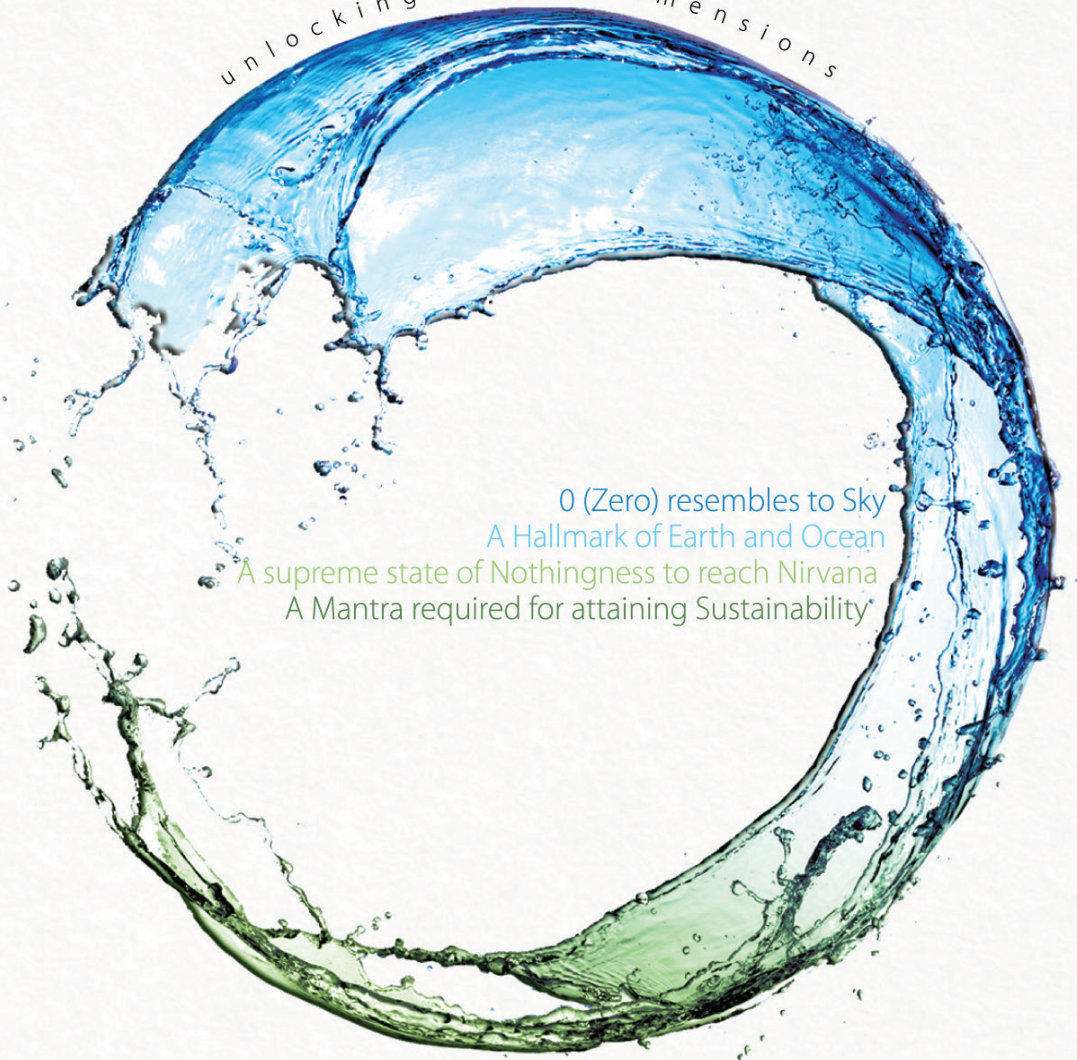


SUSTAINABILITY REPORT 2013

unlocking human dimensions



0 (Zero) resembles to Sky
A Hallmark of Earth and Ocean
A supreme state of Nothingness to reach Nirvana
A Mantra required for attaining Sustainability



O (Zero) resembles to Sky
 A Hallmark of Earth and Ocean
 A supreme state of Nothingness to reach Nirvana
 A Mantra required for attaining Sustainability

Invention of number '0' (Zero) about 2,000 years ago from the heart of Indian subcontinent (which includes Bangladesh also) was possibly the greatest conceptual leap in the history of mathematics. The symbol '0' was introduced here and treated as if it was a normal digit just like all others from 1 to 9.

The Indian number system was adopted all over the world because it was superior to all other number systems, and this is because of two main reasons 'place value' (as we move left each position in a number is 10 times bigger and as we move right, each position is 10 times smaller) and the symbol '0'. Apart from India, Babylon and China also had place value number system. But ancient India revolutionized numbers with the number '0', to mean nothing, the void or shunya. In the middle of the 18th century AD the Arabic Empire was in control of Spain, India and China absorbed the wisdom of the people they conquered along with the Indian numeral systems including 'Zero'. The Italian mathematician Fibonacci who educated in north Africa, learned Arabic mathematics introduced '0' along with decimal system based on

Arabic numerals to western world in 1202 through his famous book Liber Abaci.

The concept of Zero was very much spiritually connected with Indian philosophy and religion such as Nirvana, the transcendent state of 'nothingness', when all desires are nullified. Nirvana is attained when somebody can deliberately make his/her mind Zero or Shunya to be liberated from all kind of desires and self-sense, i.e. a direct linkage between mathematics and spiritual philosophy.

This mantra can be true for a commercial company too. If they can nullify so called corporate goals (desires) obsessed with profit and continuous growth and start from 'Zero to Infinity' giving cautious considerations to economic, environmental & social impacts and prioritize corporate social responsibilities with good governance it will usher in a state of sustainability. **Bank Asia** is striving for such spiritual salvation chanting the mantra of Zero.



For A Better Tomorrow



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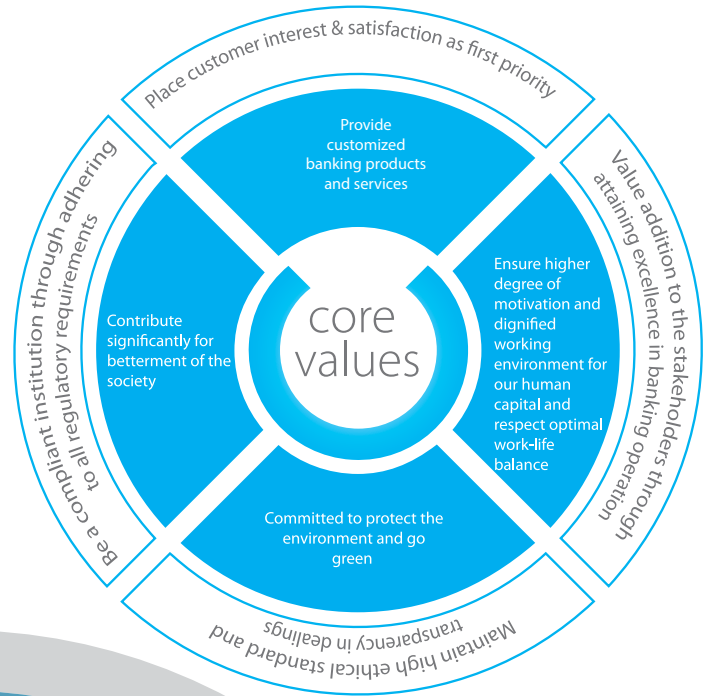
VISION

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.

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.

CODES OF conduct



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

REPORT parameter

The year 2013 reporting is our second Sustainability Report based on GRI reporting framework G3/ G3.1 guidelines with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social impacts including both positive and negative contribution.

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 2013. This is our second 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 which was published in 2013.

The sustainability report will be prepared once in a year describing activities and achievements throughout the year.

Boundary of the report

The report boundary of the year 2013 covers only banking 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 two subsidiary companies, one in Bangladesh and another in UK, 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. a wholly owned subsidiary is incorporated in UK and primary responsibility is remittance channeling to Bangladesh from UK market. Financial statements of BA Exchange UK are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

Bank Asia obtained license from New York State Department of Financial Services in December 2013 for its 3rd subsidiary company BA Express USA.

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. Imran Ahmed, FCA, CISA, CSRS, Chief Financial Officer, Mr. Md. Bashir Uddin Ahmed, CSRS, Assistant Vice President, Finance & Accounts Division, Mr. Md. Shamim Hasnat, Senior Executive Officer, Finance & Accounts Division. Ms. Nahid Tania Khan, Officer, Finance & Accounts Division. They may be reached through

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



STRATEGIC FOCUS for sustainability

Going Green in the Future of Banking

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

Customer Satisfaction

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

Promoting Financial Inclusion

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

Giving Back

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

TRIPLE bottom line

As a player in the banking sector, Bank Asia has also incorporated three dimensions of performance in terms of social, environmental and financial parameters exhibited through people, planet and profit as per global reporting initiatives (GRI).

People

Bank Asia always plays a very active role in contributing to the society through its CSR program, which are thoroughly illustrated in CSR section. In the context of value creation model for its employees, the bank has made footprints by achieving:

- Operating profit and Net profit per employee was Tk. 3.38 million and Tk. 0.91 million respectively.
- 32,223 man hours training have been provided to our employees in the year 2013.
- Bank Asia works with a wide range of suppliers, vendors, agents and others. Bank Asia works with them to create value 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 green banking section. As greening of mind, Bank Asia arranged 29 trainings and awareness building programs related to Green Banking, Environmental Risk Management, etc. and covered 9,019 participants including our clients and our employees.

