020	2019	2018	2017	2016
Credit Deposit Ratio	69.42%	76.47%	81.75%	81.88%	76.15%
Cost of Deposit	4.95%	5.67%	5.65%	5.08%	5.66%
Administrative Cost	2.27%	2.59%	2.60%	2.50%	2.51%
Yield on Loans and Advances	7.68%	10.19%	9.99%	9.03%	9.86%
Spread	2.73%	4.52%	4.34%	3.95%	4.20%
Burden Ratio	0.62%	0.67%	0.70%	0.43%	0.40%
Salary Exp. to total Overhead Exp.	50.03%	48.63%	47.77%	47.99%	49.84%
Cost to Income/Efficiency ratio	54%	42%	42.93%	44.12%	44.35%
Earnings Per Share (Taka)	1.75	1.68	1.94	1.84	1.57
Dividend Coverage ratio	1.75	1.68	2.04	1.66	1.46

### Profit per Employee

Million Taka



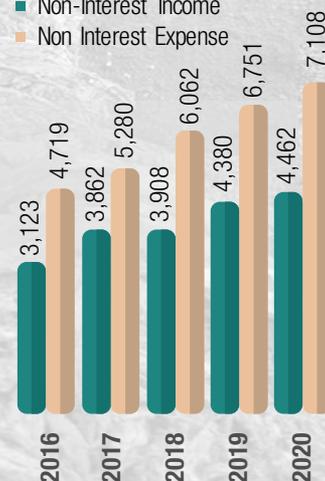
### Return on Equity (ROE)



### Non Interest Income & Non Interest Expense

Million Taka

- Non-Interest Income
- Non Interest Expense



# Primary Brands Products & Services

Since its inception, Bank Asia Limited has been able to maintain a very sound corporate brand image amongst its peer group of new generation private commercial banks in Bangladesh. Over the years, the corporate brand identity was strengthened mainly due to the superior excellency in customer relationship management and also innovating various technology driven unique banking services that catered the need of people from all socio-economic background.

The brand identity of Bank Asia Ltd emerged from an outstanding corporate banking establishment and escalated towards a broad extended sphere of audiences ranging from semi-urban to deep rural, to the remotest possible landscapes where people need banking, to achieve the noble goal of financial inclusion. Bank Asia Limited has pioneered the idea of financial inclusion by providing banking to the un-banked with an intention of eradicating poverty by ensuring access to finance for all, which matches our brand slogan, “For A Better Tomorrow”.

With this frame of mind, Bank Asia has championed brands like Agent Banking, Post-Office Banking, Micro Merchant etc. These strategic business units (SBU) are providing banking products and services almost identical with its corporate brand, however to an extended group of consumers who were completely untapped by the goodness of modern banking. To achieve both financial inclusion and customer satisfaction, the products & services portfolio of the bank consists of all of the banking needs of an individual, despite of their geographic, demographic or socio-economic class.

## Duronto

Agent Banking & Islamic Banking Division of our bank have already implemented ‘School Banking Account’ & it is being operated successfully. In 2020, we launched a new product named “Duronto” for the children aged from 0 (zero) to 18 years.

The account will encourage a child the habit of saving & it will open boundless opportunity for the bank for financial inclusion, including the child’s parents & relatives through proper marketing. As a minor account, the operating guardian would operate the account on behalf of the child up to the age of 18.

“After becoming 18 years old, this account will be automatically converted to general savings account bearing the same account number and will be operated by the account holder. This will not only ensure customer booking at early age but will also ensure customer retention and carry years of personal financial records. ”.

## Post Office Banking – a new inclusion in financial ecosystem

Bangladesh Post Office has been serving the nation throughout the country for more than 150 years since its inception. Digital Post office or Digital Dakghor is one of the major initiative taken by Government of Bangladesh for a journey towards Digital Bangladesh. At present, there are 8,500 Digital Post offices across the country to deliver different services.

To commence a technological revolution of the Banking sector in Bangladesh, Bank Asia and Bangladesh Post office signed a MOU to expand the financial services at the doorstep of the unbanked people of Bangladesh.

Bank Asia & Bangladesh Post office are working together to include all in the financial network and also to develop a new dimensional digital financial ecosystem. Bank Asia has already formed a new department named “Post Office banking Department” to utter its commitment to serve people with innovative and modern banking products and services at an affordable charge.

Post Office Banking is an extension of Agent Banking of Bank Asia. Bank Asia has started to establish Agent Banks in the Digital Post Offices by appointing the Digital Post Office Entrepreneurs as the Bank Agents. Bank Asia is also offering their Agent Banking services through these Digital Post Offices.

### Vision & Mission

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

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

Bank Asia

 ডিজিটাল ডাকঘর

## Digital Postoffice

The New Era of Banking Service



Bottala Bazar, Salikha, Magura

Bank Asia has introduced 'Digital Dakghar' based Banking services for the marginal people of the country to ensure the rights of banking services. Now, peoples across the country can easily access necessary banking services from Digital Dakghar of Bangladesh Post Office

### Services offering through Post Office Banking

<ul style="list-style-type: none"> <li>Foreign Remittance</li> <li>Utility Bill Payment</li> <li>Passport Fee Collection</li> <li>SME Loan Processing</li> <li>Retail Loan Processing</li> <li>Agri Loan processing</li> <li>Debit/NFC Card Services</li> </ul>	<ul style="list-style-type: none"> <li>Savings/Current/SND Account</li> <li>School Banking</li> <li>DPS</li> <li>Deposit &amp; Withdraw</li> <li>Fund Transfer</li> <li>Fund Transfer through EFTN &amp; RTGS</li> </ul>
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Agent Account | **3,873**

Agent Outlet | **781**

POS Setup | **3,000**

Micro Merchant | **1,450**

Deposit | Tk. **687** million

Customer Account | **73,660**

## AGENT BANKING

Bank Asia pioneering in Agent Banking service in Bangladesh has gained significant progress within seven years of inception in terms of number of agents, accounts and deposits. Around 3.5 million unbanked people have already been included in Agent Banking platform. The Bank has implemented 4,628 Agent outlets in 64 districts in most geographically dispersed poor segment of the society. But the year 2020 offered both the challenges and opportunity for agent banking industry. Agents faced declining of business, liquidity crisis, less customer footfall but by early June; 100% of bank agents went back to regular operations while about 50% agents were operational in April 2020. By this time the bank have adopted few strategies to increase awareness and capacity of agents to mitigate risks and enhance their coping mechanism such as established online communication tool for business meeting, implemented eKYC for account opening & alternative verification tool for different payments in parallel to bio-metric, virtual training & outlet inauguration virtually, arrange meeting & interview session with partners and so on. In 2020, Agent Banking deposit was Tk. 28,199 million through 3,606,421 accounts with a growth of 88%.

With a vision to expand network and ensure service reach to grass root level bank has built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government. From now on people will get Bank Asia service from Digital Post e-Centre across the country. Bank Asia has been awarded “BFP-B Excellence Award” for going above and beyond to deliver impact and supporting the financial inclusion mandate by Business Finance for the Poor in Bangladesh (BFP-B).

### AGENT BANKING ACHIEVEMENTS IN 2020

Bank Asia developed the model of Micro-merchant as a part of expanding digital financial inclusion. Revolutionizing the landscape of Digital Payment, Micro Merchant (MM) is a digital platform where customers can do banking transactions (cash withdrawal, utility bill collection, mobile recharge, remittance payment, a/c opening etc.), purchase and sales goods using digital payment from their shop.



On-Boarding (till Dec. 2020)

+11,000

Plan (by June 2021)

87,000

### Service from Digital Post e-Centre across the country

With a vision to expand network and ensure service reach to grass root level, bank has built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government. From now on, people will get Bank Asia's service from Digital Post e-Centre across the country.

### Robotic Process Automation (RPA) solution

Bank Asia signed an agreement for Robotic Process Automation (RPA) solutions to promote financial inclusion throughout the country. The Robotic Process Automation (RPA) will save both time & cost by minimizing operational risks, transforming internal processes and bring an efficient customer experience, especially for remittance from abroad by enabling real-time payments.

### Utility bill collection through Bank Asia

An agreement signed between Bank Asia Ltd. & Northern Electricity Supply Company (NESCO) Ltd. for utility bill collection through Bank Asia Agent outlets, Micro-Merchant Points and Smart App.

### Credit facility to retailers

“OBIRAM” is the solution to support the retailers with credit facility to meet working capital demand and overcome the digital payment barrier. As a part of project with UN Capital Development Fund (UNCDF), Bank Asia entered into a strategic partnership with Unilever Bangladesh Limited (UBL) to provide working capital support to UBL retailers that enables them to purchase goods from supplier through digital payment.

### Lifecycle products

Apart from financial inclusion the broader objective is to offer lifecycle products to cover most of the segments of rural economy. Customers are now able to get Mobile Top-Up (all operators) and Polli Biddut bill payment from any Bank Asia Agent Outlets located at local market, Union Digital Center or Post e-Center. Air and Bus Ticketing will be added to this list shortly.

### Agent Centric Asset Business Model

Considering business growth potential and other relevant aspects, the bank introduced Agent centric asset business model. The Model has been developed with a view to expedite the asset business growth particularly in Agriculture, Cottage Micro Small & Medium Enterprise (CMSME) and Retail segments through conventional and Islamic Banking.



District **64**  
Upazila **526**



Number of outlets  
**4,628**  
Growth **31%**



**3.61 Million**  
Growth **88%**

### Money Gram payment services

Bank Asia Ltd. incorporated Money Gram payment services, a remittance services in Bangladesh from more than 200 countries of the world as remittance partner by which from now on, the services will be available for customers at 129 branches and more than 4,000 Agent Points of Bank Asia throughout the country.

### Introduction of e-KYC

Bank Asia Ltd and ERA-InfoTech Ltd signed an agreement for implementation of customer on-boarding (e-KYC) solution. Through the e-KYC solution, anyone will be able to open bank Account from anywhere at any time.

### Provide traditional insurance products

Bank Asia and MetLife have signed an agreement to provide traditional insurance products of MetLife to the underserved and untapped uninsured segment of rural and semi-urban areas under Bank Asia's agent banking network.



Mr. Mustafa Jabbar, Hon'ble Minister for Posts, Telecommunications and Information Technology is announcing the inauguration of Agent Banking services of Bank Asia in Digital Post e-Centre.

### Introduction of new app "Mukti"

Bank Asia has introduced a new app "Mukti" thinking about hygiene issues to distribute the money funded by UNDP among the disadvantaged of COVID-19. With this app, an end user can easily receive money without any kind of physical contact.



Disbursed Allowance  
**2,568** victims  
Disbursed amount  
Taka **9** Million (approx)

### Safe Retail Banking Distribution Outlets

Bank Asia and ACIDI/VOCA implemented a project to mitigate impact of COVID -19 on trading of essential agricultural inputs via Micro-Merchants and Agri-Input Retailer outlets with community farmers, by providing farmers direct/indirect credit support to tackle food security via trading with "Safe Retail Banking Distribution Outlets" in the USAID Feed the Future (FtF) zone specially (Jashore, Khulna, Shatkhira, Jenaidah & Barishal) region.

### World Fish project

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

Foster entrepreneurship among women & rural youth

Bank Asia Ltd. and Bangladesh Institute for ICT Development (BIID) have signed an agreement with an aim to foster entrepreneurship among women & rural youth through Business Incubation facility under B-Lab initiative.

### BFP-B Excellence Award

Bank Asia has been awarded "BFP-B Excellence Award" for going above and beyond to deliver impact and supporting the financial inclusion mandate by Business Finance for the Poor in Bangladesh (BFP-B), a project managed by NATHAN Associates, London and funded by DFID, UKAID.



Tk. **28,199** Million  
Growth **97%**



Tk. **221** Million  
Growth **263%**



Tk. **27,626** Million  
Growth **53%**

# Social Safety Net Program

Financial Inclusion and Financial Literacy Department is providing banking services to 465 upazillas and 56 districts all over Bangladesh through ABAK, Agent banking (UDC), and different Social Safety Net program. Through this channel, Bank Asia providing banking services to 4.15 million of customers (ABAK customers 1.30 million and UDC based Agent Banking 2.85 million) those who are unbanked or under banked. We are closely working with Bangladesh Government (Especially a2i, different ministries and PM office). Currently we have been serving different ministries program such as Social Welfare Ministry (Old Age, Disabled and Widow Allowances), Orphan Rohingya Children payment with UNICEF and social welfare department, VGD & Maternity along with Lactating Mother Allowance with Ministry of Woman and Children Affairs, National Payment Service with Ministry of Youth & Sports, EGPP with Disaster Ministry to enhance our Agent Banking business. Under this program more than 1.95 million customers are getting services and we disbursed Tk. 350-400 crore per quarter.

During starting of this project our field officers were carrying cash and disbursed among the beneficiaries. By this time we have developed our UDC agent and digital payment channel platform 'Micro Merchant' those who are providing all kinds of Banking service including SSN allowances disbursement at door steps level. At present, we have 20,000 Micro Merchants.

We have a target to reach every village (87,500 villages) through this channel by establishing Micro Merchant within 2021 to gripe more customers and new business.

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

Particulars	ABAK (3 <sup>rd</sup> Revision)	Social Safety net	SWAPNO	UDC Based Agent Banking	SHOUHARDO III	Local Govt. salary/ Allowance Disburse	EGPP	UNICEF, ORPHAN ROHINGYA CHILD	UNDP	VGD	Micro-Merchant
District	31	17	2	57	08	1	16	1	5	56	64
Upazilas	222	64	14	393	23	1	16	2	26	325	362
UDC	2,200 (Union)	646	76	3,193	115	12	57	-	-	2362	2,800
Beneficiaries	11,70,758	18,38,607	3,089	25,82,834	53,998	271	15,476	30,072	9,220	4,63,879	11,890
Deposit / Disburse amount in million	5,037.69	6,607.28	219	10,091	240	12	612.00	60	61.81	813.43	526.68



Hono'ble Prime Minister Sheikh Hasina in a backyard meeting with Village Development Association at Gazipur



*With the help of ABAK project women are doing business independently*



*Successful poultry farmer under ABAK project*



*During pandemic situation service from Micro Merchant channel at Chakrarchar under Kalkaporshad union ,Bhairab, Keshoreganj*



*Successful operation of Social Safety Net payment*

## SCHOOL BANKING



With a view to partnering financial inclusion by ensuring participation of school students in the economic activities through creating savings attitude among students, Bank Asia is offering three School Banking deposit products for different segment of customer. The main objective of these products is to encourage children and student to the savings habit and familiarizing them with banking transaction. Among these Smart Junior Saver (SJS) is introduced in 2011 under Islamic Banking operations of the Bank as per instruction of Bangladesh Bank. Then a School Banking account started within Agent Banking framework in 2015. In 2021, another School Banking account named **Duronto** launched from conventional part of core banking the Bank. More information is available about **Duronto** in the Primary brands, Products & Services page at pg. no 36.

Year	Conventional Agent Banking		Islamic Agent Banking	
	No. of A/C	Amount of Deposit	No. of A/C	Amount of Deposit
2019	14,393	52,875,205	4,360	16,625,964
2020	100,435	72,380,514	30,859	39,917,754

### Industry Position

Number School Banking Accounts

March 2020: 23,29,131

March 2021: 27,68,493



15,41,873

1,085

### Genderwise School Banking positioning



12,26,620

883

No. of Account

Deposit (in crore)

### Divisionwise no. of school under school banking operation



- Dhaka |1,088
- Chattogram |1,244
- Mymensingh |198
- Khulna |410
- Rangpur |112
- Rajshahi |352
- Barishal |421
- Sylhet |99

## Disclosure on Product portfolio

### Incorporation of Environment Risk in Core Risk Management

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

### Introducing Green Finance

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

As Bank Asia has a participation agreement with Bangladesh Bank under the refinancing scheme for lending in solar energy, bio-gas, effluent treatment plant (ETP) and hybrid hoffman kiln (HHK); we periodically determine business ventures under these sectors where we can provide lending facilities. Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for its borrowers as well as stakeholders. In the year 2020, total disbursement in projects having ETP of Tk.695.86 million.

For secured biodiversity our Bank is very concern and in 2020, total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 1,017 million, financed a total of Tk.2,944 million for setting up of Spectra Solar Park, which will highly reduce operating cost of the business through using huge solar power without any adverse effect on the environment. We have saved Tk. 9.81 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E-Fund Transfer, Digital Attendance, E-Mail correspondence etc.