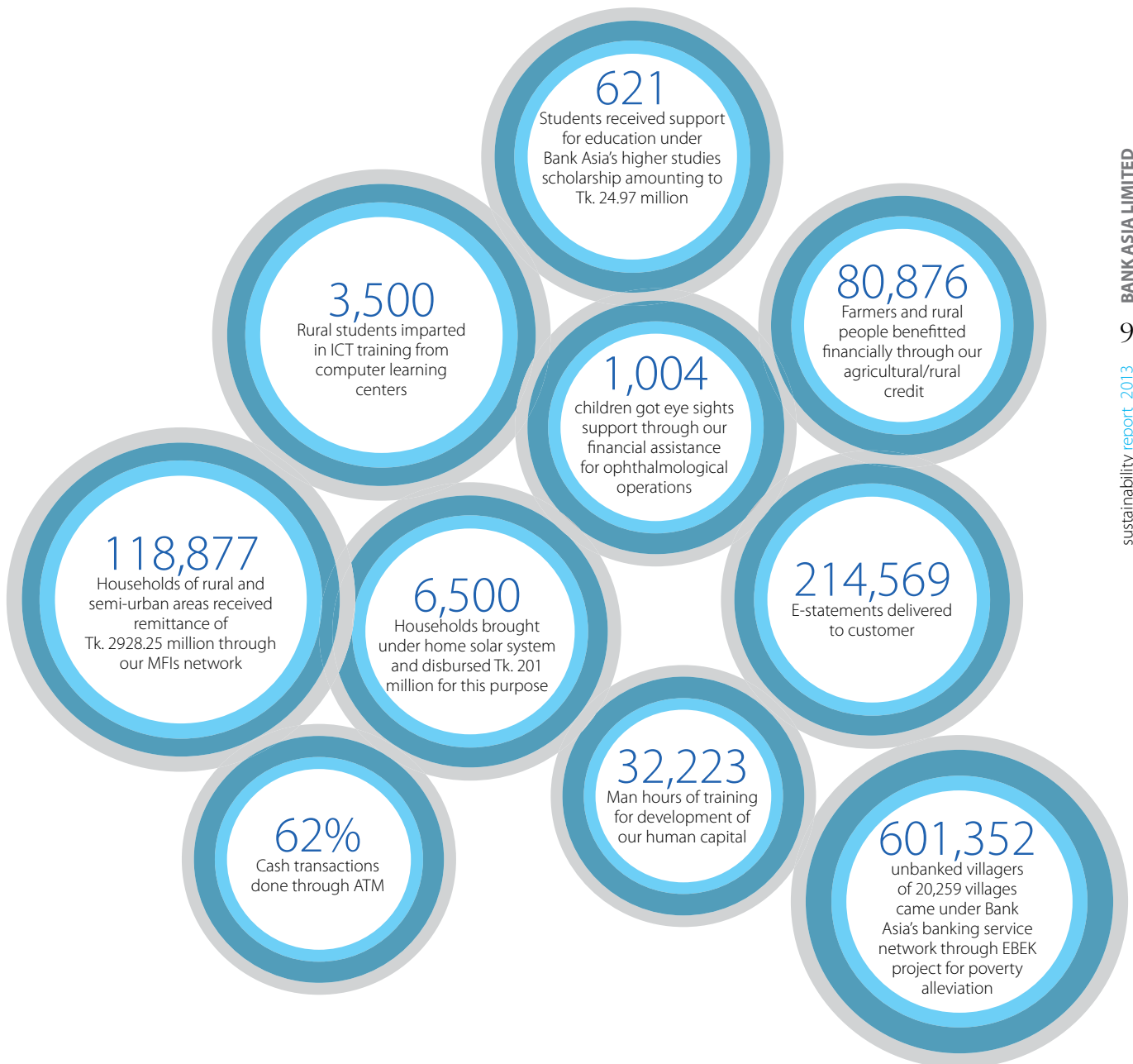
Profit

During 2013 Bank Asia generated Economic profit of of Tk. 1928.22 million in the form of economic value addition but when we adjusted value of written off bad loans the economic profit was reduced to Tk. (587.08) million.



SUSTAINABLE BANKING OPERATIONS

key highlights





chairman's message

The few recent events have alarming the necessity of sustainable operation and the world is moving towards this facet. We are also not an exception; we grasp the theme of caring the society since inception of the journey of this Bank. Our business operation ensures positive and supportive impacts on the surroundings under the purview of economic, social and environmental aspects.

Sustainable Business Performance

2013 was a tough year in every term. Global economy did not see its expected growth and national economy suffered a setback due to election year uncertainty and lingering political turmoil especially in the latter part of the year. Even in this difficult time the Bank could show its enduring strength to grow. The Bank showed healthy growth in all key business parameters in 2013. Operating profit and net profit stood at Tk. 5,415.76 million and Tk. 132.98 million with a growth of 7.20% and 60.77% respectively.

Green Banking

Bank Asia has always played an active role in protecting the environment and supporting the community. Since inception Bank Asia has turned to eco-friendly banking as a way to lower carbon footprint in its in-house banking operation and its mainstream business financing activities like renewable energy projects, ETP (Effluent Treatment Plant) projects, brick manufacturing projects utilizing environment friendly technology like tunnel kiln technology, hybrid hoffman kiln technology etc. Bangladesh Bank

has recognized Bank Asia as one of the Top Ten Private Commercial Banks for the contribution to green banking activities across the country two times consecutively.

Building the Community

From social point of view, Bank Asia intends to work with the under privileged for their betterment. The Bank spent Tk. 132.97 million in 2013, which is almost 91.46% higher than the previous year for several social projects.

Higher Study Scholarship program for rural poor and meritorious students, who are studying in public universities, is the major CSR activity of Bank Asia Ltd. So far, 621 students have been provided with the scholarship. Each of the students gets Tk. 34,000 annually as scholarship. In the year 2013, Bank Asia spent around Tk. 24.97 million for this purpose.

Bank Asia has been operating Ophthalmological Operation of all recoverable born-blind children in Bangladesh in collaboration with Bangladesh Eye Hospital (BEH) since 2005. The objective of this program is to provide the handicapped and the underprivileged children necessary financial support so that they can see the light of the world and be a part of mainstream of the society. The Bank spent Tk. 0.30 million in 2013 for 25 cataract operations.

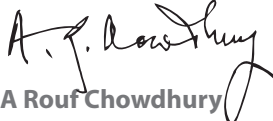
Bank Asia is extending full fledged financial support for construction of a nine-storied 'Nursing Student Hostel' at Bangabandhu Sheikh Mujib Medical University (BSMMU) having project cost of Tk. 104 million to mitigate acute accommodation problem of graduate nursing students and construction of Outdoor Patient Department (OPD) building having project cost of Tk. 50 million for Holy Family Red Crescent Medical College & Hospital in the capital city Dhaka.

Financial Inclusion

Bank Asia has been playing the pioneering role to promote the complementary channel named 'Agent Banking' to reach the poor segment of the society with a range of financial services especially in geographically dispersed locations. In addition to that the Bank has recently launched Mobile Financial Services in the name and fashion "Hello" with the aim to serve both the banked and unbanked population of Bangladesh. With distributors and agents covering the whole country, coupled with vast branch network offering the same services, 'Hello' promises to be one of the leading contributors to financial inclusion in this country.

Bank Asia has started operation of EBK, one house one farm, a government's poverty alleviation project for the poorest people in 2012. Bank Asia is now operating EBK Banking services to 35 districts having 252 Upazillas. Already more than 601,352 beneficiaries are getting the services under this project.

Last but not the least, I would like to thank the Management and the Board of Directors for their continuous effort and sincerity to this burning issue. We all have to work together towards excelling the spirit of sustainability and ensure proper implementation of the green policies through monitoring and measuring the performance. I want to thank the Sustainability Reporting Team for their sincere effort for representing the banking activities under the framework of Sustainability Reporting.


A Rouf Chowdhury
Chairman



president and
managing
director's
review

The Bank continues its efforts to look beyond short-term quantitative gains, and to concentrate on issues that make the institution socially responsible and have given all-out efforts towards sustainable balanced growth.

Loans & Advances

Tk. **104,911** million
13.63%

Deposits

Tk. **133,489** million
21.29%

Operating Profit

Tk. **5,416** million
7.20%

Net Profit

Tk. **1,460** million
60.77%

Bank Asia does not look for profit maximization rather it injects value creation model through acting as catalyst in excelling economic activities. Building the community is an integral part of its mainstream business. During the year the bank has spent Tk. 132.98 million against Tk. 69.45 million in 2012, exhibiting a remarkable growth of 91%. Bank Asia started its journey 14 years ago with a vision of a poverty free Bangladesh by placing highest consideration to human rights and dignity. One of its mission statements focuses on technology driven services to attain ultimate excellence. With these the Bank embedded sustainability at the core of its heart since inception. Preparing and publishing the 2nd Sustainability Report is just another official milestone.

Since incorporation in 1999 Bank Asia embraced sustainability in its corporate culture and consistently proved its pledge to support communities and the environment by instigating various social projects and financing activities.

Several incidents in the corporate industry of the country placed heavily in the mind of business leaders that reemphasized the need of sustainability reporting, the overarching objective is to increase corporate transparency, accountability to investors, consumers and civil society, helping them to manage risks and limit impacts.

To ensure sustainable growth and effective operation that is maintaining right balance between creating greater corporate transparency and limiting negative impacts, development of human capital is absolutely essential. To that respect Bank Asia conducted 32,223 man hours of training for human capital development. Our commitment to this is reflected in our employment policy and service rules. The current gender mix is female 27% and male 73%. Our 87% staff members are aged below 40 years which denotes that Bank Asia is in young, dynamic and capable hands.

Bank Asia spent Tk. 30.74 million in education including computer learning of distant underprivileged children, higher studies scholarship of poor but meritorious students, graduation of lady nurses, etc. Another aspect of building the community is to help the health sector. Like previous year, Bank Asia spent Tk. 72.58 million including ophthalmological operation of born blind children, cancer treatment of poor through Ahsania Mission Cancer and General Hospital and contribution to develop infrastructure for health sector like construction of nine storied building for Holy Family Red Crescent Medical College & Hospital, nine storied building for graduate nursing hostel at Bangabandhu Sheikh Mujib Medical

University (BSMMU) etc. Bangladesh is natural disaster prone country being a delta at the bank of Bay of Bengal. Natural and man made disasters frequently rocks the plain living Bangladeshi. A number of cyclones hit the country during 2013. This caused a huge loss of resources and lives of human being. Even this loss was surpassed by the accident of Savar building collapse, a man made tragedy which took a toll of the lives of above thousand people considering to be the deadliest garment factory accident in the history of Bangladesh. Bank Asia donated Tk. 21.14 million including Prime Minister's relief fund and support to cold-hit people etc. All employees of Bank Asia has donated their one day basic salary willingly for compensation of the victims of Rana plaza tragedy.

The Bank continues its efforts to look beyond short-term quantitative gains, and to concentrate on issues that make the institution socially responsible and have given all-out efforts towards sustainable balanced growth.

In the end, I express my sincere thanks and gratitude to all stakeholders and sincerely acknowledge their active engagement towards Bank Asia's dream of a poverty free Bangladesh that is sustainable in economic, social and environmental respects.



Md. Mehmood Husain
President and Managing Director

AWARDS AND recognition

2013

- Certificate of Merit from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for Best Corporate Award 2013.
- Certificate of Merit from the Institute of Chartered Accountants of Bangladesh (ICAB) for Best Presented Annual Reports-2012 in the Private Sector Banks including Cooperative Banks.
- Certificate of Merit in the SAARC Anniversary Award for Corporate Governance from the Institute of Chartered Accountants of Bangladesh (ICAB).
- Achieved commendation for first time Sustainability Report 2012 in the 9th Sustainability Reporting Awards by National Center for Sustainability Reporting (NCSR) in Pejaten, Jakarta for Sustainability Report 2012 of Bank Asia.
- Achieved special commendation for Most Progressive Reporter 2012 by National Center for Sustainability Reporting (NCSR) in Pejaten, Jakarta for Sustainability Report 2012 of Bank Asia.
- Recognized by Bangladesh Bank as one of the top 10 commercial banks for significant contribution to green banking in Bangladesh.

2012

- Certificate of Merit from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for Best Corporate Award 2012.
- Certificate of Merit from the Institute of Chartered Accountants of Bangladesh (ICAB) for Best Published Accounts and Reports 2011.
- Recognized by Bangladesh Bank as one of the top 10 commercial banks for significant contribution to green banking in Bangladesh.





▲ Mr. Md. Mehmood Husain , President and Managing Director of Bank Asia receiving ICMA Best Corporate Award 2013 from the Hon'ble Minister Mr. Abul Maal Abdul Muhith, Ministry of Finance



▲ Mr. Md. Mehmood Husain, President and Managing Director and Mr. Imran Ahmed, CFO of Bank Asia with Ms. Asthildur Hjaltadottir, Interim Director Network Relations and Ms. Christine Koblung, Network Relations Coordinator of GRI, Amsterdam at the NCSR Sustainability Reporting Award 2013 Ceremony in Jakarta



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, SME financing, Agent Banking, EBK, Remittance channeling & many more specialized services with its core banking activities.

To excel in this new era of technological triumph, Bank Asia has successfully introduced mobile banking (with a brand name Hello), cutting edge ICT, state of the art network solution, 24/7 ATM service & 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 it 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, amended upto 2013. 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 when its shares were listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

No significant changes have been taken place during the reporting period regarding size, structure, ownership of Bank Asia.

Scale of the reporting organization

As of the end of 2013, our Bank's operating profit is Tk. 5,415.76 million and total assets are Tk. 163,777.74 million. The Bank's capital adequacy ratio is 11.05%.

No. of employees	1,640 (1,600 of Bank & 40 of Subsidiaries)
No. of branches	86
Total operating income	8,533.12 million
Total debt & equity	149,160.04 million & 14,617.70 million
Nos. of ATM	90 own & 3700+ shared
Nos. of credit card	27,667
SME center	6
Nos. of debit card	205,358

Branch network

Currently we have 92 branches and SME service centers across the country spread over different zones that includes 82 branches, 4 SME agricultural branches and 6 SME service centers. Geographically 49 are placed in capital Dhaka, 27 in Chittagong the 2nd largest commercial hub after Dhaka, 7 in Sylhet zone one of the leading remittance flow area, 4 in Khulna zone the 2nd international port city and adjacent to world's largest mangrove

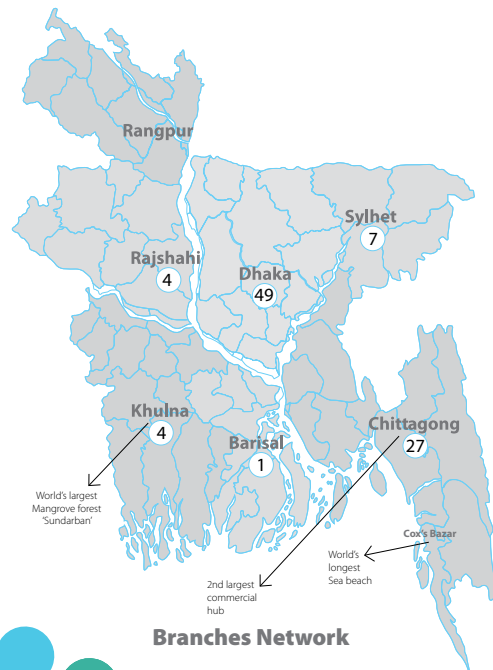
Number of countries where the organization operates

Bank Asia runs its banking operation only in Bangladesh. However, the bank has a fully owned subsidiary 'BA Exchange Co. (UK) Limited' in United Kingdom and another fully owned subsidiary 'BA Express USA Inc.' in United States of America. to facilitate as speedy and dependable medium for remitting the hard-earned money of expatriates back home.

forest, 4 in Rajshahi the silk city and world's finest mango production area and 1 in Barisal the main rice producing center of Bangladesh. All these branches and SME centers are efficiently supervised and monitored by 5 cluster mentors who take care of their overall performance indicators on a regular basis. Every year on an average 10 new branches are added to our branch network.

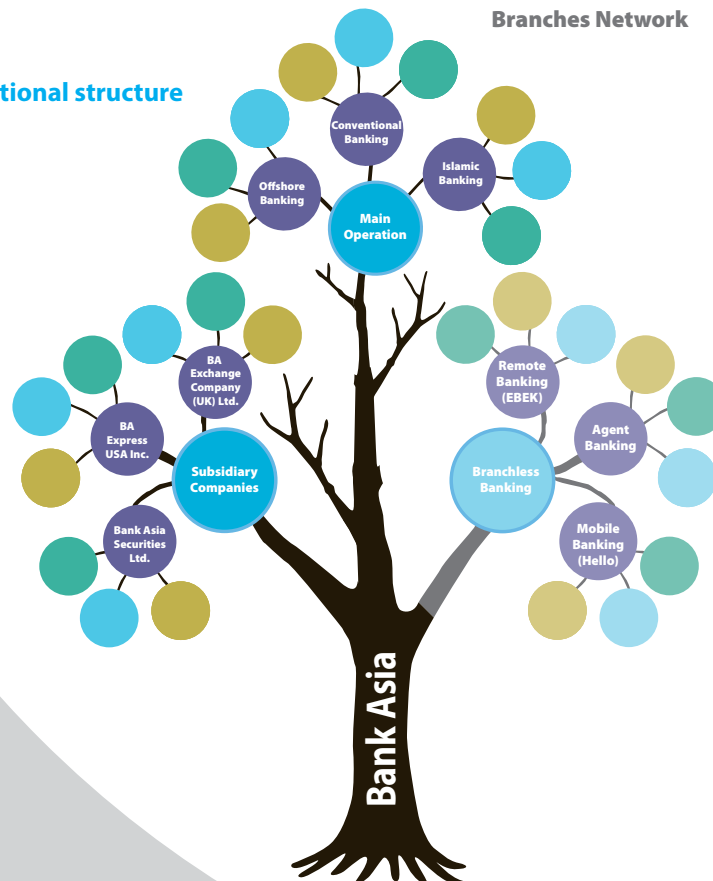
Membership with associations

- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Association of Banks (BAB)
- Association of Bankers Bangladesh (ABB)
- The Institute of Bankers Bangladesh (IBA)
- The American Chamber of Commerce in Bangladesh (AmCham)
- Bangladesh Foreign Exchange Dealers' Association (BAFEDA)
- Bangladesh Association of Publicly Listed Companies (BAPLC)