To ensure the ample solar power and uninterrupted power supply, various companies in Bangladesh have installed solar panels. Solar power is the main source of renewable energy which has no adverse effect of environment. We focus this area while financing to renewable energy. In 2020, we have financed an amount of Tk.2,944 million for the setting up of Spectra Solar Park. This will highly reduce operating cost of the business through using huge solar power without any adverse effect on the environment.



*Spectra Solar Park financed by Bank Asia Limited*

### Assessing and Screening Environmental and Social Risks

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

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

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

EDD checklist Guideline Matrix:

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

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

Sl. NO	Transaction Type	Exclusion List	ESDD checklist	3rd party ESIA
1	Agriculture activities involving farming, crop production	√	√	
2	Other agricultural activities	√		
3	Retail, Trade (of regular goods), Microfinance	√		
4	Trade of hazardous substance	√	√	
5	Small sector falling in one of the categories listed above from sl, no a to h and / or exposure greater than Tk. 10.00 lac	√	√	

6	Small sector NOT falling in one of the categories above from sl, no a to h and exposure below Tk. 10.00 lac	√		
7	Medium sector	√	√	
8	Corporate Finance	√	√	
9	Project Finance	√	√	√

### Improving Staff Competency for Environmental and Social Responsibility

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

We frequently arrange training/workshops on ERM and green banking for our officers and executives. In 2020, Training Institute of Bank Asia has provided 6 trainings on Green Banking under Foundation training course & other training related to Green banking to 256 employees.



Certificate Awarding ceremony of 53<sup>rd</sup> Foundation training

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

In addition to this, during 2020 through OCAS (Online Credit Approval System) Diganta software 5,253 no. of accounts of Tk. 8,932 million 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. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier. With successful implementation of OCAS, Bank Asia will make a great stride in online banking with an edge on its competitors.

### Transport

As part of environmental responsibility 10 vehicles used for pick & drop facility and majority of the pool vehicles have been converted into CNG driven. Moreover, executives of the Bank are provided with car facility and

# Business Portfolio

(As on December 31, 2020)

## Corporate & Large Loan

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



## Export Finance

Specialized division established for more focus on export finance.



## Off-Shore Banking Unit (OBU)

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



## Agriculture

Through agriculture loan, Bank Asia finances marginalized farmers and contributes to rural development where Tk. 5,427 million was disbursed among 57,870 beneficiaries in 2020 under agriculture and rural win.



## Islamic

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



## CMSME

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



## Retail

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



## Others



they are encouraged to convert their cars into CNG driven (dual fuel). More than 80% of those cars have already been converted into CNG driven.

### Monitoring Clients' Environmental and Social Compliances

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

For better energy efficiency and lower emissions, the Bank actively involved in green financing activities worth Tk. 129 million and disbursed Tk. 403 million on the green finance of Well group. Moreover, the Bank also finance Tk. 2,944 million for setting up of Spectra Solar Park which reduce operating cost through using Solar Power without any adverse effect on the environment.

### Region Wise portfolio

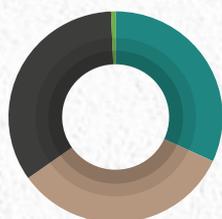
Million Taka

Division	Urban	Rural	Total	%
Dhaka	192,588	5,058	197,646	80.79
Chittagong	26,372	3,436	29,808	12.18
Khulna	5,384	136	5,520	2.26
Rajshahi	4,947	1,050	5,997	2.45
Barisal	906	-	906	0.37
Sylhet	2,449	167	2,616	1.07
Rangpur	1,579	-	1,579	0.65
Mymensingh	570	-	570	0.23
<b>Total</b>	<b>234,795</b>	<b>9,847</b>	<b>244,642</b>	<b>100%</b>

### Economic Environmental and Social Value Generated through Various Products

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

CMSMEs have historically made significant contribution in economic



#### CMSME Portfolio in 2020 (Million Taka)

- Manufacturing **10,955**
- Service **11,450**
- Trading **11,732**
- WE **233**

advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken CMSME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2020, the CMSME portfolio stood at Tk. 38,869 million.

### Financing Effluent Treatment Plant (ETP)

As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and effluent treatment plant(ETP) & hybrid Hoffman kiln (HHK).

The total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 1017 million & total disbursement in projects having ETP of Tk.695.86 million in 2020.

### Financing Environment Friendly project

The Bank have financed for different Green Establishment/Green Building project, which helps to reduce environmental effect. Triple Apparels Limited, one of the major export client of Bank Asia having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction) where the outstanding balance was Tk. 1,128 million in 2020.

In addition, the Bank financed Triple Apparels Ltd, having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction) where the outstanding balance was Tk. 1,128 million in 2020.

### Online Payment Gateway Services

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2020, we have done 4,86,945 transactions of Tk.141 million through Payoneer.

Moreover the Bank launched freelancer card-"SHADHIN" for the very first time in Bangladesh where Bank Asia SHADHIN Mastercard collaborates with Payoneer to bring freelancer's money faster. Total number of Shadhin Card was 5,919 where the outstanding balance was Tk. 44,23,612 million in 2020.



Agreement between Bank Asia Ltd. and SME Foundation in order to develop cluster based entrepreneurs

## SECTORAL DISTRIBUTION OF CREDIT

The Bank's loans and advances to Tk. 244,642 million achieving a growth of 7.63%.

Sectorwise distribution of loans and advances is as follows:

Million Taka

SL. No	Sectors/Sub-Sectors	2020		2019	
		Million Taka	% of Loan	Million Taka	% of Loan
1	<b>Agriculture</b>	9,523.20	3.89%	4,776.10	2.10%
2	<b>Industries</b>				
	Food Manufacturing	11,149.60	4.56%	13,514.00	5.95%
	Beverage industry	467.40	0.19%	338.60	0.15%
	Tobacco industry	-	0.00%	69.60	0.03%
	RMG industry	27,559.50	11.27%	22,705.10	9.99%
	Textile industry	21,329.80	8.72%	21,335.00	9.39%
	Wood cork and allied products	40.20	0.02%	48.90	0.02%
	Furniture and Fixture	199.80	0.08%	159.10	0.07%
	Paper and paper products	6,734.30	2.75%	6,561.40	2.89%
	Leather and leather products	2,195.00	0.90%	2,298.90	1.01%
	Rubber products	2,206.50	0.90%	2,775.40	1.22%
	Chemical and chemical products	585.30	0.24%	2,178.90	0.96%
	Basic metal products	8,953.30	3.66%	8,800.20	3.87%
	Electrical machinery and apparatus	6,269.90	2.56%	3,327.00	1.46%
	Other manufacturing industries	21,787.11	8.91%	18,284.36	8.04%
	Ship building	4,614.90	1.89%	4,608.30	2.03%
	Ship breaking	1,386.60	0.57%	1,419.70	0.62%
	Pharmaceutical	2,290.20	0.94%	500.30	0.22%
	<b>Subtotal Industries</b>	<b>117,769.41</b>	<b>48.14%</b>	<b>108,924.76</b>	<b>47.92%</b>
3	<b>Constructions</b>	5,359.20	2.19%	5,704.10	2.51%
4	<b>Power, Gas, Water and Sanitary Services</b>	6,558.80	2.68%	7,657.10	3.37%
5	<b>Transport, Storage and Communication</b>	1,423.90	0.58%	1,577.50	0.69%
6	<b>Trade Services</b>	48,065.20	19.65%	47,112.90	20.73%
7	<b>Housing Services</b>	16,706.00	6.83%	15,140.40	6.66%
8	<b>Banking and Insurance</b>	4,427.40	1.81%	3,429.00	1.51%
9	<b>Professional and Misc. services</b>	34,808.92	14.23%	32,977.09	14.51%
	<b>Total</b>	<b>244,642.03</b>	<b>100.00%</b>	<b>227,298.96</b>	<b>100.00%</b>

# PRODUCTS AND SERVICES



## Deposits

### Low Cost/No Cost Deposit Accounts

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

### Term Deposit (s)

Fixed Deposit Regular
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### Scheme Deposit (s)

Monthly Benefit Plus	Bhromon( Travellers)	Bank Asia Sanchay Plus
Anchol( Women)	Double Benefit Plus	Deposit Pension Scheme Plus
Nirvabona( Senior Citizens)	Triple Benefit Plus	Shonchoy E KotiPoti

### Consumer Finance

<b>Auto Loan</b> <ul style="list-style-type: none"> <li>Shapner Bahan</li> </ul>	<b>Consumer Durable Loan</b>	<b>Loan for Professionals</b> <ul style="list-style-type: none"> <li>Shabolombi</li> </ul>
<b>House Finance</b> <ul style="list-style-type: none"> <li>Shapner Abash</li> <li>GrihaShaj</li> <li>Shapner Kuthir</li> <li>Shapner Nirman</li> <li>Nijer Bari</li> </ul>	<b>Unsecured Personal Loan</b> <ul style="list-style-type: none"> <li>Proyojon</li> <li>RMG-Proyojon</li> <li>Chuti</li> <li>Sheba</li> </ul>	<b>Loan for Senior Citizens</b> <ul style="list-style-type: none"> <li>Purnata</li> </ul>
Green Energy Loan	Bicycle loan	Water Supply and Sanitary loan (WSS)
Talent Learning and Earning	Motorcycle loan	



## Credit Card

VISA Credit Platinum Card (with Priority Pass)	VISA Credit Classic Card	Visa Signature Credit Card
VISA Classic Local Card	VISA Credit Butterfly Card	Hajj Card
VISA Classic Dual Card	VISA Gold Local Card	Virtual Card
VISA Ladies Card	VISA Gold Dual Card	Master Silver Card
VISA Credit Gold Card	VISA Prepaid Hajj Card	Master Gold Card
Master Credit Titanium Card (with Lounge Key)	LankaBangla Card Cheque	Shadhinforex card
SME Credit Card	Gift Card	Prepaid Travel Card

### Islamic Credit Card

Salamah Platinum Card	Salamah Gold Card	Salamah Silver Card
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### Islamic Banking Products



## Deposits

Al Wadiah Current Account (AWCA)	Smart Junior Saver (School Banking) Account	Mudarba Term Deposit Account (MTDA) for different tenure
Mudarba Savings Account (MSA)	Mudarba Savings Account (MSA) - Smart	Corporate Term Deposit Account (CTDA) for different tenure
Mudarba Corporate Privilege Savings Account (MCPSA)	Mudarba Special Notice Deposit Account (MSNDA)	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	Guard against Accepted Bills	Guard against MTDR
Guard against Schemes		

## PRODUCTS AND SERVICES

### Islamic SME Financing Products

SALAMAH Srishti	SALAMAH Somhridhhi	SALAMAH Bahon
SALAMAH Subidha	SALAMAH Sondhi	SALAMAH Suborno
SALAMAH Sofol	SALAMAH Seba	

### Micro, Small, Medium & Agriculture Banking Products



#### Deposits

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



#### Micro & Small Enterprise Finance

##### Asset Product

<b>Shomadhan</b> - Over draft for Trading, Manufacturing, Service & Women Entrepreneur	<b>Utshob</b> -Collateral free Seasonal loan	<b>Shubidha</b> -Collateral free Term loan for Trading
<b>Shubidha</b> -Collateral free Term loan for Trading	<b>Sristi</b> -Collateral free Term loan for Manufacturing	<b>Shofol</b> - Collateral free Term loan for Service
<b>Shondhi</b> -Term loan for Trading	<b>Shombridhi</b> -Term loan for Manufacturing	<b>Sheba</b> -Term loan for Service
<b>Subarno</b> -Term loan for Women Entrepreneur	<b>Probaho</b> -Term loan for Electric Cluster	<b>Shombhabona</b> -Term loan for New Entrepreneur
<b>Bondhon</b> - For Handloom & Specialized cloth Cluster at Bogura	<b>Bahon</b> -Commercial Vehicle Finance	<b>Nilima</b> -Collateral free Term Loan for Women Entrepreneur (except Dhaka & Chittagong)
<b>Shopner Khamar</b> - For dairy sector value chain entrepreneurs (through selected Agent outlets)	<b>Uttaran</b> - For existing excellent CMSE loan borrowers.	<b>Shofol GP</b> -For Retailers of Grameen Phone
<b>Obiram</b> -For Micro merchants		

##### Liability Product

Astha-SME Current Account



#### Medium Enterprise Finance

##### Funded Products

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

##### Non Funded Products

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

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

New product-“CGS (SP) Surakkha”- no/insufficient collateral under Credit Guarantee Scheme (CGS) to facilitate stimulus package for CMSE segment

## PRODUCTS AND SERVICES



### CORPORATE BANKING Cash Management Products

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

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

#### Funded Products

Secured Over Draft (SOD)	Loan against Imported Merchandize	Loan General
Cash Credit Hypo	Loan against Cash Incentive	Transport Loan
Over Draft	Payment against Document (PAD) Cash	Loan against Packing Credit
SOD (Earnest Money)	Loan against Documentary Foreign Bill	Loan against Trust Receipt
Exporter's Cash Credit	FCY	House Building Loan - General
Documentary Bills Purchased – FCY	Forced Demand Loan against L/C	Lease Finance
Documentary Bills Purchased – LCY	Term Loan Industrial	PAD (Export Development Fund)
Demand Loan (Work order)	Term Loan Others	Export Development Fund (EDF) Loan (FCY)
Time Loan	Demand Loan (Work order)	

#### Non-Funded Products

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

LCY syndication arrangement	Advisory services	Customized financial solutions
FCY term Loan and syndication	Trustee and agency services	Special arrangements (IPFF/ Special fund of BB/ Agribusiness Loan etc)
Multilateral financing	Arranging Debt (Bonds/Commercial Paper)	



### OFF-SHORE BANKING UNIT (OBU) PRODUCTS

#### On-Shore Import & Export Bill Discounting

UPAS Loan	Bill Purchase
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#### Working Capital Finance

LTR	Packing Credit	Term Loan	Lease Finance
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#### Trade Finance

Import / Export
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#### Loans & Advances to wholly foreign owned entities

LTR	Demand Loan	Term loan
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Term loan to local entities

ECA loan to local entities

Nostro account services to other local banks

## PRODUCTS AND SERVICES



### AGENT BANKING Products

Current Deposit Account	Term Deposit Scheme (TDS)	SME Loan
Savings Bank Account	Remote Banking (ABAK)	Retail Loan
Short Notice Deposit Account	10 Tk. Account	Islamic Loan
School Banking Solution <ul style="list-style-type: none"> <li>• Smart Junior Saver</li> <li>• School Banking Account</li> <li>• School Fee Collection</li> <li>• Payroll Banking for Teachers</li> </ul>	Current Account (Astha)	Debit Card
Deposit Pension Scheme (DPS)	Agri Loan	Near Field Communicator Card

### Services

Account Opening	Passport Fee Collection	E-Commerce Service
Deposit and Withdrawal from Account	SME Loan Processing	E-Ticketing Service
Fund Transfer within bank and to any bank in Bangladesh	Agriculture Loan Processing	Digital Health Care Service
Inward Foreign Remittance Payment	Retail Loan Processing	Insurance Product Service in life and health category
Utility Bill Payment	Repayment of Loan Installment	Micro-Merchant Digital Payment Apps
Balance Inquiry	Disbursement and Payment of Social Safety Net	Cheque Book
Account Statement (Mini)	Salary Disbursement Solution	Micro-Merchant Digital Payment Apps
Insurance Premium Collection	A-Card for Farmers	Bank POS



### TREASURY PRODUCTS

#### Money Market, Fixed Income & Capital Market

Call Money	Repo/ALS(Assured Liquidity Support)	Interest Rate Cap and Collar
Notice money	Reverse Repo	
LCY/FCY Term	Spot Foreign Exchange	
LCY/FCY Swap	Forward Foreign Exchange	
Fixed Income & Capital Market investment	Cross Currency Swaps	
Investment (GSEC) service for customers	Interest Rate Swaps	

#### Foreign Exchange

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



### CAPITAL MARKET SERVICES

#### Money Market, Fixed Income & Capital Market

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

## Small Fish, Endless Smile

With an aim of financial inclusion of smallholder fish farmers and establishing a sustainable value chain in fish farming, Bank Asia has been implementing projects with WorldFish Bangladesh in the southern and northern districts of Bangladesh. In the southern districts of Satkhira, Jeshore and Barisal the Bank is implementing a project titled “Introduce a Formal Financial Package for Smallholders Involved in Fish Farming and Aquaculture Market Actors” where already around 450 farmers received collateral-free loan at a lower interest rate with flexible repayment terms and condition. These farmers were selected by 100 input retailers running business in the localities who know the genuine fish farmers.