Branches Network

Organizational structure



STAKEHOLDERS engagement

Bank Asia believes in the proper stakeholders engagement in every aspects of its banking activities. We identify our stakeholders conducting thorough 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 our operational performance, e.g business partners, and those whom we are dependent, e.g customers
- Representation; those who represent Bank Asia to the outside world, e.g employees, board and those whom we face for various decision making purposes. e.g business association leaders, local community leaders

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

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

The following table discusses on various aspects of stakeholders, their engagement process and our response:

Our stakeholders

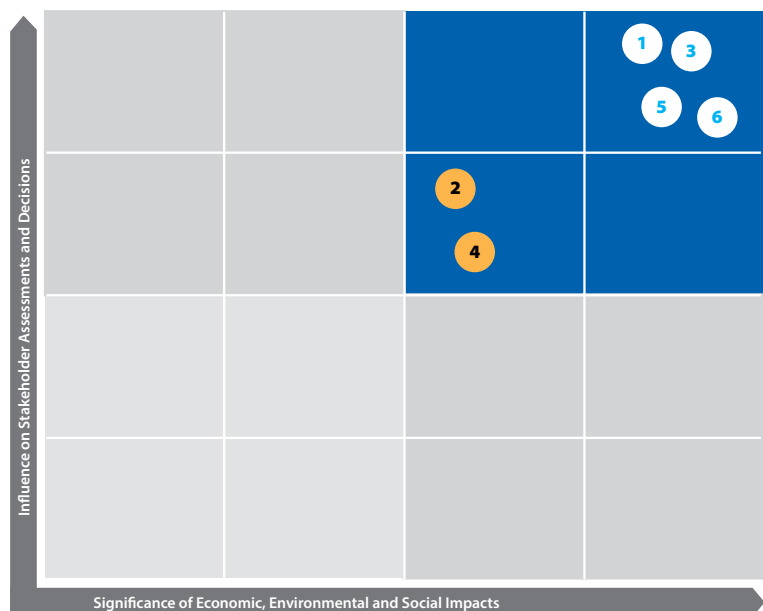


Our stakeholders	Ways of inclusion (approach)	Frequency	Their priorities	Our response
Customers	<ul style="list-style-type: none"> • Customer feedback management • Ongoing market research and product innovation 	Random	<ul style="list-style-type: none"> • Good return from deposits • Fast services delivery with excellence • Preferential pricing, charges and commission • Strict Shariah compliance in Islamic products and services • Product varieties catering market demand • Online banking solutions with secured transactions, privacy and confidentiality 	<ul style="list-style-type: none"> • ALCO sits every month to decide pricing and rates based on market analyses • All network nodes are run by online core banking system (CBS) • E-products like mobile banking, internet banking, tele banking, electronic fund transfer, etc. ensures hi-tech banking needs • Separate online CBS for Islamic products • Front desks and relationship managers ensures fast and high quality service delivery following one to one relationship.
Local communities	<ul style="list-style-type: none"> • CSR activities • Scholarship 	Several times in a year	<ul style="list-style-type: none"> • Compensation for adverse direct or indirect impact for bank's activities • Support to under privileged people • Support to basic need for living 	<ul style="list-style-type: none"> • Strongly consider environmental and social impact and restrain from adverse impact upon society • Target segment is underdeveloped and under privileged people • Significant contribution to education, health, disaster management and environmental sector
Shareholders/ investors	Annual General Meeting (AGM), Extraordinary General Meeting (EGM), annual & semi annual report, publishing quarterly financials and Price Sensitive Information (PSI) in newspapers	Once in a year	<ul style="list-style-type: none"> • Healthy return on investments and stable dividend policy • Growing earnings • Sound governance and risk management 	<ul style="list-style-type: none"> • Maintained attractive plough back ratio • Timely repayment of debt with stated return • Established superior risk management culture • Transparency and integrity in financial reporting
Board & management	<ul style="list-style-type: none"> • Decisions are taken based on financial and business delegation of different levels • Any major decisions must be placed to board for approval 	At least once in a month	<ul style="list-style-type: none"> • Governance principles, policies & procedures formulation • Strategic focus & value creation 	<p>At least one board meeting in every month, executive committee meeting, audit committee meeting,</p> <p>Board members meet management on various occasions like annual & semi annual business conferences, bank's anniversary celebration</p>

Our stakeholders	Ways of inclusion (approach)	Frequency	Their priorities	Our response
Employees	<ul style="list-style-type: none"> • Business conferences, tele conferences, video conference etc. • Training, workshops and orientation program • Group emails, intranet circulation 	Need based	<ul style="list-style-type: none"> • Inflation adjustment in pay package planning • Periodical salary review to adjust with cost of living index • Proper job description as per individual skill set • Regular training • Healthy working environment and workplace safety • Performance driven career progression 	<ul style="list-style-type: none"> • Salary package adjusted in line with market competitiveness and inflation • 32,223 man hours training for human capital in 2013. • Well set KPIs for performance and inherent quality analysis • All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise • Ensure continuous learning and application ground for career build-up
Government & regulatory authorities	Strict compliance with applicable laws, rules and regulations	Need based	<ul style="list-style-type: none"> • Proper compliance with laws & regulations • Timely reporting as per requirement • Timely payment of right amount income tax and VAT 	We ensure proper compliance and timely reporting to government bodies and regulators
Subsidiaries	<ul style="list-style-type: none"> • Policies formulation • Agreed upon strategic goals 	Need based	Goals & Strategic focuses are based on local environment analyses & regulatory purview	We review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries
Business partners	Procurement management, training and communication	Need based	<ul style="list-style-type: none"> • Fair trade, fair enlistment, • Sustainable and stable growth of the bank 	<ul style="list-style-type: none"> • Free from any bias or coercion from influencing quarters • Ensure fair play and competition to award work order • Timely payment to vendors

MATERIALITY mapping

Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L	M			H	
		1	2	3	4	5	
1	Financial inclusion					●	601,352 beneficiaries included in banking network under Bank Asia's EBEK (one house one farm) program-a government project. Agent banking and mobile financial services are taking pace.
2	Energy consumption			●			We are saving around 40% electricity (used for lighting purpose) by using the day light in our corporate office and a number of major branches.
3	Human capital and talent management					●	87% of staff members are aged below 40 years and 32,223 man hours in the year 2013 which signifies that Bank Asia is in young, dynamic and capable hands.
4	Solar energy as renewable energy			●			During the year 2013, we have disbursed Tk. 30 million for installation of 1,500 Solar Panels, which has benefitted around 1,500 houses with a total of 6,500 in various rural Off-Grid areas of the country.
5	Capital adequacy under Basel-II Capital accord					●	11.05% capital of risk weighted assets maintained against minimum capital requirement of 10%. New initiative for capital raising progress.
6	Building the community through education and health support					●	During the year, Bank Asia spent an amount of Tk.132.97 million for the overall betterment of the nation.



GOVERNANCE COMMITMENT and stakeholders

Corporate governance

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way an organization (or company) is directed and administered. Fairness, transparency, accountability and responsibility are the standards of Corporate Governance. It is about commitment to values and ethical conduct of business. In Bank Asia, corporate governance means increasing the stakeholders' value by being efficient

& professional to the organization, transparent and accountable to the shareholders and responsible to the society and the environment. The board of directors plays key roles in corporate governance. It is their responsibility to endorse the organization's strategy, develop directional policy, appoint and supervise senior executives and to ensure accountability of the organization to its owners and regulatory authorities.

Bank Asia Limited, as a publicly listed company, is a highly regulated company where Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) play a very significant role in establishment and adherence to norms and regulations. In this regard, BSEC's notification SEC/CMRRCD/2006- 158/134/ Admin/44 dated August 07, 2012 inserted many important issues like inclusion of independent directors in the board of directors and audit committee etc.

Board of Director's mechanism and independence

Bank Asia complied with relevant guidelines of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission while forming its board of directors. The number of members in the board of Bank Asia is 14 (fourteen) excluding the managing director. In the Board 4 (four) members are Independent Director and all of them are highly educated, esteemed professional and/ or successful businessman with long experience in banking industry.



The board approves the bank's budget and business plan and reviews those on quarterly basis so as to give directions as per changing economic and market environment. The board reviews the policies and manuals of the various

segments of businesses in order to establish effective risk management in credit and other key areas of operations. In 2013, 29 meetings held where 975 memos were presented.

Meetings Held	29
Major Agenda Covered in 2013	
<ul style="list-style-type: none"> ○ Codes of Conduct of Directors ○ Approval of Hybrid SME Business Model (HSBM) ○ Approval of Operational Guidelines for Import Financing under Islamic Banking ○ Credit Plan-2013 ○ Approval for Implementing Pilot Phase of Agent Banking in Munshigonj District ○ Approval for implementation of online Banking facility for collection of Machine Readable Passport/ Machine Readable Visa (MRP/MRV) fees ○ Revision of Terms of Reference of Risk Management Committee. ○ Proposal for approval of Bank Asia's Environment Risk Management (ERM) plan which would be amended / updated from time to time ○ SMART KPI for all employees of Bank Asia 	

Executive committee

The Executive Committee (EC) of the board of Bank Asia was first constituted in January 2010 to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions. The number of members in executive committee is 5 (five) nominated by the board from directors.

The EC time to time reviews policies and guidelines issued by Bangladesh Bank regarding credit and other operations that are customized and adopted by the management after approval of the board of directors. EC approves credit proposals as per approved policy of the board. In 2013, 23 meetings held where 540 memos were presented.

Meetings Held	23		
Loans Approval in 2013		million Taka	
Facility type	Nos. of Memo	Funded	Non-funded
○ New sanction	250	27,914.00	29,278.80
○ Enhancement	74	2,246.70	3,626.90
○ Sanction(Large Loan)	11	3,876.80	6,104.10
○ Forced Loan	9	334.20	

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. In 2013, 20 meetings held where 70 memos were presented.

Meetings Held

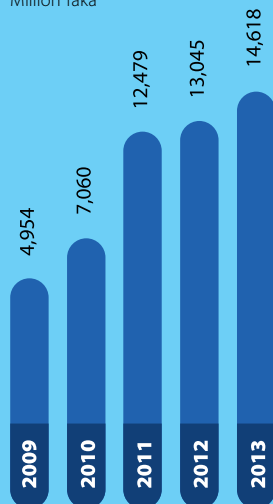
20

Major Agenda Covered in 2013

- Supervise the management and control various risk factors coming up from banking operation
- Strengthen the internal control system and to act as a connecting force between internal and external auditors in order to bring a disciplined banking operation.
- Review the financial reporting process, the system of internal control and management, the audit process, compliance with laws and regulations, and its own codes of business conduct.
- Examine the status of implementation of Bangladesh Bank guidelines and bank's own policies and manuals.
- Undertake various special audits by the audit cell of the board and the internal audit team of the bank
- Meet with the external auditors
- Discuss about audit plan, the risk management processes and preparation of the financial statements as per BAS and IAS.

Total Shareholders' Equity

Million Taka



Capital Structure

December 31, 2013

Figure in Million

Particulars	Taka	USD
Paid-up capital	6,936.32	87.80
Statutory reserve	4,208.07	53.27
Revaluation reserve	2,705.39	34.25
General reserves	8.17	0.10
Retained earnings	759.75	9.62
Total shareholders' equity	14,617.70	185.03

Conversion rate used 1 USD equivalent to Tk. 79

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, measured and adequate systems are in place to minimize such risks. Currently 5 (five) members are in the Risk Management Committee.

Meetings Held	12
Major Agenda Covered in 2013 <ul style="list-style-type: none"> ○ Business growth and Portfolio health ○ Risk Reports and Risk Audits ○ Client Credit Rating ○ Process and Policy Developments ○ Solvency and Capital Assessment 	<ul style="list-style-type: none"> ○ Enterprise wide Risk Management ○ Knowledge Sharing ○ Data Warehouse ○ Risk Management Model ○ Core Risk Management Process

Management committee

The highest committee of Management is the Management Committee (MANCOM), which is responsible for recommending strategy and monitoring business performance of the bank and its subsidiaries. The MANCOM 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 MANCOM members is 18. The name of the MANCOM members and their photos can be seen at pages 44 to 45 of the Integrated Annual Report 2013.

Meetings Held	05
Major Agenda Covered in 2013 <ul style="list-style-type: none"> ○ Foreign trade module for the system was reviewed. The PPG for agricultural/rural credit policy was approved ○ ICT Security Policy was approved ○ Online transactions limit reviewed and re-fixed ○ A Loan Recovery Committee was recommended and formed ○ Manual for "Prevention of Money Laundering and Combating Financing on Terrorism" were finalized ○ SME product namely "Probaho" approved ○ Policy decisions were taken on "Manual modification of tenor of term deposits" and "settlement of matured DPS having installments due" ○ A structured system for holding of keys of Vault, Locker, ATM etc. was approved by the MANCOM. ○ Key Performance Indicators (KPI) were discussed, reviewed and recommended ○ Policy decision and operational procedures approved 	

Directors' Profile

Directors' profile are detailed out at pages 36-38 of the Integrated Annual Report 2013 of Bank Asia Ltd, which is available in the Bank's website: www.bankasia-bd.com.

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. 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.

Meetings Held

12

Major Agenda Covered in 2013

- Money Market scenario , Liquidity Position and market forecast.
- Foreign Exchange Market and market forecast.
- Business outlook.
- Peer group analysis.
- Fixation of asset liability pricing.
- Ratio analysis.
- Monthly trend and variance of Deposit Advance.
- Balance Sheet Gap analysis as per time bucket.
- Review of key ALM indicators and its impact
- FC Inflow-outflow & commitments scenario
- Re-pricing gap (int. rate break down) of Asset-Liability.

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 decline the credit proposal and put observations where necessary. Based on the recommendations, credit proposals are approved or declined by the managing director or executive committee of the board or the board as per delegation of authority.

Sanction Type

Number of Proposals

Credit Proposals Processed by Credit Committee during 2013

○ Enhancement	152
○ Modification	215
○ New	582
○ One time	1,640
○ Renewal	591
○ Renewal with Enhancement	211
○ Renewal with Reduction	93
○ Renewal with Restructuring	8
○ Rescheduling	48
○ Restructuring	71
○ Regret	35
○ Reduction	7
Total	3,653

SRP committee

The Supervisory Review Process (SRP) committee is formed under the second pillar of Basel II capital accord. Bank Asia has developed internal methodology to assess requirement of additional capital to address risks that have not been considered under minimum capital requirement (MCR), i.e. credit risk, operational risk and market risk. The SRP committee is a representation of senior management working under board. The committee consists of 9 (nine) members: President and managing

director (chairman of the committee), chief risk officer, chief operating officer, chief business officer -SMR, chief financial officer, head of internal control and compliance, head of treasury operations and head of risk management. Core responsibilities of the committee is to ensure that bank has comprehensive Internal Capital Adequacy Assessment Process (ICAAP) and adequate level of capital is maintained and reported considering appropriately the level of risk. A separate risk management committee (RMC) supervises day-to-day risk identification, mapping and mitigation.

Meetings Held

03

Major Agenda Covered in 2013

- Process /Policy Need
- Risk Reporting System
- Process review and Reengineering
- Risk Appetite and Management Action Trigger
- Identification of Process Gap and implementation of control
- Pillar II Capital Planning and review of assessment process
- Service Quality

Independent director

As part of good governance in the organization participation of independent opinion in the Board is considered as an important instrument. Independent directors in the Board exert an independent view on the policies and decisions of the Board and ensure that the policies and decisions are for the best

interest of the whole bank. Bank Asia has appointed 4 (four) independent directors in the Board. They are Mr. A M Nurul Islam a renowned bureaucrat and three renowned retired bankers Mr. Mohammed Lakiotullah, Mr. Shah Md. Nurul Alam and Mr. Mashiur Rahman.

The Independent Directors are also member of the sub-committees of the Board. Two of them are the members of the Executive Committee, two of them are the members of the Audit Committee, and all of them are the members of the Risk Management Committee.

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

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

The Chairman is responsible for leading the board and overseeing the entire functioning of the bank is 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. Mehmood Husain 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.

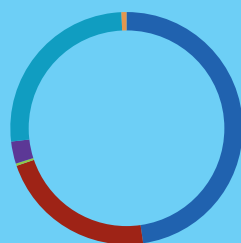
Board remuneration and performance evaluation

For attending the Board Meeting, Audit Committee Meeting, Executive Committee and Risk Management Committee, the Directors receive an honorarium of Tk. 5,000 each. During 2013, the expenditures incurred related to directors were Tk. 1,720,000 for Directors' honorarium and Tk. 131,840 for Directors' Traveling purpose in comparison to Tk. 2,003,240 and Tk. 156,560 respectively in 2012.

Mechanism to provide advice to the Board

Bank Asia maintains transparent and close communication with its shareholders. With this view we publish annual & semi annual reports, 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 legislations.

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 approve 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 14 AGMs and 8 EGMs have been successfully arranged.