Besides, smallholder farmers in the northern regions of Rajshahi and Rangpur are receiving Bank Asia’s loan support under another project titled “Enabling Value Chain and Micro-lending for Smallholder Men and Women Fish Farmers and Aquaculture Market Actors”.

The Bank has a target to reach 10,000 fish farmers and 120 retailers under this project and provide aquaculture loan to 750 smallholder fish farmers and SME loan 100 retailers during the project period till end of 2022.

Bank Asia, for the first time in Bangladesh, introduced NFC-readable Fish-Card to prevent misuse of loan amount and promote digital transaction. Under the project the fish farmers purchased inputs from retailer points by using the fish card. Aquaculture input retailers also turned eligible for SME loan on the basis of digital transaction.

To ensure financial literacy for farmers and retailers Bank Asia designed and distributed communication materials including loan handbook, brochure, POSM, video documentary, local TV channel scroll message, and has been organized literacy trainings. The Bank provided smart phones and bio-matric devices to retailers that enhances capability of the retailer to facilitate digital transaction towards the farmers.

To reduce gender gap, a number of female fish farmers and a female input retailer were on boarded under the WorldFish-supported and USAID-funded projects. They received loan and returned it accordingly.

These projects portrayed a clear picture that ensures the selection of fish farmers, providing them appropriate information and funds in right time and monitoring intensively help marginalized fish farmer yield a bounty of production, maximize their revenue and finally return loan amount without any delay.

### As on December 31, 2020

Disbursed amount  
**16.33** Million (approx)

Number of  
Micro Merchant **218**

Number of beneficiaries  
**504** fish farmers

Cluster meeting **100+**  
No. of Accounts **2,800+**



NCF-Readable Fish Card Bank Asia introduced **first time in Bangladesh** under WF project



Checking health of fish at a fish farm at Shyamnagar, Satkhira



Mujibor Rahman's Fish farm in Jeshore

## AGRICULTURAL/RURAL CREDIT



**Total Disbursed Amount**  
Tk. 5,427 Million



**Beneficiaries**  
57,870 farmers



**Budget Achievement**  
104% against total target of Tk. 3,750 Million

Bank Asia Ltd. is trying to bring the low income groups in financial inclusion by providing adequate Agricultural/ Rural credit since long and successfully contributing in this most driving sector of Bangladesh every year. In the FY 2019-2020, Bank Asia also has a good continuation in target achievement of Agri. /Rural credit disbursement. Besides target achievement in Agricultural/Rural credit, Bank Asia emphasis to extend credit facilities with the following contemporary thoughts in 2020



**Improvement in livelihood of low income people**

Total Account Holders  
2,170 no. of Tk. 10 A/C holders

Distributed Amount  
Tk. 81.47 million

Refinance amount from BB  
Tk. 78.36 million



**Stimulate the cultivation of special crops**

Distributed Amount  
Tk. 11.29 million

Distributed among  
234 farmers

Interest rate 4%



**Increasing direct lending through Agent Banking Channel**

Disbursed among 4,756 farmers

Achieved 125% of target

To cultivate special crops i.e maize, pulse, spice & oilseed



**Carbon offsets projects**

Disbursed Tk. 870.26 million

Disbursed among  
5,150 farmers directly

Among them Tk.279.10 million was approved to 5,150 farmers by Online Credit Approval System (OCAS)

### Achievement in Stimulus Package

103%

100%

Million Taka

Package	Target	Achievement
Stimulus- 1	610	630
Stimulus -2	2,000	2,001

### Create Awareness & skill development

We have arranged total 22 no. of training program in 2020 among 257 no. of executives, officers & AROs to create awareness on agri financing and development of their skills.

### Penetrate to social outreach as financial partner

For sustainable growth and development of Agricultural & Rural sector and facilitate the same through easy and timely flow of credit by institutional sources in sustainable manners, Bank Asia's Agri. / Rural credit is running with different programs through Care Bangladesh & World Fish.



Fishery project financed under stimulus refinancing package of Bangladesh Bank

### Status of Agricultural/rural Credit

Million Taka

Particulars	Direct Network	Indirect Network	Total
Disbursement (01.01.2020-31.12.2020)	241	2,555	2,796
Stimulus disbursement (01.01.2020-31.12.2020)	630	2,001	2,631
Outstanding (As on 31.12.2020)	853	4,558	5,410
No. of Beneficiary (As on 31.12.2020)	5,486	52,384	57,870

### 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.

### 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

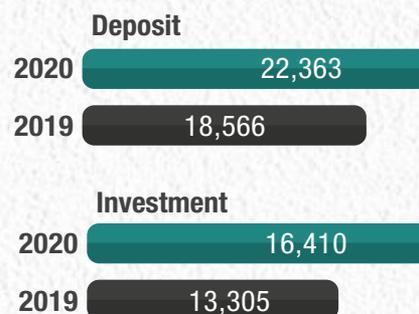
Islamic Banking of Bank Asia Limited has been passing the 12<sup>th</sup> year of its operations starting from the Islamic Window concept. Now, Islamic banking is following virtual Window model. For Islamic deposit and investment business, the Bank is simultaneously using all of its distribution Channels, i.e. Conventional Branches, SME Centers, and Agent Banking outlets through online services beside the dedicated Islamic Banking Windows.

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

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

During the year under reporting Bank Asia Islamic banking participated in the first auction of Sukuk, the Shariah-compliant investment certificate (alternative to bond) named Bangladesh Government Islamic Investment Sukuk, the first of its kind in Bangladesh. It has been introduced for raising fund for the implementation of country's safe water supply project.

### Islamic Banking (Million Taka)



# ESG Approach and our priorities

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



## Environment

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

We endeavour to drive a paradigm change in how ESG (Environmental, Social and Governance) and its parameters are perceived in the banking sector. We are building in ESG parameters into our own business through our products and services by screening opportunities and managing risks is an attempt to drive such change.



## Social

- Education
- Health
- Disaster Management
- Art & Culture



## Governance

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



# Environmental Performance

## SDGs Impacted



Bank Asia's Corporate Office designed to utilize maximum usage of natural lights which reduces energy consumption substantially compared to other conventional building



For a sustainable & green economy, Bank Asia's involvement in environment friendly investment



Bank Asia's investment for liquid waste management project and waste water processing plant



Conducting larger scale of CSR activities contributing towards quality of life of the society at large without compromising an ecological condition



**Achievement of Gold Rank-  
Best Sustainability Report in  
Asia Sustainability Reporting Rating 2020  
by NCSR & ICSP**



### Energy Savings

To achieve long-term sustainable development, Bank Asia plays an active role for making 'low carbon economy'. Since 2011, Bank Asia has worked toward more energy efficient operations throughout its network of banking centers, reducing costs by millions of dollars and drastically reducing its emissions, consumption, and waste in the process.

- More than 40% electricity is saved every year using the day light inside corporate office;
- Energy savings bulbs being used in the office
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation

### Green banking practices (inhouse)

Taka per employee

■ 2019 ■ 2020



### Carbon offset projects

We disbursed Tk. 870.26 million to 5,486 farmers where approving Tk. 279.10 million to 5,150 farmers through online Credit Approval System (OCAS).



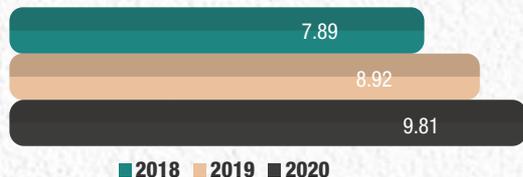
### Reducing Energy & Resource Consumption

- New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as paper saved 250,000 pages of paper and Tk. 40,000 as courier service cost
- Instruments of Green Banking offered by Cards Division includes E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, Digital Attendance and E Mail corresponding which helps to increase in net savings by practicing green banking instruments

### Direct Energy consumption by Bank Asia

Source	Consumption		Megajoules
Electricity	11,262,487	kwh	40,544,953
Diesel	51,860	ltrs	1,866,960
Octane	12,965	ltrs	414,880
CNG	104,899	m3	3,356,768
Total			46,183,561

## Net Savings million Taka



## Green House Gas Emission Table

Source	Consumption	Co2 Emission
Electricity	11,262,487 kwh	9,798.36 tons
Diesel	51,860 ltrs	75.96 tons
Octane	12,965 ltrs	19.90 tons
Air Travel	1,295,392 km	403.55 tons
Road Travel	1,943,087 km	110.76 tons
Paper	138,588 Reams	814.20 tons

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

## Financing Renewable Energy

In 2020, we have financed an amount of Tk. 2,944 million for setting up of Spectra Solar Park, a client of Bank Asia Limited, MCB Banani Branch. This will highly reduce operating cost of the business through using huge solar power without any adverse effect on the environment.

Solar panels already installed in 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME Service Centre, Bank Asia Bhaban & Nimtola Branch.

## WATER USAGES

Bank Asia is very much conscious about efficient use of water. As a financial institution its use of water is already very much restricted. Major consumption of water is for drinking purpose. Our bank is also non-compromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation every 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 is minimum. Total consumption is controlled by monitoring per employee drinking water cost per month.

## WASTE MANAGEMENT

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

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

## Financing Liquid Waste Management

Bank Asia encourages green establishments, energy & resource efficiency, solid & liquid waste management etc. in industries nationwide for promoting environmental friendly practices, using maximum of natural resources and reducing carbon footprints all of which mark a positive effect on the environment. In 2020, Bank Asia have disbursed Tk.402.79 million on the green finance of Wells group, a customer of our Agrabad Branch. They have a chemical ETP financed by us. We also financed various projects of other firms for Green Establishment/Green Building, which helps to reduce environmental effect.



ETP project of Wells Group financed by Bank Asia



## GREENHOUSE GAS EMISSION



### Saving CO<sub>2</sub> emission

For saving money, time & CO<sub>2</sub> Bank Asia implemented Video Conferencing System between Head Office and branches in order to attend meetings. BAITD (Bank Asia Institute of Training & Development) also provide 657 virtual training to the employees using ZOOM, Cisco Webex & True Conf. platforms to raise their awareness on Covid-19 and prevention measures.



## REDUCING CARBON FOOTPRINT

As part of our commitment for our green economy Bank Asia have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and effluent treatment plant(ETP) & hybrid hoffman kiln (HHK).



### Refinance Scheme

Bank Asia has participated an agreement with Regulatory Bank as a participant in the refinance scheme for Green Product / Initiatives practicing with these appreciated initiatives in Bio- Gas and Green Industries projects.



### Initiative to reduce the Bank's adverse impact on Environment

Bank Asia has decided not to finance any tobacco related business, weapons & munitions, Gambling, casinos, pornography (goods/stores/ web-based), alcoholic beverage and all offices of the bank are declared smoking free zone. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers through Environmental & Social Due Diligence (ESDD) checklists.



### Sustainable Finance Unit and its initiatives

On view of making Bank Asia more green, Sustainable Finance Unit has restructured and included more members to promote green initiatives within the bank.



### Initiatives to Green banking

In 2020, Bank Asia approves retail & CMSE loan upto Tk.5 million through digital platforms without involvement of any paper based activities. Besides, Training Institute of Bank Asia has provided 6 trainings on Green Banking under Foundation training course & other training related to Green banking to 256 employees of 384 man-hours. All of the trainings are held online for cost efficiency and COVID-19 purpose.

## REINFORCING AND STRENGTHENING ESRM GUIDELINE

Bank Asia has been taking initiative to strengthen and fortify the current ESRM guideline and implement the proposed ESRM guideline of Bangladesh Bank. The Bank has integrated sustainability into overall credit management by adopting Environmental & Social Risk Management policy. Financing in sustainable, eco-friendly and socially beneficial projects are always our preferred area of lending. We have set our target for sustainable finance of Tk.35,274 million for 2021 to ensure our contribution towards the Sustainable Development Goal.

## SUSTAINABILITY REPORT

- Three employees from Bank Asia Ltd. attended training on GRI Standards- Certified Training on Sustainability Reporting at Kuala Lumpur, Malaysia from February 4-6, 2020
- Since 2012, Bank Asia has published Sustainability Report and achieved Sustainability Reporting Award. In 2020, Bank Asia achieved Gold Rank- Best Sustainability Report in Asia Sustainability Reporting Rating 2020 in 14<sup>th</sup> SRA 2020 by NCSR (National Center for Sustainability Reporting) & ICSP (Institute of Certified Sustainability Practitioners)

## ONLINE BANKING

- Online banking system is a great way to reduce wastage of paper.
- Bank Asia account holder is facilitating e-commerce transaction such as e-ticket purchasing of bus, train, airways, cinemas & movies, mobile flexi-load, hotel booking, bill payment such as hospital bill payment, advertisement bill payment, passport fees payment, WASA, DESA, qubee bill payment, computer accessories & service related payment, e-shopping etc. by the debit/ credit card of Bank Asia with less expense & in faster time from any time anywhere.
- We have also integrated Internet banking system to NPBS on first phase and through this connectivity our customers can transfer fund from their Account to Inter-Bank Accounts and Debit & Credit Cards real time and vice versa.
- In our banking system recently 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking.

## COMPLIANCE

During 2020, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.

GRI – 300:

## **Environmental Impact of Covid 19 & Responses of Bank Asia Limited**

The global disruption caused by the COVID-19 has brought about several effects on the environment and climate. Due to movement restriction and a significant slowdown of social and economic activities, air quality has improved in many cities with a reduction in water pollution in different parts of the world. Besides, increased use of PPE (e.g., face mask, hand gloves etc.), their haphazard disposal, and generation of a huge amount of hospital waste has negative impacts on the environment.

### **Challenges**

- More focus on Sustainable Industrialization
- More focus on Renewable Energy

### **Responses of Bank Asia Limited**

- In 2020, Bank Asia have financed an amount of Tk. 2,944 million for setting up of Spectra Solar Park, which will highly reduce operating cost of the business through using huge solar power without any adverse effect on the environment.
- Bank Asia Training Institutes provides virtual training to the employees using ZOOM, Cisco Webex & True Conference which ultimately reduces CO2 emission to raise their awareness on Covid-19 and prevention measures.
- Bank Asia is following Bangladesh Bank ESRM Guidelines and signed an agreement with Sustainable Finance Department (SFD) of Bangladesh Bank for obtaining Refinance Facility under Technology Development/Upgradation Fund amounting Tk. 1,000 crore.



*Spectra Solar Park financed by Bank Asia Limited*

# Economic Performance

## SDGs Impacted



By creating employment, Social Safety Net Program, Agent banking & other supporting activities for rural credit empowerment Bank Asia tries to reduce poverty & inequalities for ensuring sustainable economic growth



Income Tax paid  
Tk. **6,038** million  
in 2020

## VALUE ADDED STATEMENT

Value Added Statement shows the depicts wealth created by an organization & how is that wealth distributed among different stakeholders. In the year 2020 bank's net value addition was Tk. 8,363 million; 43% distribute to employees as salaries, 23% to shareholders as dividend & reserve, 23% to government as income tax and rest of the amount used for business expansion and growth.

Million Taka

Items	2020	2019
Income from banking services	28,105	30,536
Less: Cost of services & supplies	(17,629)	(17,393)
Value added by banking service	10,476	13,143
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(2,113)	(5,401)
<b>Total</b>	<b>8,363</b>	<b>7,742</b>

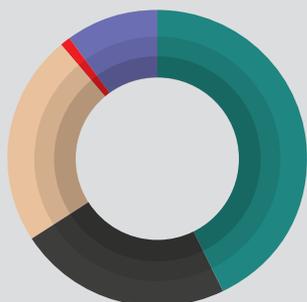
Million Taka

Distribution of value addition	2020		2019	
	Amount	%	Amount	%
To employees as salaries	3,556	43%	3,283	42%
To providers of capital as dividend & reserve	1,957	23%	1,436	19%
To Government as income tax	1,922	23%	1,960	25%
<b>To expansion &amp; growth</b>				
Retained profit	78	1%	229	3.00%
Depreciation	850	10%	834	11%
	<b>928</b>		<b>1,063</b>	
<b>Total Value Addition</b>	<b>8,363</b>	<b>100%</b>	<b>7,742</b>	<b>100%</b>

## Economic Value Addition

Economic Value Added (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks. As a commercial banking company we are deeply concerned about delivery of value to all of our shareholders/equity providers.