47.71% Sponsor & Director
22.05% General Public
0.32% Foreign Investments
3.09% Investment Companies
26.12% Institutions
0.71% Non Resident Bangladeshi

Shareholding Structure

December 31, 2013

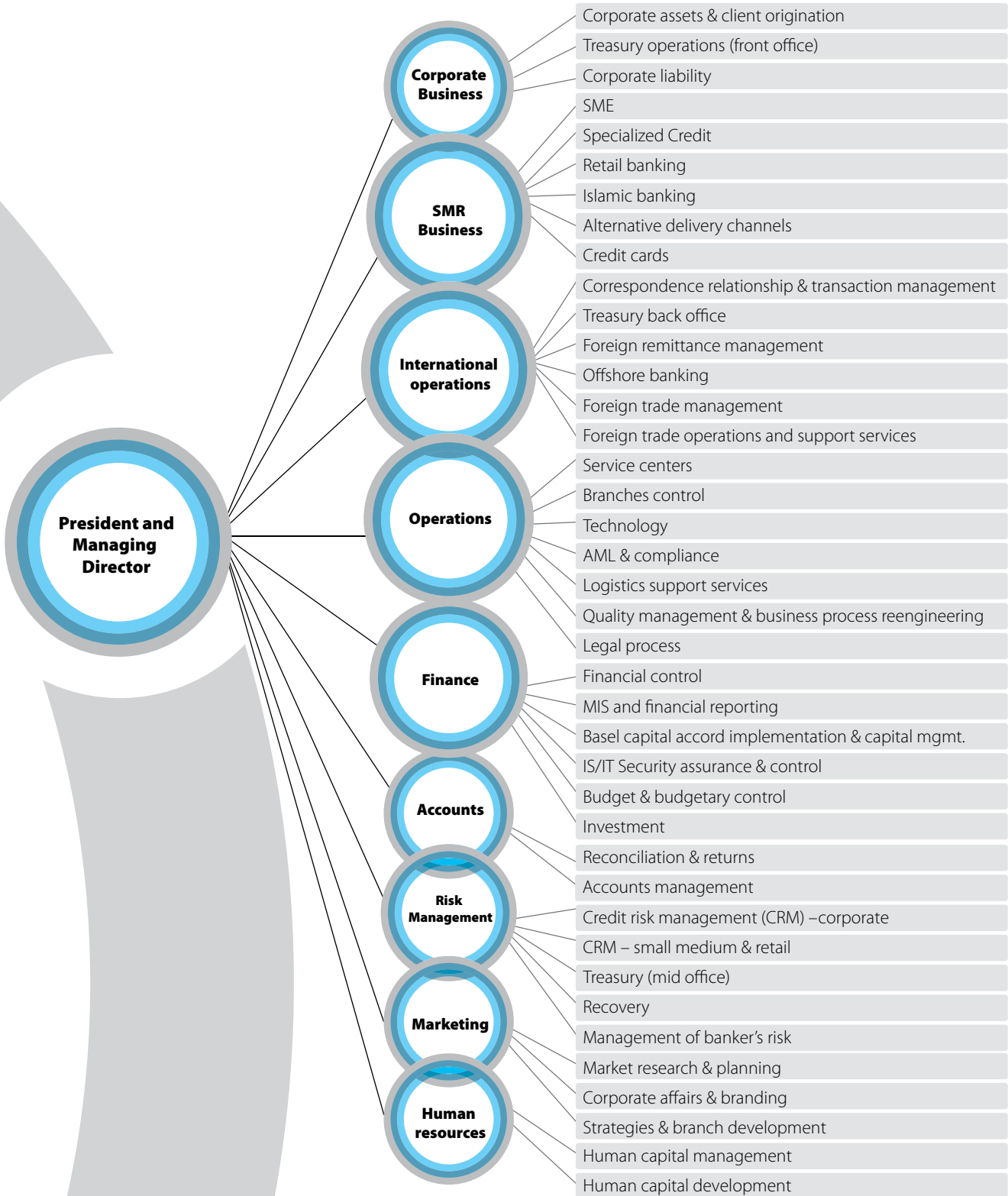
Category	No. of shareholders
Sponsor & Director	25
General Public	17,503
Foreign Investments	2
Investment Companies	111
Institutions	390
Non Resident Bangladeshi	148
Total	18,179

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

Organogram



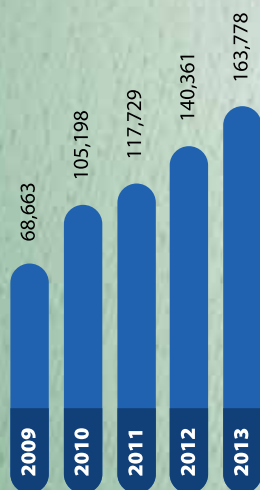
FINANCIAL performance

Major Financial Highlights

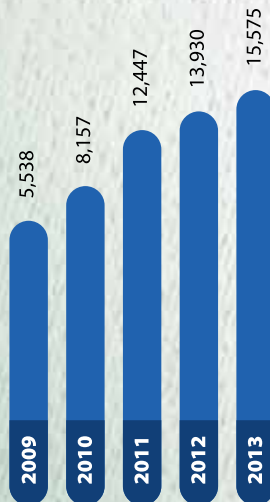
Million Taka

	2013	2012	2011	2010	2009
Paid up Capital	6,936.32	6,305.75	5,254.79	3,002.74	2,144.81
Deposits	133,489.37	110,061.78	95,131.10	86,365.64	54,832.82
Loans and Advances	104,911.26	92,328.82	82,819.97	79,504.23	50,267.92
Import	110,738.08	106,746.15	99,414.20	110,417.89	67,378.30
Export	71,968.83	66,478.34	74,794.50	57,281.67	30,953.40
Remittance (Inward)	34,334.40	32,110.10	21,776.70	18,441.71	15,555.10
Total Income	19,699.15	17,437.02	14,606.10	12,091.58	8,627.52
Total Expenditure	14,283.38	12,385.22	10,564.13	7,842.72	6,010.48
Operating Profit	5,415.76	5,051.80	4,041.97	4,248.86	2,617.04
Net Profit after Tax	1,459.82	908.00	1,916.21	1,929.58	1,327.18

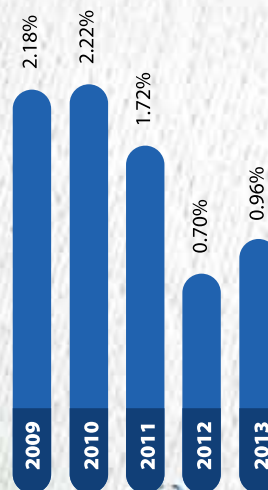
Total Assets
Million Taka



Total Capital
Million Taka



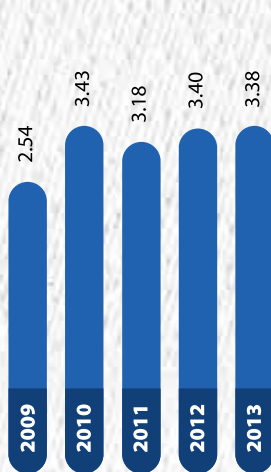
Return on Assets (ROA)



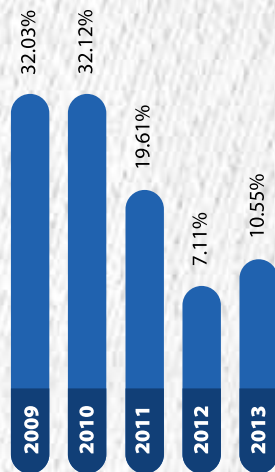
Key Management Ratios

	2013	2012	2011	2010	2009
Credit Deposit ratio	78.59%	83.89%	87.06%	92.06%	91.67%
Cost of Deposit	8.81%	9.49%	9.09%	7.15%	8.97%
Administrative Cost	2.63%	2.82%	2.88%	2.08%	2.76%
Yield on Loans and Advances	14.99%	15.20%	14.11%	12.72%	13.95%
Spread	6.18%	5.71%	5.02%	5.57%	4.98%
Burden Ratio	0.42%	0.01%	-0.11%	-0.37%	-0.06%
Salary Exp. to total Overhead Exp.	46.90%	46.74%	46.75%	42.18%	39.45%
Cost to Income Ratio	36.53%	35.40%	36.88%	36.31%	36.63%
Earnings Per Share (Taka)	2.10	1.44	3.65	6.43	6.19
Dividend Cover Ratio (X)	2.10	1.44	1.83	1.61	1.55

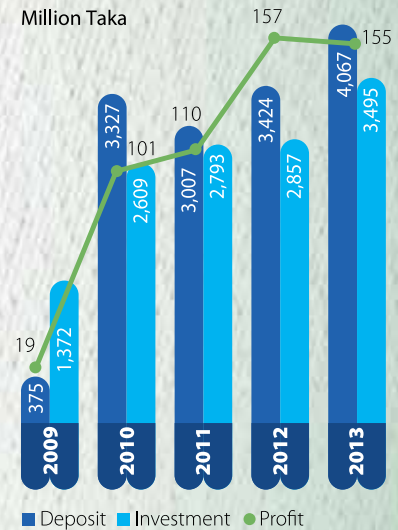
Profit per Employee Million Taka



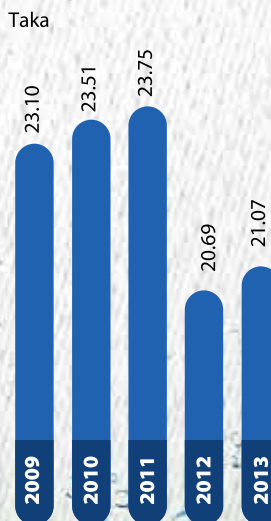
Return on Equity (ROE)



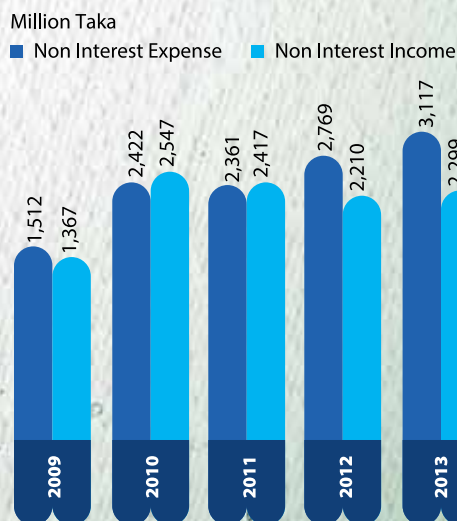
Islamic Banking Million Taka



NAV per Share Taka



Non Interest Income & Non Interest Expense Million Taka



PRIMARY BRANDS PRODUCTS and services

Branding

The corporate affairs & branding department was formed in September, 2011. Initially, the branding department focused on aligning the marketing / branding activities of all the important departments of the bank with a view to ensuring consistency of the Bank Asia brand. Eventually, the department stressed on re-branding of the islamic window, retail deposit products, SME products etc. Gradually, starting from organizing important business events like the AGM,

EGM, annual business conference to improvising branch opening activities in and outside Dhaka were all conducted by branding in a befitting manner. In addition, branding team also launched new products through gala events working together as team with other departments. Among a number of activities that has earned the bank a very prestigious position in 2013 were the remodeling of the corporate website, re-designing of the credit cards etc.

Mobile Financial Services

Offering a range of new and unique services, Bank Asia Limited has recently launched "Hello", its Mobile Financial Services with aim to serve both the banked and un-banked population of Bangladesh. It has regular mobile banking services like cash in, cash out, fund transfer along with innovative ones as well like life insurance offering, utility bills payment, salary disbursement, fees collection, and others.

'Hello' also possesses state of the art technologies allowing customers to use

any channel, be it USSD, SMS, IVR, or android/Java apps to access the features and functionalities of 'Hello', anytime, anywhere.

With distributors and agents covering the whole country, coupled with vast branch network offering the same services, 'Hello' promises to challenge the market leaders of mobile banking and gradually becoming one of the leading contributors of the dream of financial inclusion for all envisioned by the Central Bank.



হ্যালো থাকলে
মোবাইল ফোনে
সব হবে উপায়!

Hello
আমার মোবাইল আমার ব্যাংক

একটি **Bank Asia** সেবা

বিস্তারিত জানতে যোগাযোগ করুন

09606022742

KEY FEATURES

1. MFS for both existing customers and non-banking subscribers alike
2. Wide range of both common and innovative services
3. Availability of multiple access channels-USSD, SMS, IVR, apps, etc
4. Exclusive call center and customer care dedicated for 'Hello'

Agent Banking

With a view to reach the benefits of geographically dispersed banking services to the common people specially to the poor segment of the society, Bank Asia pioneered the implementation of Agent Banking in Bangladesh. Though it is a new concept in Bangladesh, globally

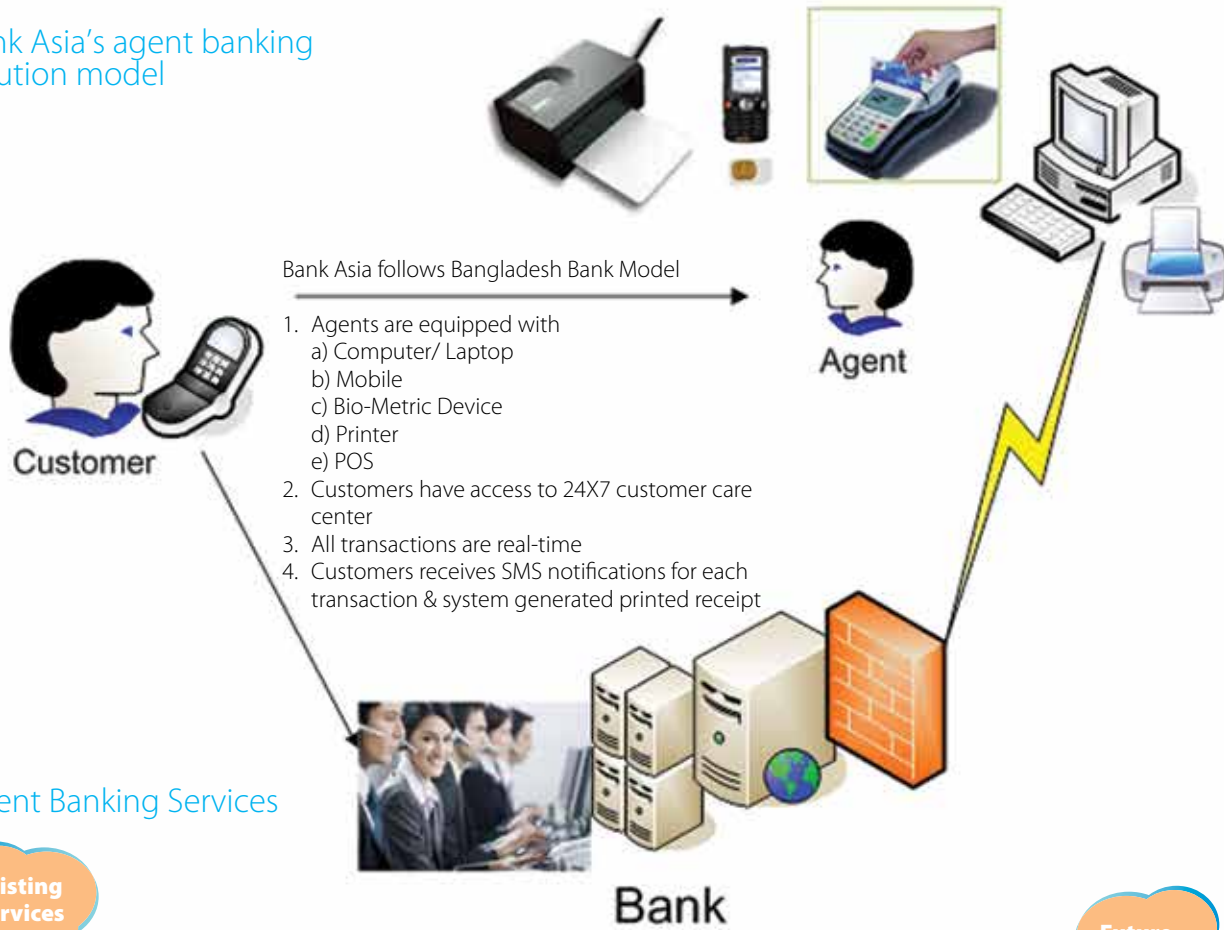
Agent Banking is increasingly utilized as an important distribution channel for financial inclusion. In the pilot phase, Bank Asia successfully implemented 23 Agent booths in Munshiganj, Noakhali, Lakshmipur, Bogra, Sirajganj and Rajshahi districts.



▲
Mr. A Rouf Chowdhury, Chairman of Bank Asia inaugurating Bank Asia's Agent Banking pilot phase, for the first time in Bangladesh at Serajdikhan, Munshigonj



Bank Asia's agent banking solution model



Agent Banking Services

Existing Services

- Collection of small value cash deposit and cash withdrawal;
- Inward foreign remittance disbursement
- Facilitating fund transfer
- Balance inquiry
- Generation and issuance of mini bank statements;
- Collection and processing of documents in relation to account opening, loan application, credit and debit card application from public
- Facilitating utility bills payment
- Passport fees collection
- DPS-Monthly saving scheme
- Accounts Service

Future Initiatives

- Facilitating small value loan disbursement and recovery of loans, Installments
- Cash payment under social safety net programme of the Government
- Post sanction monitoring of loan and advances and follow up of loan recovery
- Other Functions like deposit collection, payment of insurance premium etc.
- Sale of crop and other insurances



School Banking Smart Junior Saver

Smart junior saver

To expand the arena of banking service through developing relationship with next generation, Bank Asia is offering a school banking product from its Islamic Banking unit named Smart Junior Saver. It was launched in November 2011, on the eve of the 12th anniversary of the Bank. The product is designed specially for the children and students under 18 with a bundle of benefits. The benefits include higher Income Sharing Ratio, charge free account maintenance, free debit card for students, gift for intelligent/meritorious students & financial aid in case of earning guardian's death.

It familiarizes young generation with banking transactions and creates social awareness of savings habit in the children. To popularize the product in the target market segment, Bank Asia is conducting different campaigns in different educational institutes. The Bank distributes prizes to students scoring bright result every year since 2012. It may be noted that to maintain the expenditure of scholarship/ prize/ financial assistance related to Smart Junior Saver, a fund from Operating Profit of Islamic Banking is set aside on half yearly basis @ 0.25% p.a. on average daily balance of total deposit under the Smart Junior Saver.

The stall of Bank Asia Limited has been ranked the 3rd position among all commercial banks (39 banks) participated in the School Banking Conference-2014 in Khulna. The Conference, organized by Bangladesh Bank. Dr. Atiur Rahman, Governor, Bangladesh Bank visited Bank Asia stall, including among others in the program. Our stall also opened 120 Smart Junior Saver Accounts in this event.

As on December 31, 2013, Bank Asia has more than, 4173 nos. of accounts (including MDPS) with balance of Tk. 40.22 million.

▶ Mr. Md. Mehmood Husain, President & Managing Director of Bank Asia seen with the participants in the School Banking Conference-2014 in Chittgong





WE RUN BY FOOD. THINK BEFORE YOU WASTE!

Roughly 1/3 of the food produced every year gets wasted or lost. Our initiatives can change the scenario for a better tomorrow.

From farm to fork, what initiatives have you taken to reduce your footprint?