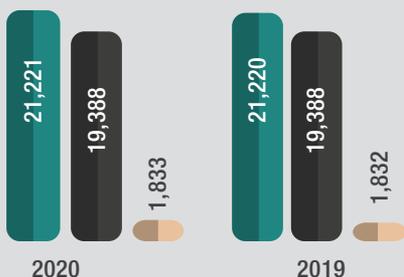
### Value Added Statement 2020



To employees as salaries **43%**  
 To Government as Income Tax **23%**  
 To providers of capital **23%**  
 Retained profit **1%**  
 Depreciation **10%**

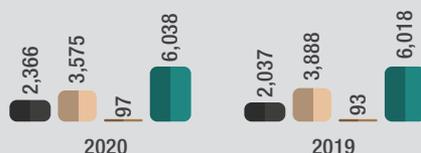
### Market Value Added

■ Market Value of Equity  
 ■ Book Value of Equity  
 ■ Market Value Added



### Contribution to National Exchequer

■ Income tax payment on bank's earnings  
 ■ Income tax, Vat, Excise duty deducted at source from various payment & services by the bank  
 ■ Income tax payment by the employees  
 ■ Total payemnt



## ECONOMIC VALUE ADDITION

Million Taka

Particulars	2020	2019	2018
<b>Invested fund by shareholders</b>			
Shareholders equity	27,381	24,745	23,340
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	14,790	13,616	10,577
<b>Total invested fund by shareholders</b>	<b>42,171</b>	<b>38,361</b>	<b>33,917</b>
<b>Average invested fund by the shareholders [A]</b>	<b>40,266</b>	<b>36,139</b>	<b>32,280</b>
<b>Earnings for the year</b>			
Profit after taxation	2,036	1,961	2,266
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	2,113	5,402	3,444
Less: written off during the year	301	2,716	2,890
<b>Earnings for the year [B]</b>	<b>3,848</b>	<b>4,646</b>	<b>2,820</b>
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium [C]	13%	13%	13%
<b>Cost of average equity [D= A x C]</b>	<b>5,235</b>	<b>4,698</b>	<b>4,196</b>
<b>Economic Value Added [B-D]</b>	<b>(1,387)</b>	<b>(52)</b>	<b>(1,376)</b>

### Market Value Added Statement

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders. During the year 2020, total market value of the bank was Tk. 21,221 million & total book value of equity is Tk. 19,388 million i.e. addition of market value was Tk. 1,833 million.

Million Taka

Particulars	No. of shares (in Million)	Share price (in Taka)	Taka
Market Value	1,166	18.2	21,221
Book Value	881	22	19,388
<b>Market Value Added</b>			<b>1,833</b>

### Contribution to National Exchequer

As a corporate entity, Bank Asia pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2020, the Bank contributed Tk. 6,038 million to national exchequer.

Million Taka

Particulars	2020	2019
Income tax payment on bank's earnings	2,366	2,037
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	3,575	3,888
Income tax payment by the employees	97	93
<b>Total Payment</b>	<b>6,038</b>	<b>6,018</b>

### SUPPORTING ACTIVITIES THROUGH CMSE

Bank Asia SME has stepped into the territories where no Bank or FIs of Bangladesh have reached so far. In 2020, with 4 SME Service Centers & 129 branches in urban & rural areas Bank Asia strongly focused on cottage & micro enterprise financing, cluster financing, grooming-up new entrepreneurship development, promoting women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to underserved people. Besides, we have been organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts in order to increase the loan portfolio and get more people under the reach of credit in manufacturing industries, service oriented business. This year, CMSME disbursement amount was Tk. 23,092.40 million & portfolio stood at Tk. 10,533 million compared to previous year's Tk. 9,119 million with a growth of 25.38%



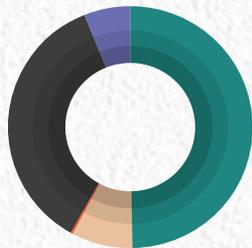
Agreement between Bank Asia Ltd. and SME Foundation in order to develop cluster based entrepreneurs

### Initiatives in the year of 2020

- To tackle the situation due to outbreak of COVID-19 pandemic, we have launched "CGS (SP) Surakkha" - which has been designed to assist CMSEs with no/insufficient collateral to obtain credit facilities under Credit Guarantee Scheme (CGS)
- Bank Asia and SME Foundation jointly organized "Banker-Entrepreneur Matchmaking Program" in order to facilitate credit facility to the entrepreneurs of Readymade Garment Cluster and Electrical Cluster.
- Participated in "Banker-SME Women Entrepreneur Gathering & Product Display Fair-2020" organized by Bangladesh Bank also signed an agreement with Bangladesh Bank regarding Refinance under Stimulus Package and Credit Guarantee Scheme (CGS).

### EMPOWERING COMMUNITIES THROUGH AGRI/RURAL CREDIT

Bank Asia Ltd. is trying to bring the low income groups in financial inclusion by providing adequate Agricultural/ Rural credit since long and successfully contributing in this most driving sector of Bangladesh every year. In 2020, Bank Asia disbursed Tk. 5,427 million to 57,870 rural farmers and achieved 103% against our total target of Tk. 3,750.00 million.



## Community Investment 2020

Million Taka

Education **17.8** | **6.29%**

Health **139.76** | **49.40%**

Disaster Management **23.23** | **8.20%**

Art & Culture **0.53** | **0.19%**

Others **101.6** | **35.92%**



*With the help of ABAK project people achieve financial stability*

## FINANCIAL INCLUSION IN ECONOMICALLY DISADVANTAGED AREAS

### Agent Banking

Bank Asia pioneering in Agent Banking service in Bangladesh has gained significant progress within seven years of inception in terms of number of agents, accounts and deposits. Around 3.5 million unbanked people have already been included in Agent Banking platform. The Bank has implemented 4,628 Agent outlets in 64 districts in most geographically dispersed poor segment of the society. But the year 2020 offered both the challenges and opportunity for agent banking industry. Agents faced declining of business, liquidity crisis, less customer footfall but by early June; 100% of bank agents went back to regular operations while about 50% agents were operational in April 2020. By this time the bank have adopted few strategies to increase awareness and capacity of agents to mitigate risks and enhance their coping mechanism such as established online communication tool for business meeting, implemented eKYC for account opening & alternative verification tool for different payments in parallel to bio-metric, virtual training & outlet inauguration virtually, arrange meeting & interview session with partners and so on. In 2020, Agent Banking deposit was Tk. 28,199 million through 3,606,421 accounts with a growth of 88%.

With a vision to expand network and ensure service reach to grass root level bank has built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government. From now on people will get Bank Asia service from Digital Post e-Centre across the country. Bank Asia has been awarded “BFP-B Excellence Award” for going above and beyond to deliver impact and supporting the financial inclusion mandate by Business Finance for the Poor in Bangladesh (BFP-B).

### ABAK (Amar Bari Amar Khamar) & Social Safety Net Program

Bank Asia limited is the pioneer in digital financial inclusion in Bangladesh by implementing “Amar Bari Amar Khamar” (ABAK) a government project for the poor, ultra-poor and landless people of Bangladesh focusing on Poverty eradication and reducing poverty level to 10% within 2021. Bank Asia is now operating ABAK Banking services for Phase III to 31 districts having 222 Upazillas and 1,232,500 beneficiaries where the operation has spread over 2,200 unions. We have completed full district coverage of Kishoreganj and Chapai Nowabganj for Safety Net payment where almost 1,838,607 beneficiaries will get banking service from their own union. Micro Merchant is another forward milestone for Financial Inclusion of Bank Asia where we have been spreading our services to all villages of 9 districts. At present we have 11,890 number of beneficiaries & 2,362 Micro-Merchant outlet. Moreover, we have another put point of Employment Generation Program for the Poorest (EGPP) for Bangladesh is to provide the short term employment to the hardcore poor in 8 district and 57 unions.

### Community Supportive Investment

Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In the year 2020, Bank Asia spent an amount of Tk. 282.83 million for the overall betterment of the nation. Bank's stakeholders were immensely benefitted by way of its community based social programs; education support where total donation was Tk.17.80 million (6.29%), health support Tk.139.76 million (49.40%), disaster management Tk.23.23 million (8.20%), art & culture Tk. 0.53 million (0.19%) and others Tk.101.60 million (35.92%).

### FOREIGN REMITTANCE

In 2020, the wage remittance inflow for the year ended at USD 1,167 million, 30% growth against country growth 18% & 11.36% higher from previous year. For last 2 decades, Bangladesh ADP was set up based on the foreign remittance along with the export of Garments. Going against the World Bank prediction country shows 18% growth in cross-border remittances inflow. Bank's consolidated forex inflow stood at US\$ 1,167 million with registering 30% growth over 2019. This year, we have processed almost 2 million no of remittances of USD 900 million(approx.).

# S

## STRENGTHS

- Pioneer in ensuring financial inclusion and commitment towards financial empowerment align with the Bank's vision & mission.
- Strong Asset and Capital Base where the Bank successfully maintained CRAR of 17.16% and managed to reduce cost to income ratio to 54% from 42%
- Brand image validated by reception of 4 National awards and 3 International Awards for the publications of the Bank including 1st prize winner among all private banks in South Asia
- Significant remittance growth of the bank which is almost 22% against country growth of 18%
- Strong coverage through countrywide channeling of bank branches, Agent outlets, ATM's and also presence in international trade through foreign correspondent Banks, Exchange Houses and subsidiary companies at home & abroad.
- Enriched Human Capital through proper training & workshop of 1,17,224 man-hours to 19,051 participants in 2020
- State of the Art Banking Software ensures innovative & customer oriented products & services
- Leveraging the Online Channels through Online Banking, MyApp, Shadhin card for freelancers, OPGSP like Payoneer, OCAS for the retail and CMSE segments
- Maintaining a satisfactory & steady Credit Rating for last 5 years consecutively i.e. 'AA2' for Long Term and 'ST-2' for short term
- Certified with ISO/IEC 27001: 2013 for its compliance with International Security Management System (ISMS) and to protect Cyber threats, Fraudulence activity of Card Management Environment, the Bank decided to obtain PCI DSS (Payment Card Industry Data Security Standard) certification for maintain confidentiality, Integrity, availability.
- Strong sustainable business framework by creating value for stakeholders complying with environment issues.

# W

## WEAKNESSES

- Lack of integrated vision, employee awareness & behavior driven programs on technology
- Dependence on the industry culture which required further R & D to introduce new avenues of earning
- Careful evaluation & further actions to be needed for default loan management

# O

## OPPORTUNITIES

- To increase the money supply in the market, Bangladesh Bank lowered the Repo Rate and CRR which creates more investment opportunities
- Increase ADR and IDR to generate funds for the stimulus packages for smooth operation of the business
- Banks have the opportunity for transforming to Digitalization to meet the proper needs of the customer in the wake of Covid-19
- Financial Inclusion might be a game changer in the age of marginalized profit for banks where around 1/3 of Bangladeshi households are yet to have access to either banks or other financial institutions
- As Bank Asia have the largest Agent Banking network, it might be the opportunity to include the unbanked people to the banking channel
- Digital transformation creates huge opportunity in IT Sector
- Formulation of Governments two refinance schemes helps to flourish the Agricultural Sector

# T

## THREATS

- Single Digit Interest Rate may shrink the profitability of the banking sector as the Depositors may opt for government savings tools because of their higher yield and would look for avenues to invest in foreign countries
- Amount of NPL negatively impact the profitability creates challenges to maintain regulatory requirements
- Digitalization of the banking and financial sector-maintaining large stakeholders but most banks have no preparation to handle cyber-attack
- Covid-19 induced economic crisis has affected the foreign trade business of Bangladesh by large margins and negative effect over new investments as the delivery of the capital machineries from foreign country interrupted
- 6% Deposit Rates and 9% lending rates mount additional pressures on financial sectors in Bangladesh during Covid-19 pandemic in view of the cost of funds, classified loans, overhead cost, regulatory issue, etc. as procuring deposit at 6% is still challenging and subsequently banks are producing lean earning
- Since Government has to spend more to tackle the adverse impact of the pandemic; Budget Deficit may rise which imposes a serious risk to the microeconomic stability of Bangladesh
- Rising exchange rates put pressure on inflation as the price of imported goods will increase. Exchange Rate Fluctuation will create the foreign exchange market more volatile in the coming days.
- 39% decline of FDI Inflow of the country in FY20 over FY19 negatively impacted the employment generation and production capacity as well

### Online Payment Gateway Services(OPGS)

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2020, we have done 4,86,945 transactions of Tk.141 million through Payoneer.

BASIS Outsourcing Award is to recognize a large number of talented entrepreneurs and individuals who are contributing to the society and country by creating employment and earning foreign currency through outsourcing activities. Bank Asia has solely sponsored BASIS Outsourcing Award 2020 as like previous years to inspire existing entrepreneurs and professionals for excelling in the field of outsourcing as well as encourage more people to join the ICT industry.



*BASIS Outsourcing Award Ceremony 2020*

### Indirect Economic Impacts

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 CMSEs across Bangladesh and invests in community programs, which enable youth and those less fortunate, to create brighter economic futures for them

### 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 2020, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh.

## Economic Impact of Covid 19 & Responses of Bank Asia Limited

The COVID – 19 crisis has had an unprecedented economic impact on the world. Ironically, lives were lost and many countries are forced to shut down a significant portion of their economies to protect the lives of their citizens. This also led to sharp increases in unemployment and worst economic downturn in export, import and many other sectors in all over the world.

### Challenges

- Reduction of funded and non-funded business
- Adverse effect of downward global economies
- Inability of the customer for repayment of loan and servicing interest expenses
- Lack of confidence of the investors for business expansion
- No space for new entrepreneurship

### Responses

In the backdrop of the above challenges, Bank Asia has become successful to sustain its economic performance favorably during the pandemic period.

- Deposit of the Bank grew by 19% and stood at Tk. 303 billion.
- Advance increased to Tk. 245 billion with a growth of 8%.
- Bank Asia was very much successful in channeling inward remittance amounting to Tk. 99 billion.
- CRAR of the Bank was 17.16% against regulatory requirement of 12.50% to maintain a strong capital base
- Total Assets of the Bank increased to Tk. 409 billion from Tk. 354 billion with the growth of 16%.
- Stimulus package of Tk. 15,777 million disbursed to all segment of business from Corporate to SME and agriculture for financing to the true victims of the pandemic.
- Bank Asia ensures financial access to marginal people through Agent Bank during the pandemic



Bank Asia distributed free Reaper Machines to farmers due to COVID-19 pandemic

GRI – 400:

## Social Impact of Covid 19 & Responses of Bank Asia Limited

People in the lower income groups have been the most affected by the coronavirus pandemic and the lockdown. The Bangladeshi economy is being significantly impacted by the Covid-19 pandemic, which has led to a decline in national and global demand for manufactured goods, particularly in the garment sector.

### Initiatives for the wellbeing of the society:

- Bank Asia donated of Tk. 100 million to PM's Relief & Welfare Fund for the prevention of COVID-19 crisis & treatment of patients.
- Bank Asia donated Tk.10 million to Bangladesh Police Force
- Contribution to COVID 19 patient of Tk. 2.4 million
- Specially for COVID infected people, disbursed 1% of Operating Profit i.e. Tk. 20 million
- Distributed rice cutter machine to the farmer so that farmers can rebound from their losses due to COVID circumstance as a community-driven development programs



*Distribution of daily necessary consumer goods to the people who have been affected by the COVID-19 pandemic*



## ECONOMIC

- More than 18 lac beneficiaries under Social Safety Net Program
- Tapped 3 million A/C through 4,628 Agent outlets
- Served 11,890 beneficiaries through 2,362 Micro Merchant outlets

By creating employment Bank Asia tries to reduce poverty, job creation & inequality to ensure inclusive and sustainable economic growth.



## HEALTH

- Tk. 139.76 million disbursed in betterment of health
- Tk. 10 million for PPE donated to Bangladesh Police Force for COVID-19 protection
- Tk.9 million disbursed to 2,568 victims through 'Mukti' app about hygiene issues

Through CSR activities Bank Asia tries to foster healthy communities towards enhancing well-being & productivity of the country.



## ENVIRONMENT

- Tk.1,016.90 million for Liquid waste management
- Tk.402.79 million disbursed for Green building project
- Tk.35,274 million targeted to ensure contribution towards the SDG

For a sustainable and green economy, Bank Asia is encouraging in environment friendly investment.



## EDUCATION

- Tk.11.03 million disbursed for Higher Studies Scholarship
- 1,17,224 man hours training for improvement of employee productivity

To ensure inclusive & balanced society Bank Asia provides equal opportunity to its employees through proper training, workshop and other knowledge sharing activities.



## LIVELIHOOD DEVELOPMENT

- Distributed Tk 23.23 million for disaster management
- Disbursed rural credit of Tk. 5,427 million to 57,870 farmers

For a safe, resilient and sustainable environment Bank Asia introduced internet banking cutting edge ICT and many other E-products.



## RELATIONSHIP

- Agreement with UN,UNDP,IFC,ADB, Bangladesh bank
- Year 2020 declared as a Year of Relationship

For implementation of Sustainable Development Goals bank Asia signs various agreements with both local & International bodies.



GRI-103-2, GRI-201, 202, 203, 204, 205, 206, GRI-302, 305, 307, GRI-401, 402, 403, GRI-405, 406, 407, 408, 409, 410, 411, 412, 413, GRI-417, 418, 419

## Approach to Sustainability



Bank Asia's vision is to have a "poverty free Bangladesh" by ensuring inclusive growth to every segment of people; every sector of the economy. Since its inception, Bank Asia has dedicated itself to meet the financial needs of the people through innovative customer service and diversified financial services, which in turn contributes to ensuring a sustainable economy and growth of its customers. Bank Asia is the pioneer of Agent Banking in Bangladesh. By providing technology based financial services to the marginalized people with a strong digital coverage and infrastructure facilities, Bank Asia has become a role model of financial inclusion in the country's banking industry. We think beyond profit and believe in building an inclusive community, hence we have undertaken many initiatives towards achieving Sustainable Development Goals. And through the combined endeavor of all stakeholders, we will gradually move towards a sustainable world and a sustainable future without leaving no one behind. We have already established 4,381 agent outlets across 526 upazilas of 64 districts. We have also a plan to establish 50 Sub-branches in phases by 2021. We have set up the first ever RMG digital banking booth at the premise of the garment factory to serve the readymade garments workers marking a new era in the country's banking history.

Bank Asia has also catered to the needs of the thrust industries: cottage, micro and small enterprises- to help them grow and flourish. To tackle the situation of COVID-19 pandemic, a new product titled "CGS (SP) Surakkha" has been designed to assist CMSEs with no/insufficient collateral to obtain credit facilities under Credit Guarantee Scheme (CGS) which will facilitate stimulus package for CMSE segment. As we are the first financial institution in the country to introduce TAB/PC based digital SME & Agri proposal processing, we have disbursed 15,800 credit proposals amount to BDT 8,932 million through Diganta (BFP-B, UKAID funded project), an online credit approval system up to 31st December 2020. Bank Asia implemented a full-fledged digitized cluster-based approach for financing cottage, micro, small enterprises. Currently the bank is actively working on developing and financing in the clusters like Electric & Electronic cluster, Hosiery Cluster, Bamboo & Cane Cluster, Shitol Pati Cluster, RMG Cluster etc. At the end of year 2020, CMSME portfolio stood at Tk. 35,350 million.

Bank Asia, in principle, always averts financing in environmental hazardous business. The bank has decided not to finance any tobacco related business, weapons & munitions, gambling, casinos, pornography (goods/stores/web-based), alcoholic beverage and all offices of the bank are declared smoking free zone. We incorporated environmental and climate change risk as part of the existing credit risk methodology prescribed to assess borrowers through Environmental & Social Due Diligence (ESDD) checklists.

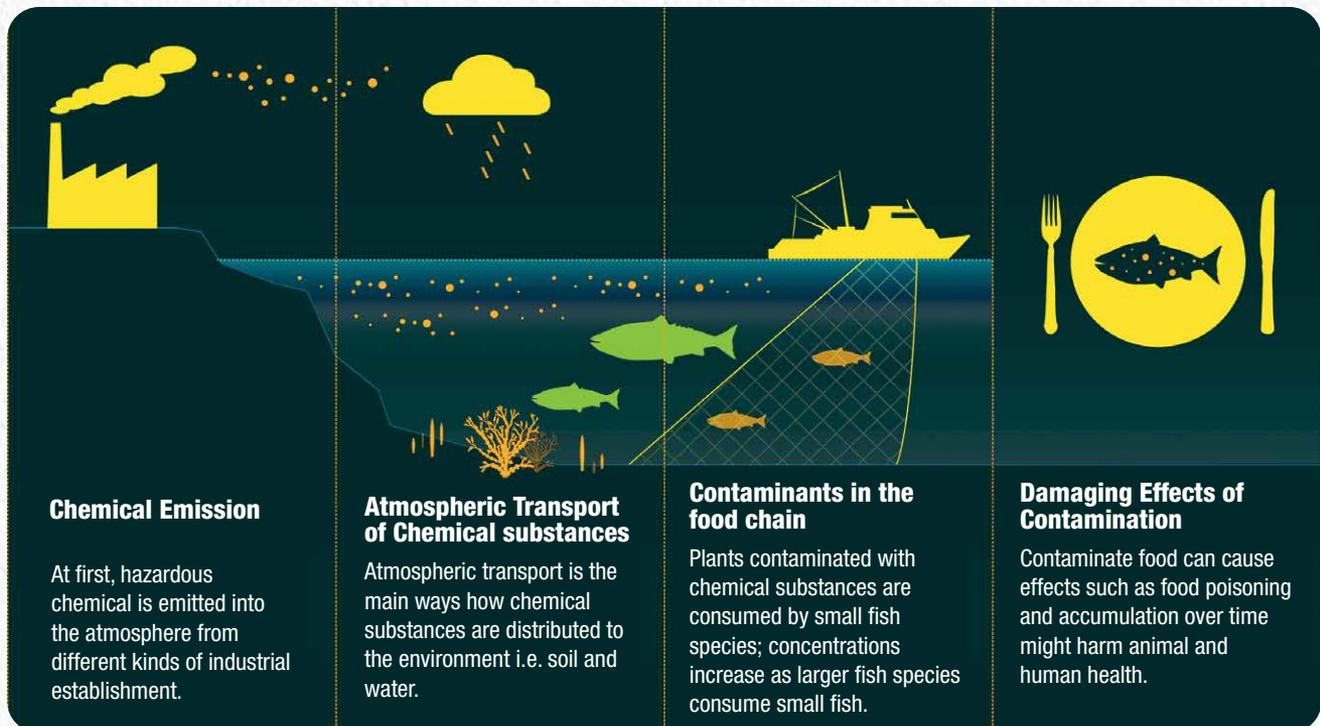
During 2020, Bank Asia has disbursed Tk. 5,427 million for short and long-term credit in agricultural/rural sectors. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. For safeguarding biodiversity, our Bank is very much concerned and in 2020, Bank Asia financed to different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant. In 2020, Bank Asia have financed an amount of Tk. 2,944 million for setting up of Spectra Solar Park, which will highly reduce operating cost of the business through using huge solar power without any adverse effect on the environment.

Bank Asia embedded the value of Corporate Social Responsibility (CSR) in its business philosophy. Since inception, the Bank has been contributing to the under privileged segment of the society so that they will be included in the mainstream. Bank Asia foundation established

## Approach to Sustainability

with the aim of strengthening CSR program and streamlining the activities in a more systematic, structured and sustainable manner. During the year 2020, Bank Asia spent an amount of Tk. 283 million on CSR which covers a vast area of education, health and other under privileged sectors for the overall betterment of the nation.

Bank Asia strongly believes safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. To improve our employees' work life balance, Bank Asia has established a combined day care center named "Pushpita" in collaboration with other private commercial banks by renting 5,666 square feet at Motijheel, Dhaka. To provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market, the child care center has established. For making the employees more effective and efficient, 19,015 trainings of 117,224 MH accomplished in the year 2020.



## Approach to Sustainability

Material Topics	Targets	Achievements
Financial Inclusion 	To reduce poverty by promoting financial inclusion	<ul style="list-style-type: none"> <li>Expanding Agent Banking in 64 districts through 4628 agent outlets by tapping into 3 million accounts.</li> <li>Develop Micro-merchant model for expanding digital financial inclusion where we serve 11,890 beneficiaries through 2,362 outlets.</li> </ul>
Technological Innovation 	Reducing lead time by technological advances	<ul style="list-style-type: none"> <li>About 5,253 number of account with 8,932 million loans processed through OCAS-Diganta project (Tab based version)</li> <li>For channeling remittance from abroad implemented Robotic Process Automation for real-time payments</li> <li>Develop Artificial Intelligence Workforce (AIW)</li> <li>Implemented faster and reliable operations in Agent Banking System through Oracle RAC &amp; Apex 19.2 for Core Banking System</li> </ul>
Operating efficiency through Core Business 	To maintain consistency and focus on asset quality	<ul style="list-style-type: none"> <li>Shifting focus from corporate to MSME and Retail business</li> <li>NAV per share increased to Tk. 23.48 from Tk. 21.22</li> <li>+19.44% Deposit   + 8% Advance</li> <li>-18% Export   -11% import</li> </ul>
Liquidity Risk Management 	To ensure smooth banking operation	<ul style="list-style-type: none"> <li>Maintained AD Ratio around 69.42%</li> <li>ROA reached at 0.53% ROE reached at 7.81%</li> </ul>
Paying back 	Expanding the horizon of community services	<ul style="list-style-type: none"> <li>Bank Asia spent Tk. 282.83 million as CSR activities</li> <li>Provide medical expense support to Covid19 affected patients Tk.2.40 million</li> <li>Ma Amiran Hospital &amp; Medical College has provided services to 19,683 patients with 10,058 tests in 2020</li> </ul>
Human Capital 	Improvement of employee productivity	<ul style="list-style-type: none"> <li>1,17,224 man hours of training to 86,738 participants</li> <li>Human capital is Tk. 21,121 million</li> </ul>

## Approach to Sustainability

Material Topics	Targets	Achievements
Workplace safety & security 	To ensure hygienic and congenial workplace	<ul style="list-style-type: none"> <li>● Claims of insurance received of Tk.11.44 million in 2020 under Group Health Insurance policy</li> <li>● All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise</li> <li>● Pick and drop facilities has been provided through 10 vehicles</li> <li>● Formulation of Healthy working environment and Policy for safe working atmosphere such as 'Female anti harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner</li> <li>● Facilities employees work from home for safety concern in Covid 19 situation.</li> <li>● 'First Saturday' of every alternate months has been observing as 'Cleaning Day' where all employees of the branches&amp; Corporate Office actively participate to clean the premises</li> <li>● Amended Quarantine Leave Policy and introduced Sick Leave Policy for the employees</li> <li>● Develop emergency support team of the Bank for took care infected employees by providing proper doctor's advice, foods, emergency medicine, oxygen and ambulance facilities.</li> </ul>
Environmental responsibility 	Reducing carbon footprint and increasing environment friendly investment	<ul style="list-style-type: none"> <li>● Net savings from environmental activities was Tk.9.81 million in 2020</li> <li>● Empowering communities through Agricultural credit of Tk. 5,427 million</li> <li>● Disbursed Tk. 403 million for financing Green establishment/ Green Building project</li> <li>● Liquid Waste Management Tk. 716.16 million</li> <li>● Provided 6 nos. trainings regarding green banking</li> <li>● 100% regulatory compliance and no fines or, non-compliance sanctions regarding environmental issues</li> <li>● Publishing Sustainability Report each year that conveys a unique message to create awareness for our stakeholders regarding environmental matters</li> </ul>
Customer relationship management 	Maintaining Customer Service Standard	<ul style="list-style-type: none"> <li>● Approved a new customer service policy</li> <li>● Regular conducting surveys on satisfaction of customers on our provided services</li> <li>● Maintained high standards of customer security and data privacy protection</li> <li>● Providing services through launching of new products &amp; services</li> <li>● Implemented ICT help desk (Microsoft System Center Service Manager) for better customer services</li> <li>● Encourage clients to use cards as contactless modality in Covid19 pandemic</li> <li>● All network nodes are run by online core banking system (CBS)</li> </ul>

# Sustainable HR Development

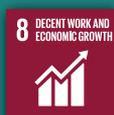
## SDGs Impacted



To ensure safe & healthy workplace & overall well-being of our employees, various initiatives have been undertaken



Fair hiring process & no discrimination irrespective of locality, gender or ethnicity of employees



To improve professional efficiency Bank Asia puts highest importance on training & workshop

**1,17,224**

(Training hours/employee)

35 Employees availed

**6,300** days as maternity leave

## EMPLOYEE PROFILE

We strive to make bank Asia a great workplace by creating a performance driven culture that rewards success & encourage employees to take control of their personal development. Bank Asia target a fair human resources management by using a performance based system to drive a further development of individual skill, increment is given based on performance yardstick. There is no incident of discrimination in terms of remuneration provided to male & female employees. Out of total number of 2,463 employees, 542 employees are female and rest 1,921 employees is male.

## 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 25<sup>th</sup> of each month or previous working day if 25<sup>th</sup> is holiday. Considering the health safety of the employees due to the unprecedented outbreak of COVID-19 pandemic, PMD has amended Quarantine Leave Policy and introduced Sick Leave Policy for the employees of the Bank. Bank Asia's benefit schemes are as follows:

Fringe Benefit Schemes	Other Benefit Schemes
<ul style="list-style-type: none"> <li>House rent allowance</li> <li>Conveyance allowance</li> <li>Medical allowance</li> <li>Entertainment allowance</li> <li>House maintenance allowance</li> <li>Utilities allowance</li> <li>Car maintenance allowance</li> </ul>	<ul style="list-style-type: none"> <li>Group health insurance</li> <li>Benevolent</li> <li>Leave fare assistance</li> <li>Furniture allowance</li> <li>House Building Loan (HBL)</li> <li>Car loan</li> <li>Provident fund loan</li> <li>Mobile phone allowance (talk time)</li> <li>Mobile handset allowance</li> <li>Ex-gratia payment</li> </ul>
End Service Benefit Plans	Minimum Notice Period Regarding Operational Changes
<p>Bank Asia provides the following benefit plans to its employees on retirement according to individuals 'entitlement</p> <ul style="list-style-type: none"> <li>Provident fund</li> <li>Gratuity</li> <li>Superannuation</li> <li>Leave encashment</li> </ul>	<p>Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees. Minimum notice period before changing department is 1-30 days as per situation or demand of concerned branch/department.</p>

## New Employees

154 new employees were recruited during 2020 where 11% for branches & 89% for Corporate Office to ensure effective and timely support.

## Employees by Diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees 2,456 (76.45%) dominated in diversity composition and 5 indigenous.

## Employees by Region

Bank's employees are mainly spread over Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 81.71% in 2020 for corporate office and branches in Dhaka city. We follow fair hiring process also no discrimination in locality, religion of employees in this process.

**Top** 6 Layers : 42  
Senior Vice President to President

**Mid** 4 Layers : 341 (316 Male | 25 Female)  
First Assistant Vice President to Vice President

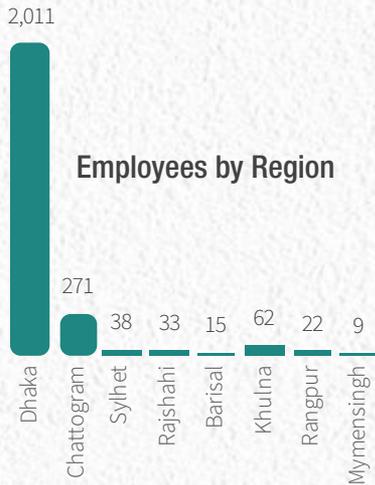
**Low** 7 Layers : 2,078 (1,551 Male | 529 Female)  
Trainee Officer to Sr. Executive Officer

**Gender Positioning of Employees**

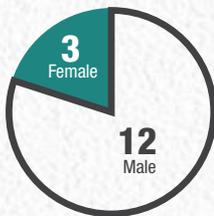
Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels.

**LEARNING & DEVELOPMENT**

As "Efficiency" is our strength Bank Asia continuously provide training to maintain the highest level of operational efficiency, customer focus, and people orientation to employees. Because of Covid19 pandemic we provide 657 virtual training to employees for increasing their knowledge, develop skill and bring change in attitude at individual, task & organizational level.



**Gender Positioning of Directors**



**Gender positioning by**



**1,921**

Employment level

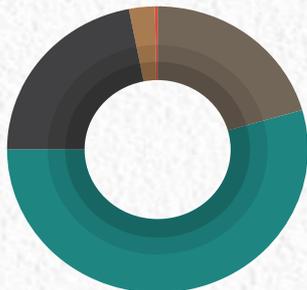
**542**

2.41%

Turnover Rate

0.56%

**Age distribution**

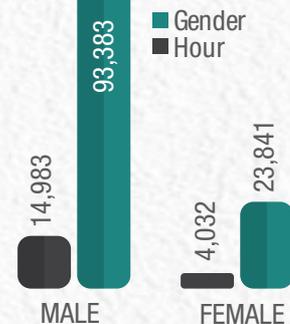


30 & Below **21%** 41-50 **22%**  
31-40 **55%** 51-60 **3%**  
61+ **0.08%**

**Training by Position**



**Training by Gender**



### Bank Asia and Green Banking

- Bank has organized 4 foundation training courses under (Bangladesh bank, BIBM, Foreign Training, Training by other institutes) each 6 weeks long for entry level employees to improve knowledge base and proficiency in banking. Training Institute of Bank Asia has provided 6 trainings on Green Banking under Foundation training course & other training related to Green banking to 256 employees.
- A number of training and workshop was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, financial inclusion, CSR and Green Banking
- Through OCAS (Online Credit Approval System) Diganta software 5,253 no. of accounts of Tk. 8,932 million have been developed as a part of Technological improvement of the Bank.
- Electronic sanction archive system has been developed for 6 departments; namely: CRM, CMSE, Islamic Window, SAMD, CFC & Agricultural wing.

### Training by Different Institutes

Particulars	2020		2019	
	Nos.	Hours	Nos.	Hours
In House Training	18,760	1,13,004	4,541	86,738
Bangladesh Bank	7	236	17	192
BIBM	90	2,540	37	648
Overseas/Foreign Training	10	344	64	1,536
Training by other institutes	50	1,100	91	1,480
<b>Total</b>	<b>19,015</b>	<b>1,17,224</b>	<b>4,750</b>	<b>90,594</b>

### Anti-Money Laundering Training

Bank Asia aims to complying Central Bank's comprehensive guidelines on Trade based Money laundering in each trade transaction & working on awareness & expertise of all concerned officers/executives and relationship officer/Relationship manager as to identify & manage money laundering risk. Bank Asia is committed to preventing money laundering and terrorist financing. Anti-Money Laundering Department (AML/D), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 100% of total employees (Branch/Corporate Office) obtained AML & CFT related training.

### OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT

All the branches, SME service centers and SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces and adequately equipped with fire-fighting equipment and fire drills.

The COVID-19 infected employees have been provided all out support. The emergency support team of the Bank took care of the infected employees by providing proper doctor's advice, foods, emergency medicine, oxygen and ambulance facilities.

A team of logistics 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.

### 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. During 2020, 35 female employees availed 180 days each with a total of 6,300 days.

### 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 2020, every entitled employee has availed paternal leave facility.

### Child Care Center Facilities

Bank Asia, in collaboration with 20 other private commercial banks, has established a child day care center named "Pushpita" with a total space area of 5,666 sq. ft. There are 9 nannies, 7 teachers, 1 supervisor, 1 child care co coordinator and 1 cleaner for overall maintenance of the center. Parents have the opportunity to watch their babies through their device from anywhere, any time through Live CCTV footage.

### Cleaning Day

The administration chose to watch 'CLEANING DAY' on the 'FIRST SATURDAY' of each alternative month where all workers of the branch and the Corporate Office effectively take an interest. On the 'CLEANING DAY', every one of the employees turns up at their particular Branch/ Department and engages themselves in cleaning the premises including all office gear and fixtures.

### EMPLOYEE PERFORMANCE EVALUATION

Bank Asia established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-à-vis set target of a given year. To evaluate the performance of Bank Asia's employees KPI is used in the following manner:

We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors are introduced. The benefits of using KPI are the followings:

- Reduce the number of decisions and make decisions based on objectivity and facts.

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

### Customer Service Day

First day in a month has been chosen when all individuals from top management take vigorous initiative alongside all branch employees to give service to clients. Such program encourages branch employees to learn more innovative mediums of giving better customer service.

### CULTURAL EVENTS AND AMUSEMENT

#### Celebration of New Year 2020 & Pitha Utshob

Bank Asia celebrates the beginning of new season with its employees in a festive environment. The celebration of new year revives the bonding between the employees and creates an aura of happiness. We also celebrate Pitha Utshob at the same day with a note of positivity & festivity which has become our age long tradition.

#### International Women's Day

Bank Asia always believes in equal opportunity and safety workplace for smooth career progression of women. Every year we celebrate 'International Women's Day' in a wonderful atmosphere.



*Celebration of International Women's Day*

### Bank Asia eLearning

To pursue the endeavor to become a digitized and learning organization, Bank Asia has developed an online based learning platform namely "Interactive Learning Management System (LMS)" traditionally known as "Bank Asia eLearning system". It allows all the staffs, agents & agents' staffs i.e. Customer Service Officer (CSO) of the agent outlets to strengthen their knowledge through study and take tests 24x7 from anywhere and on any device. This self-learning system is enriched with different lectures, quizzes and certificate courses on General Banking, Agent Banking, Islamic Banking, Risk Management, Products & Services, Automation & Digital Banking, Business English for the Bankers and Soft Skills Development. Entry & Junior level employees are now required to complete a minimum number of courses and participate in quick test within a calendar year. Some courses are mandatory for a certain group of employees. The courses & exams taken by an employee and related performance are considered as a part of his/her Key Performance Indicator (KPI). By the year 2021, Bank Asia eLearning aims to enrich this self-study system with more lectures & mandatory quick tests.

e-Learning Progress December 31, 2020	
Indicators	Numbers
Total Enrollment	3,560
Total Course Content Downloaded	8,801
Quick Test Exam Participation	5,493
Topic Available	105
Script/Lecture Available	135

# HUMAN CAPITAL DISTRIBUTION

## Total Employee Distribution

■ Corporate office  
■ Branches

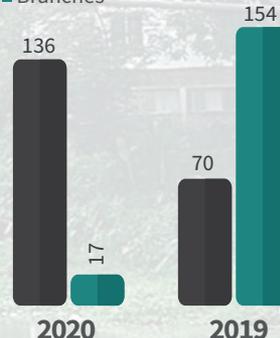


## No. of Female Employees



## New Employee Distribution

■ Corporate office  
■ Branches



**Top**

6 Layers : 42  
Senior Vice President to  
Managing Director

**Mid**

4 Layers : 341  
First Assistant Vice President to  
Vice President

**Low**

6 Layers : 2,078  
Trainee Officer to Sr. Executive Officer

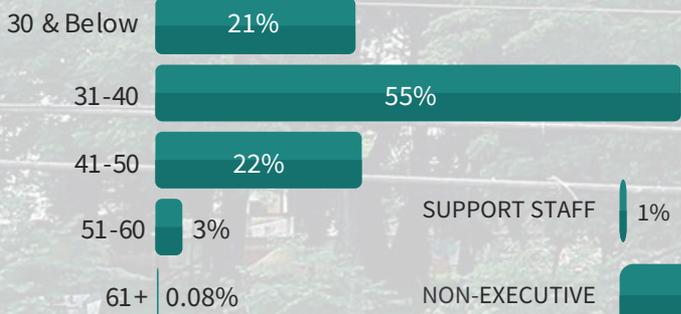
**Tk. 11.40 million**

**received as**

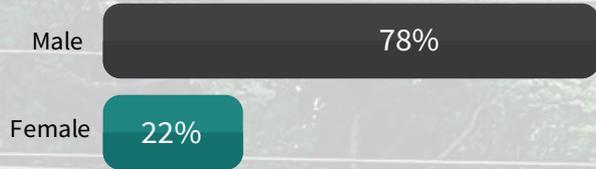
**Insurance**

**Claim in 2020**

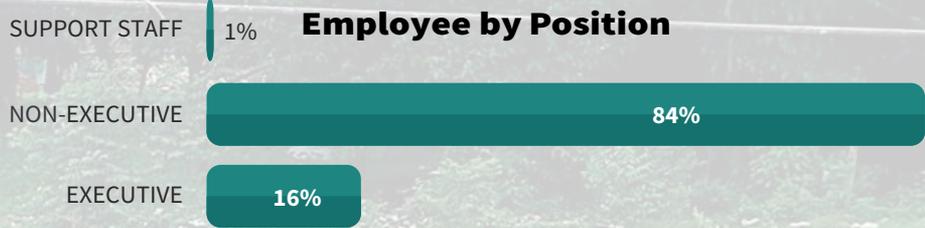
### Age Distribution



### Gender Positioning

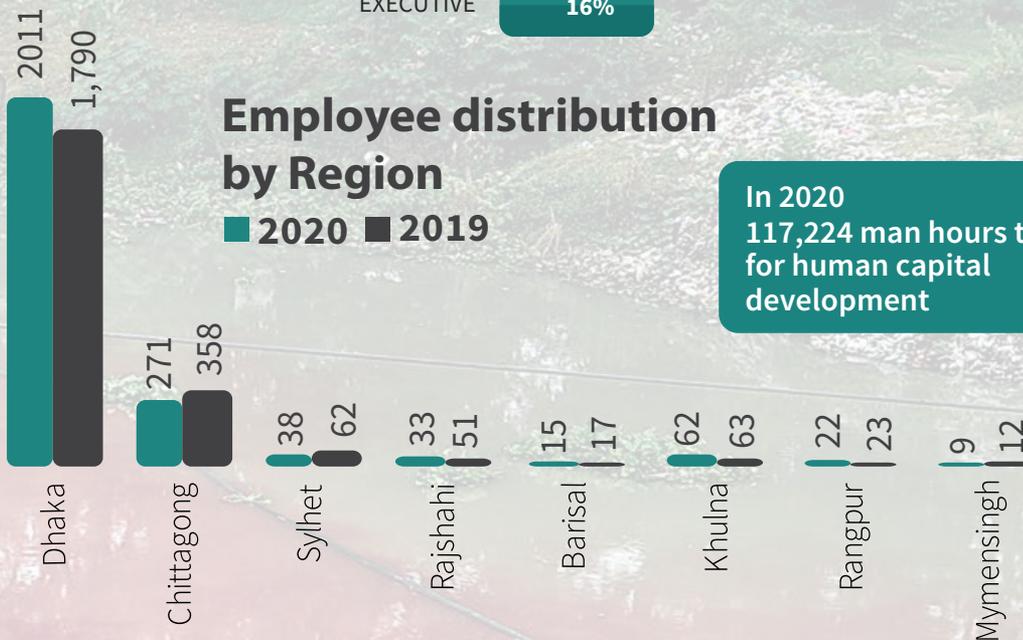


### Employee by Position



### Employee distribution by Region

■ 2020 ■ 2019



In 2020  
117,224 man hours training  
for human capital  
development

### Transport Facilities

At present 10 vehicles used for pick and drop facility specially for female employees of Bank Asia in Dhaka and Chittagong region where majority of the pool vehicles have been converted into CNG driven.

### HUMAN RIGHTS, CHILD LABOR AND OTHER ISSUES

Human Right issue is particularly relevant for organizations that operate in industries/ regions where the protection of human rights is of significant concern. As this is a significant concern for a business to be sustainable in long term, we integrated the human right issue in all our economic decisions. Including human right provision in all kinds of investment agreements is a part of our strategy to reduce the risks of investment. And also we do not make any investment agreements and contracts that violate human rights. Bank Asia also does not tolerate child, forced or compulsory labor. In 2020, no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

### GRIEVANCE REDRESSAL POLICY

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

- Female anti-harassment policy
- Grievance handling policy

### POLICY, PRACTICES, AND PROPORTION OF SPENDING ON SUPPLIERS

Bank Asia works with a wide range of suppliers and maintains good relationship with them. Our chain of suppliers consists of the following parties:

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

### PRACTICES RELATED TO CUSTOMER SATISFACTION

Bank Asia always focused on ensuring customer satisfaction through services and proper communication. To understand the mindset of customers regarding credit cards a survey has been conducted by Bank Asia (BA) which is about awareness & satisfaction related to credit card features & different value added offers, overall satisfaction, barriers to BA credit card usage etc. The survey was conducted through telephonic interview of 158 customers using Simple Random method. Overall 44% customers are found satisfied, Classic (40%) and Gold (39%) are less satisfied than Platinum (60%) card use. Few strategies have been taken by the bank to improve the service and technology driven products for the ease of the customer. We also encourage clients to use cards as contactless modality in Covid19 pandemic.

### STATEMENT ON COMPLIANCE

In the year 2020, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding information & use of product and services, marketing, communications, advertising, promotion. No incidents of fines/penalties have been recorded this year concerning the above mentioned issues. We haven't received any complaints relating to breach of customer privacy and loss of data.

GRI – 400:

## Social Impact of Covid 19 & Responses of Bank Asia Limited

As banking is a necessary services as declared by the Government of Bangladesh, employs of Bank Asia have been tirelessly providing banking services amidst Covid 19 pandemic. Taking this into consideration, Bank Asia are always highly committed to give highest priority on health and safety issues of its employees.

### Initiatives for the wellbeing of the employee

- Build awareness among employees and maintenance of social distancing by ensuring Home office, rotation wise work.
- Focus more on digitization and innovative banking services
- Reimburse Medical expenses & supply of oxygen cylinder as per requirement
- Provide face mask, PPE, disinfected spray, placement of Disinfected tunnel
- Established dedicated COVID Isolation centre for bank employee to ensure healthcare facilities
- For building awareness introducing SMS service, displaying different banner, standee & others to different places of the Bank
- In addition to their end service benefit, Bank's provide additional financial benefits to the employees who expired for COVID -19.



*Established dedicated COVID Isolation centre for Bank's employee*



# HUMAN CAPITAL

## Staff Strength



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.

Bank Asia reported the total value of Human Capital to be Tk. 21,121 million in the year 2020 compared to Tk. 20,773 million in 2019 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	2020			2019		
	No. of Employees	Per Capita Value	Total Value	No. of Employees	Per Capita Value	Total Value
Executives	385	17.75	6,834	394	17.73	6,987
Officer	2,078	6.87	14,281	1,982	6.95	13,768
<b>Total Individual Value</b>	<b>2,463</b>		<b>21,115</b>	<b>2,376</b>		<b>20,755</b>
Training Cost			6			18
<b>Total Human Capital</b>	<b>2,463</b>		<b>21,121</b>	<b>2,376</b>		<b>20,773</b>

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

According to the model, the total value of employees was regarded as Human Capital which saw a 2% growth in the value of human capital in 2020 over 2019 due to addition of veteran and fresh recruitments. Bank Asia, therefore, proliferates training expenditures on annual basis to aid in excelling employee performances.

#### Balance Sheet including Human Capital

Million Tk.

	31-Dec-20	31-Dec-19
Total Asset (Conventional)	408,717	353,800
Human Asset (Individuals' value)	21,115	20,755
Value of investments	6	18
Total Asset including Human Asset	429,838	374,573
Capital & liabilities		
Total Liabilities (Conventional)	408,717	353,800
Human Capital	21,121	20,773
Total Capital & Liabilities including Human capital	429,838	374,574

## POLICY, PRACTICES, 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
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator
- ATM, hardware, software service providers
- 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. There is no significant changes to the supply chain management of Bank Asia in 2020 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 practice the highest standards of training and operation. Their training incorporates all aspects of the law including human rights and non-discrimination.

## ANTI-MONEY LAUNDERING TRAINING

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

Anti-Money Laundering Department (AML), Corporate Office always arranges and conducts AML workshops to train all the

employees of our Bank and about 100% of total employees (Branch/Corporate Office) obtained AML & CFT related training.

## AML/CFT Training Recipient

	No. of employee	%
Branch	1,453	59%
Corporate Office	1,010	41%
<b>Total</b>	<b>2,463</b>	<b>100%</b>

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

## PRACTICES RELATED TO CUSTOMER SATISFACTION

Bank Asia always focused on ensuring customer satisfaction through services and proper communication. To understand the mindset of customers regarding credit cards a survey has been conducted by Bank Asia (BA) which is about awareness & satisfaction related to credit card features & different value added offers, overall satisfaction, barriers to BA credit card usage etc. The survey was conducted through telephonic interview of 158 customers using Simple Random method. Overall 44% customers are found satisfied, Classic (40%) and Gold (39%) are less satisfied than Platinum (60%) card use. Few strategies have been taken by the bank to improve the service and technology driven products for the ease of the customer. We also encourage clients to use cards as contactless modality in Covid19 pandemic.

## STATEMENT ON COMPLIANCE

In the year 2020, 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

<b>Economic responsibility</b>	Number of loan accounts	<b>11%</b>
	Deposit customer accounts	<b>59%</b>
	Savings customer accounts	<b>67%</b>
<b>Shareholders responsibility</b>	Profit after Tax	<b>2,036 Million Taka</b>
	Shareholders' fund	<b>27,381 Million Taka</b>
	Share Price	<b>16.50 BDT</b>
<b>Environmental responsibility</b>	Electricity consumed	<b>11,262,487 kwh</b>
	Oil	<b>64,825 ltrs</b>
	CNG	<b>104,899 m3</b>
	Local business travel	<b>3,238,479 Km</b>
<b>Social responsibility</b>	Paper used	<b>138,588 reams</b>
	Staff strength	<b>4%</b>
	Benefits and emoluments	<b>8%</b>

# Regulatory compliance Certificate

**CREDIT RATING AGENCY OF BANGLADESH LIMITED** 

Ref: AGL (01)/RCM/200617/2020- 30 June 2020

**Mr. Md. Arfan Ali**  
President & Managing Director  
Corporate Office  
Rangs Tower  
68 Topkhana Road  
Dhaka 1000.

**Subject: Credit Rating – Bank Asia Ltd.**

Dear Sir,

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

Particulars	Ratings
Long Term	AA <sub>2</sub>
Short Term	ST-2
Outlook	Stable

The entity rating is valid up to 30 June 2021. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the Rating Awards will serve the intended purpose of your organization.

Yours Sincerely,  
  
**Hamdul Huq**  
Managing Director

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

 **PODDER & ASSOCIATES**  
Cost and Management Accountants

**Report to the Shareholders of Bank Asia Limited on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Bank Asia Limited** for the year ended on 31<sup>st</sup> December 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except conditions number 1(7)(a), 1(7)(b) & 6;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- The governance of the company is satisfactory.

  
**Podder & Associates**  
Cost & Management Accountants

Place: Dhaka  
Dated: 1<sup>st</sup> April 2021

6/A/1 (Ground Floor), Segun Bagicha, Dhaka-1000. Phone :02-57160360, 02-57160425, E-mail : podderassociates@yahoo.com, Web : www.thepodders.com

# Customer Satisfaction Survey

## Bank Asia Credit Card Satisfaction Survey

Interest rate from credit cards can act as one of the major sources of income generation for banking industry. In case of credit cards, Bank Asia always focus on ensuring customer satisfaction through services and proper communication. To understand the mindset of customers regarding credit cards this survey has been conducted by Bank Asia (BA).

### Research Objective

- Triggers of BA & Competition's card usage
- Awareness & satisfaction related to credit card features & different value added offers
- Overall satisfaction
- Barriers to BA credit card usage

### Research Methodology

- Sample Size: 158 (80% Confidence Interval & 5% tolerable error)
- Sampling Method: Simple random (everyone has equal chance of getting selected)



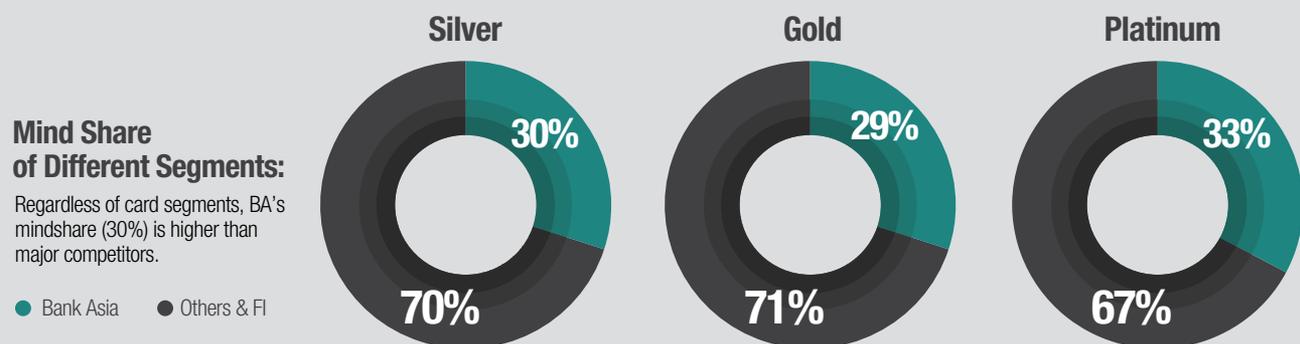
## No. of Credit Cards as of Jun 2020



## Credit Card Outstanding as of Jun 2020



43 banks out of 60 banks have credit card service.  
Only product that will not be impacted in 6%-9% regime.



### Mind Share of Different Segments:

Regardless of card segments, BA's mindshare (30%) is higher than major competitors.

- Bank Asia
- Others & FI

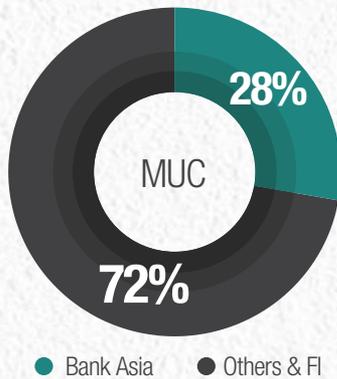
Note: FI= Financial Institution

## Multiple Card User-ship (MCU) & Most Used Card (MUC)

Majority of the customers claimed that BA's card is the most used card (MUC)

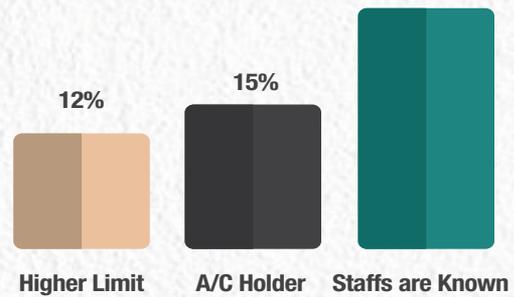
### Multiple Card User-ship: 62%

Base: Multiple Card Users



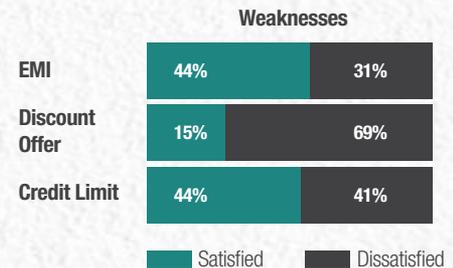
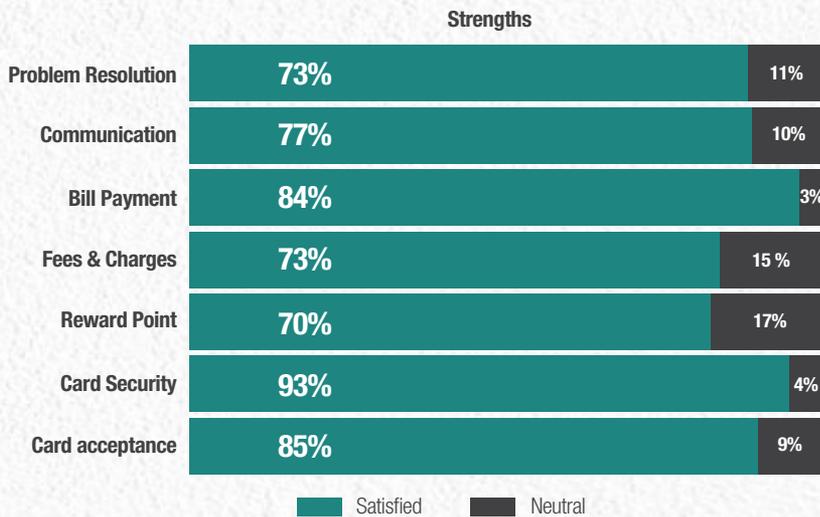
### Triggers for Most Used Card (MUC)

Base: Multi Card users of Bank Asia



In case of BA, relationship is the key driving factor whereas offers (discount/EMI/rewards) and fast resolution to problems are key driving factors for competition in case of selecting the card as MUC. Higher limit also plays an important role for selecting any card as MUC

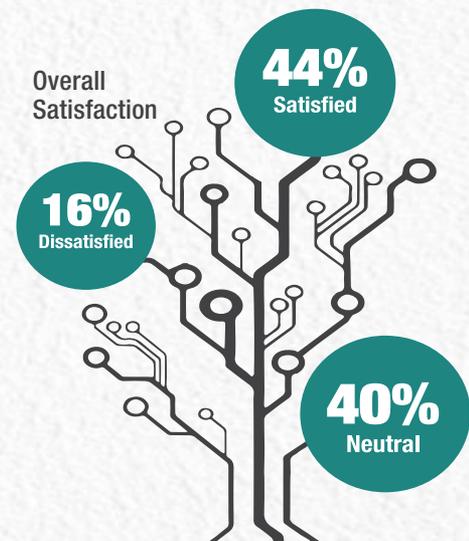
## Factor Wise Satisfaction



### Overall Satisfaction

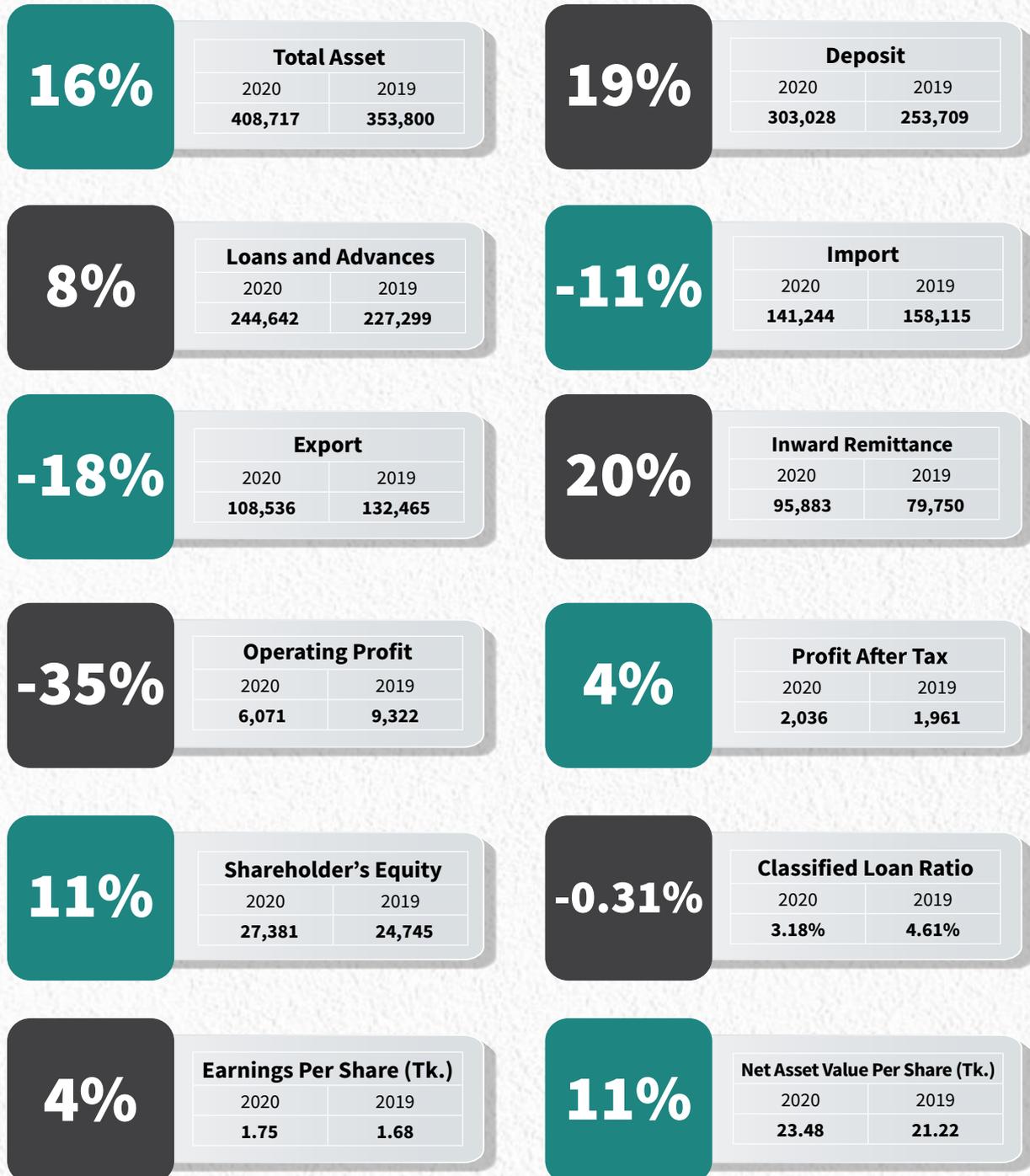
Overall 44% customers are found satisfied. Classic (40%) and Gold (39%) are less satisfied than Platinum (60%) card use. Credit limit and relatively less offers compared to competition instigated lower satisfaction for the aforementioned two (2) segments.

To ensure superior growth, customer satisfaction, word of mouth and strong brand are imminent for success. In case of BA, card security, card acceptance and communication are the major strengths and act as key driving factors for customer satisfaction.



# Two years comparison

Million taka unless otherwise specified



# Building the **Community**

## Bank Asia Foundation

As a responsible corporate citizen we understand the need to invest in the society we operate in for bringing about changes that impact lives in positive ways. Keeping this thing in mind Bank Asia spent Tk. 282.83 million for the overall betterment of nation in 2020. Since inception in 2017, Bank Asia Foundation (BAF) was floated with the prime objectives, among others, to undertake CSR activities primarily focusing on betterment of the health sector. With that objective in view, BAF embarked upon a plan to set up a modern 250-bed Hospital at Malkhanagar, Sirajdikhan, Munshigonj and Medical College on 723 decimal land, donated by Mr. A. Rouf Chowdhury (Chairman of Bank Asia and BAF) & his family members with all conducive facilities. In the first phase, a modern Diagnostic Centre, a model Pharmacy and an OPD have already been set up which are in operation since September, 2019 & the hospital has extended its service to 19,683 patients so far. A total of 10,058 tests has been done at Bank Asia-Ma Amiran Hospital and Medical College till now.

Bank Asia believes education is the great leveler and the best way to raise aspiration in the society and also helps to enrich the job market. The foundation has been disbursed the scholarship among 248 students of Tk. 11.03 million under the “Bank Asia Higher Studies Scholarship Program” for the year 2020.

The activities of the BAF, amongst others are, as listed below:

1. Providing medical treatment facilities through hospitals, clinics, medical & eye camps;
2. Giving scholarship to the well deserving students;
3. Distribution of blankets & warm cloths among the needy people;
4. Providing monetary & other support for the relief of distressed people affected by natural calamities such as flood, fire, famine, cyclone & others acts of God
5. Promoting educational, scientific, religious & social activities/organizations
6. Other similar charitable activities



*Services provided by Bank Asia-Ma Amiran Hospital and Medical College*



*Outdoor unit of Bank Asia-Ma Amiran Hospital and Medical College*

# Corporate Social Responsibility (CSR)

## SDGs Impacted



Through CSR activities Bank Asia tries to foster healthy communities towards enhancing well-being & productivity of the country



To provide better access to educational opportunities for those in needs towards enhancing their employability and to ensure inclusive & balanced society Bank Asia provides educational support to the society



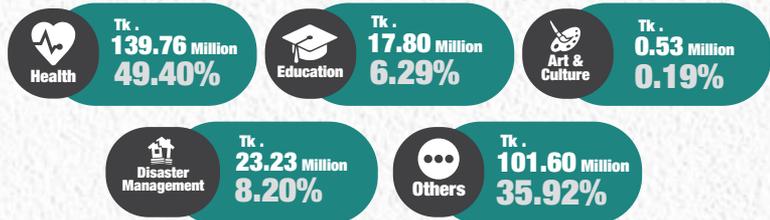
For a safe, resilient and sustainable environment of the country in times of adversity and disaster towards enabling them to rebuild their lives and livelihoods Bank Asia provides support to the society



**TOTAL**  
**Tk. 283 Million**  
as CSR Expenditure

Corporate Social Responsibility (CSR) refers to self-regulatory mechanism whereby a bank ensures its active compliance with the spirit of the law, ethical standards and national or international norms. Bank Asia following the Bangladesh Bank principles, prioritizes in social and environmental values which will benefit the people of the country.

## Donation for societal improvement by CSR



**Health** Tk. 139.76 Million

**Prevention from COVID-19 crisis**  
Tk. 100 Million

Bank Asia donated for prevention of COVID-19 crisis & treatment of patients to PM's Relief & Welfare Fund

**PPE for Bangladesh Police Force**  
Tk. 10 Million

Bank Asia donated PPE to Bangladesh Police Force for protection from COVID-19 who actively engaged for keeping security of the nation

**For establishing Hospital**  
Tk. 27.36 Million

Donated a huge quantum of land along with a 3 storied building at Malkhanagar, Sirajdikhan, Munshigonj for establishing MA Amiran Hospital's renovation and interior work of which is underway

**Contribution for Covid-19 patient**  
Tk. 2.4 Million

Being aware of the effect of COVID-19 in health Bank Asia has contributed to various COVID affected patients throughout the country



Donation to Prime Ministers Relief Fund for the flood-affected people of the country

 **Education** Tk. 17.80 Million

**Higher Studies Scholarship**  
Tk. 11.03 Million

Bank Asia provided direct scholarship to 248 students for helping these students in pursuing their studies in the educational institutions

**Construction of School**  
Tk. 1.8 Million

For helping the students of Motijheel Model School & College, Bank Asia contributed money for the construction inside the school

**Books for Public Library**  
Tk. 0.5 Million

Bank Asia has contributed in purchasing books, renovation of study room and book cafe in Sirajdhikhan Public Library

**Newspaper distribution among students**  
Tk. 4.46 Million

Under a joint venture CSR initiative titled "Spreading Knowledge" Bank Asia providing daily 1,000 copies of The Daily Star newspaper to Jahangirnagar University students

## Corporate Social Responsibility (CSR)



### Disaster Management & Infrastructural Development **Tk . 23.23 Million**

Donated more than 52,400 blankets to cold hit people

Bank Asia 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.



*Bank Asia donated blankets in favor of Prime Minister Relief Fund for the underprivileged people of the country*

### Arts & Culture

Arts & Culture  
**Tk. 0.53 Million**

Bank Asia sponsored various events in educational institutions for the promotion of Bangladeshi culture among young generations

## Corporate Social Responsibility (CSR)

... Others Tk. 101.60 Million

Donation in  
Bangabandhu  
Memorial Trust  
Tk. 100 Million

Donated to Bangabandhu Memorial Trust in  
memories of our Father of Nation Bangabandhu  
Sheikh Mujibur Rahman

Contribution for  
Mujib Year  
Tk. 1.58 Million

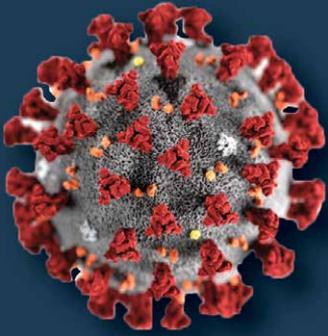
Contributed to Bangladesh Bankers' Association  
in commemorating the birth ceremony of  
Bangabandhu Sheikh Mujibur Rahman



Bank Asia has donated Braille Printing Machine to Bangladesh Disabled Development Trust (BDDT) for facilitating educational activities of visually impaired people



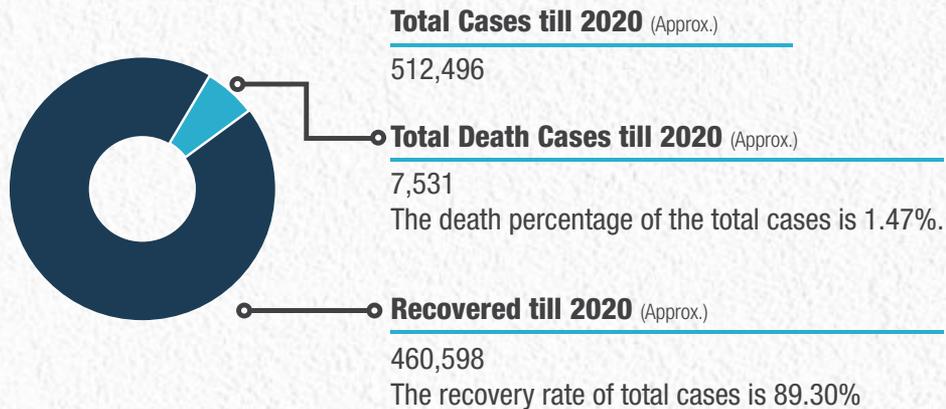
Bank Asia has distributed daily necessity products to the COVID-19 effected people



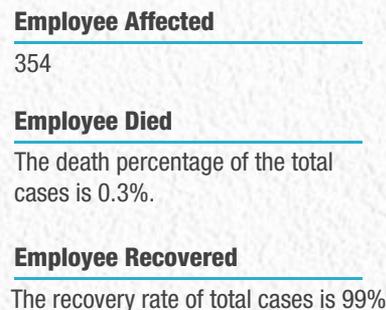
# A Year Without Precedent

“ 2020 was a year like no other year, a virus that come and drives the world to go shutdown. A year with numerous challenges, accomplishments, learning and a year of grieving”

## COVID-19 Pandemic in Bangladesh



## COVID-19 Pandemic in Bank Asia



# GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The 2016 GRI Standards have been adopted for this report. GRI 403 Occupational Health and Safety is also based on the 2018 Standards.



Disclosure No.	Disclosure Title	Page no.	Remarks
<b>GRI 101 Foundation 2016</b>			
<b>Organizational Profile</b>			
<b>GRI 102: General Disclosures 2016</b>			
GRI 102-1	Name of the organisation	18	
GRI 102-2	Activities, brands, products, and services	36	
GRI 102-3	Location of headquarters	6	
GRI 102-4	Location of operations	18-19	
GRI 102-5	Ownership and legal form	18	
GRI 102-6	Markets served	18-19, 45-47, 86-87	
GRI 102-7	Scale of the organisation	18-19	
GRI 102-8	Information on employees and other workers	75-79	
GRI 102-9	Supply chain	84	
GRI 102-10	Significant changes to the organisation and its supply chain	6,84	
GRI 102-11	Precautionary principle or approach	28-30, 57	
GRI 102-12	External initiatives		Bank Asia adopted Bangladesh Bank's policy on environmental risk management and Sustainable Finance
GRI 102-13	Membership of associations	19	
<b>STRATEGY</b>			
GRI 102-14	Statement from senior decision-maker	10-14	
GRI 102-15	Key impacts, risks, and opportunities	64-65 "Annual Report 2020 (Page-64)"	
<b>ETHIC AND INTEGRITY</b>			
GRI 102-16	Values, principles, standards, and norms of behavior	4-5	
GRI 102-17	Mechanisms for advice and concerns about ethics	32	
<b>GOVERNANCE</b>			
GRI 102-18	Governance structure	27-32	
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	58	
GRI 102-22	Composition of the highest governance body and its committee	27-32, "Annual Report 2020 (Page-221)"	
GRI 102-23	Chair of the highest governance body	32, "Annual Report 2020 (Page-222)"	

# GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 102-24	Nominating and selecting the highest governance body	Annual Report 2020 (Page- 222, 224-225)	
GRI 102-25	Conflicts of interest	32	
GRI 102-35	Remuneration policies	Annual Report 2020 (Page- 232; section: 6.1, 6.3, 6.5)	
GRI 102-36	Process for determining remuneration	Annual Report 2020 (Page- 232; section: 6.2)	
GRI 102-37	Stakeholders' involvement in remuneration	Annual Report 2020 (Page- 232; section: 6.2)	Bank did not form any remuneration committee or other board committee on permanent basis As per Bangladesh Bank BRPD Circular no. 11 dated October 27, 2013
<b>STAKEHOLDER ENGAGEMENT</b>			
GRI 102-40	List of stakeholder groups	20-22,24-25	Disclosures 102-40 to 102-49 are properly addressed. There is no omission for these disclosures.
GRI 102-41	Collective bargaining agreements		No employees are covered by collective bargaining agreements. In Bangladesh, this is not allowed for Private Commercial Banks.
GRI 102-42	Identifying and selecting stakeholders	20	
GRI 102-43	Approach to stakeholder engagement	20-22,24-25	
GRI 102-44	Key topics and concerns raised	20-22,24-25	
<b>REPORTING PRACTICES</b>			
GRI 102-45	Entities included in the consolidated financial statements	6,15	
GRI 102-46	Defining report content and topic Boundaries	20,23	
GRI 102-47	List of material topics	26	
GRI 102-48	Restatements of information	6	
GRI 102-49	Changes in reporting	6	
GRI 102-50	Reporting period	6	
GRI 102-51	Date of most recent report	6	
GRI 102-52	Reporting cycle	6	
GRI 102-53	Contact point for questions regarding the report	6	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	6,95	"This report has been prepared in accordance with the GRI Standards: Core option"
GRI 102-55	GRI content index	95	
GRI 102-56	External assurance		In Bangladesh, this service is not yet started.
<b>Specific Disclosures</b>			
<b>Material Topics</b>			
<b>GRI 200 Economic Topics</b>			
<b>GRI 103: Management Approach 2016</b>			
GRI 103-1	Explanation of the material topic and its Boundary	23, 72	
GRI 103-2	The management approach and its components	70-71	
GRI 103-3	Evaluation of the management approach	24-25, 85, 60-61, 64-71, 72-73, 88	
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>			
GRI 201-1	Direct economic value generated and distributed	60-61, 89-93	
GRI 201-3	Defined benefit plan obligations and other retirement plans	74	
GRI 201-4	Financial assistance received from government	66	
<b>GRI 202: MARKET PRESENCE 2016</b>			

# GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Bank Asia practices competitive salary package in all level in line with industry best practices
GRI 202-2	Proportion of senior management hired from the local community		All the employees of Senior Management are hired from Bangladesh
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>			
GRI 203-1	Infrastructure investments and services supported	60-63, 66-67	
GRI 203-2	Significant indirect economic impacts	66	
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>			
GRI 204-1	Proportion of spending on local suppliers		All of our suppliers are local
<b>GRI 205: ANTI-CORRUPTION 2016</b>			
GRI 205-1	Operations assessed for risks related to corruption	"29,54, Annual Report 2020 (Page-87, 213)"	
GRI 205-2	Communication and training about anti-corruption and procedures/policies	84	
GRI 205-3	Confirmed incidents of corruption and actions taken		After proper investigation, corrective actions were taken against corruption in 2020
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	66	Bank Asia didn't face any legal action regarding anti-competitive behavior, anti-trust, and monopoly practices during the reporting period
<b>GRI 300 Environmental Topics</b>			
			"As a financial institution, banking activities have no direct material impact over the environment. For this reason, we did not treat it as material topic. But Bank Asia is very much concerned and complied on financing to the entities that will not affect the environment adversely".
<b>GRI 302: ENERGY 2016</b>			
GRI 302-1	Energy consumption within the organization	57	
GRI 302-4	Reduction of energy consumption	56-57	
GRI 302-5	Reductions in energy requirements of products and services	56-57	
<b>GRI 305: EMISSIONS 2016</b>			
GRI 305-1	Direct (Scope 1) GHG emissions	57	
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>			
GRI 307-1	Non-compliance with environmental laws and regulations	58	
<b>Material Topics</b>			
<b>GRI 400 Social Topics</b>			
<b>GRI 103: Management Approach 2016</b>			
GRI 103-1	Explanation of the material topic and its Boundary	23, 72-73	
GRI 103-2	The management approach and its components	70-71, 72-73	
GRI 103-3	Evaluation of the management approach	24-25, 40-41, 69, 64-65, 72-73, 86-87	
<b>GRI 401: EMPLOYMENT 2016</b>			
GRI 401-1	New employee hires and employee turnover	74-75	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		"Benefits are applicable to full-time, contract and part-time employees, with the exception of temporary staff. Variable incentives and flexible benefits may differ depending on individual contracts and performance."

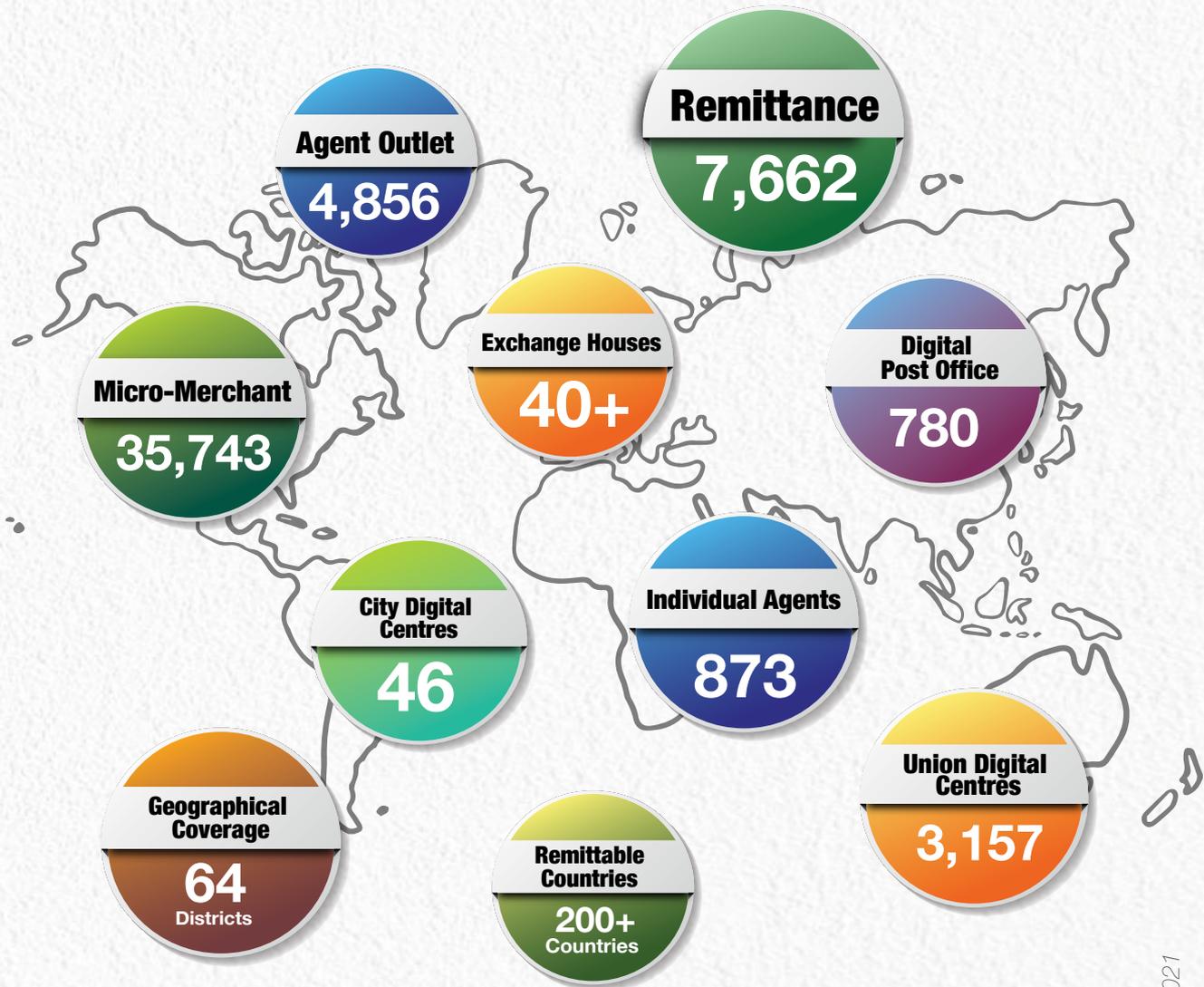
# GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 401-3	Parental leave	76	
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>			
GRI 402-1	Minimum notice periods regarding operational changes	74	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016</b>			
GRI 403-1	Workers representation in formal joint management-worker health and safety committees"	76	
GRI 403-4	"Health and safety topics covered in formal agreements with trade unions"		No private commercial Banks in Bangladesh has trade union.
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
GRI 404-1	Average hours of training per year per employee	75-76	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	75-77	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	76-77	
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
GRI 405-1	Diversity of governance bodies and employees	74-75, 78-79	
GRI 405-2	Ratio of basic salary and remuneration of women to men	74	
<b>GRI 406: NON-DISCRIMINATION 2016</b>			
GRI 406-1	Incidents of discrimination and corrective actions taken	80	
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No private commercial Banks in Bangladesh has trade union.
<b>GRI 408: CHILD LABOR 2016</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	80	
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	80	
<b>GRI 410: SECURITY PRACTICES 2016</b>			
GRI 410-1	Security personnel trained in human rights policies or procedures	84	
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>			
GRI 411-1	Incidents of violations involving rights of indigenous peoples	80	
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	80	
<b>GRI 413: LOCAL COMMUNITIES 2016</b>			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	38-41, 64-65, 89-93	
<b>GRI 417: MARKETING AND LABELING 2016</b>			
GRI 417-1	Requirements for product and service information and labeling	48-51	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	84	
GRI 417-3	Incidents of non-compliance concerning marketing communications	84	
<b>GRI 418: CUSTOMER PRIVACY 2016</b>			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	80, 84, 86-87	



# Bank Asia Agent Banking

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