THINK·EAT·SAVE
WORLD ENVIRONMENT
DAY 5 JUNE

In 2012 for the second time Bank Asia secured its place amongst the top 10 banks practicing Green Banking in Bangladesh.



PRODUCTS AND services

Business Banking

- Overdraft
- Secured Overdraft
- Secured OD (Earnest Money)
- Working capital finance
- Loan against Trust Receipt
- Loan against Cash Incentives
- Bill discounting
- Loan Syndication and Structured Finance
- Packing Credit
- Demand Loan
- Demand Loan (work order)
- Time Loan
- Transport Loan
- House Building Loan(Commercial)
- Term loan
- Lease Finance
- Letter of Guarantee
- Letter of Credit (Sight/Deferred/UPAS)
- Back to back Letter of Credit (Local & Foreign)
- Agriculture Financing
- Staff Loan (Car Loan, House Building Loan, Provident Fund Loan)

Small and Medium Enterprise (SME)

Term Loan

- Subidha -Unsecured Trading
- Sondhi -Secured Trading
- Sristi – Unsecured Manufacturing
- Shombridhi- Secured Manufacturing
- Shofol – Unsecured Service
- Sheba- Secured Service

Over Draft

- Somadhan – Secured

Special Products

- Utshob- Seasonal Business
- Subarno- Women Entrepreneur

Consumer Finance

- Auto Loan
- Consumer Durable Loan
- Unsecured Personal Loan
- House Finance
- Loan for Professionals
- Senior Citizen Support

Credit Card

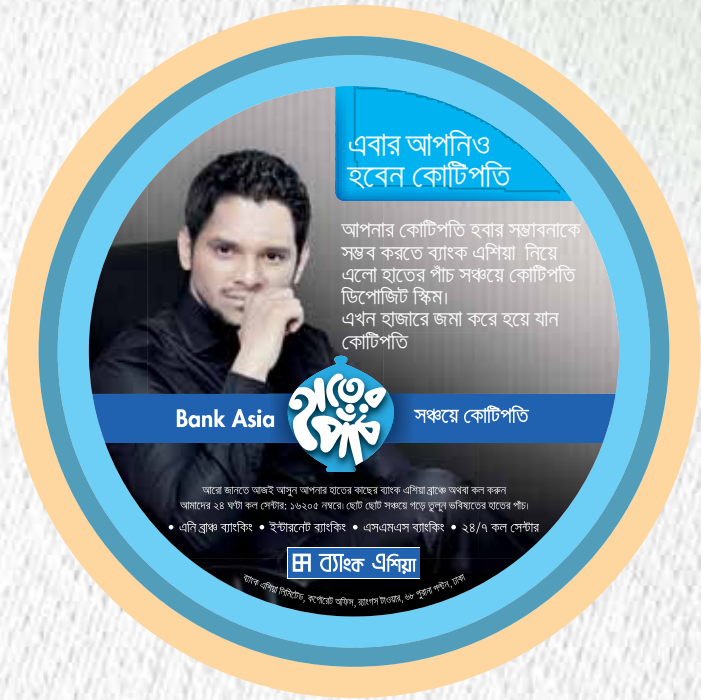
- VISA Platinum Card (with Priority Pass)
- VISA Classic Local Card
- VISA Classic Dual Card
- VISA Butterfly Card
- VISA Gold Local Card
- VISA Gold Dual Card
- Hajji Card
- Travel Card (prepaid card)
- Virtual Card
- Master Silver Card
- Master Gold Card
- SME Credit Card
- LankaBangla Card Cheque

Treasury

Money Market

- Overnight Lending and Borrowing
- Repo and Reverse Repo
- Swap
- Sale and Purchase of Treasury Bill & Bond
- Placement of Fund
- Term Borrowing
- Investment





Foreign Exchange Market

- Spot
- Forward
- Currency Swap

Deposit Products

- Savings Account
- Current Account
- Short Notice Deposit
- Fixed Deposit
- Foreign Currency Account
- Deposit Pension Scheme
- Monthly Benefit Scheme
- Double Benefit Scheme
- Triple Benefit Scheme
- Bank Asia Sanchoy Plus
- Shonchoy E Koti Poti (SKP)

Islamic Banking

Deposit Products

- Al-Wadiah Current Account (AWCA)
- Mudaraba Savings Account (MSA)
- Mudaraba Special Notice Deposit Account (MSNDA)
- Mudaraba Term Deposit Account (MTDA) of different tenure
- Mudaraba Hajj Savings Scheme (MHSS)
- Mudaraba Deposit Pension Scheme (MDPS)
- Mudaraba Monthly Profit Paying Deposit Scheme (MMPDPS)
- Smart Junior Saver (SJS)
- Cash Waqf

Investment Products

- Bai Murabaha Muajjal
- Hire Purchase Shirkatul Melk (HPSM)
- Musharaka
- Guard against Accepted Bills

Service Products

- ATM Services
- Remittance Service
- Locker Service
- Online Banking
- Internet Banking
- Phone Banking
- Mobile Banking
- SWIFT
- Centralized Trade Services
- Student File
- Travellers' Cheque
- E-Commerce
- E-Procurement
- Debit Card
- Call Centre
- Remote Banking (EBEK)
- Agent Banking
- Mobile Financial Services (Hello)

Off-shore Banking Unit (OBU) Products

- On-shore Import & Export Bill Discounting
- Working Capital Finance
- Trade Finance
- Loans & Advances to wholly foreign owned entities
- Term loan to local entities subject to BOI approval
- Nostro account services to other local banks

Capital Market Operation

- Brokerage Operation
- Margin Loan



Disclosure on product portfolio

Incorporation of environment risk in core risk management

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

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

Introducing green finance

Preferences are given in financing eco-friendly business activities and energy efficient industries. We encourage investment in establishing environmental

infrastructure such as renewable energy project, clean water supply project, wastewater treatment plant, solid & hazardous waste disposal plant, bio-gas plant, etc.

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

Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for it's borrowers as well as stakeholders. As a result borrowers having Effluent Treatment Plant (ETP) increased to 85; as on 31.12.2013 with total exposure Tk. 12,526.60 million.

Assessing and screening environmental and social risks

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

EDD checklist guidance 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.

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. On 31.12.2013, we had 32 borrowers engaged in bricks manufacturing business with total exposure was Tk. 568.50 million where fully complied projects were 21 and non complied 11. We have set deadlines for non compliant clients to convert their traditional kiln to zigzag or HHK or tunnel kiln technology; in case of failure facilities to be adjusted gradually.



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 put 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. During 2013, we have arranged 29 trainings and awareness building programs related to Green Banking, Environmental Risk Management, etc. and covered 9,019 participants including our clients and our employees. Our credit risk management (CRM) department has introduced e-sanction advice for the all approved credit facilities.

In addition to this, OCAS (Online Credit Approval System) has been developed as a part of technological improvement of the Bank. 46 branches of the Bank have been imparted extensive training on operation of OCAS. 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.

As part of environmental responsibility 13 out of 24 vehicles used for pick & drop facility of the female employees in capital Dhaka and majority of the pool vehicles have been converted into CNG driven. Moreover, executives with bank provided car facility (251 cars) are encouraged to convert their cars into CNG driven (dual fuel). 80% of those cars have already been converted into CNG driven.

Business Portfolio

Business line wise portfolio summary of Bank Asia as on December 31, 2013 was as under: Million Taka

Types	Outstanding	%
Corporate	86,692	82.63%
SME	13,703	13.06%
Consumer	3,326	3.17%
Credit Cards	952	0.91%
Others	237	0.23%
Total	104,911	

Region wise portfolio summary as on December 31, 2013 was as under: Million Taka

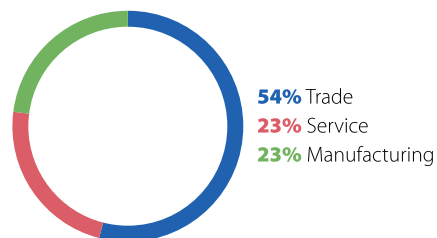
Division	Urban	Rural	Total	%
Dhaka	64,625	4,559	69,184	65.95%
Chittagong	28,228	2,347	30,575	29.14%
Khulna	1,332	-	1,332	1.27%
Rajshahi	2,164	481	2,645	2.52%
Barisal	126	-	126	0.12%
Sylhet	843	206	1,049	1.00%
Total	97,318	7,593	104,911	

Economic environmental and social value generated through various products

Small and medium enterprise (SME)

SMEs have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken SME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2013 the SME portfolio stood at Tk. 13,703 million as compared to Tk. 12,958 million at the end of year 2012.

SME sectoral contribution in 2013



Sectoral Distribution of Credit

The Bank's loans and advances portfolio increased to Tk. 104,911.26 million achieving a growth of 13.63%.

Sl. No.	Sectors/Sub-Sectors	2013		2012	
		Million Taka	% of Funded Loan	Million Taka	% of Funded Loan
1	Industries				
	Agriculture and Jute	3,216.35	3.07%	4,699.89	5.09%
	Cement	1,046.49	1.00%	1,336.11	1.45%
	Chemicals	1,219.17	1.16%	1,083.59	1.17%
	Electronics	986.86	0.94%	1,085.75	1.18%
	Food and Allied	5,883.24	5.61%	3,465.63	3.75%
	Paper	3,583.73	3.42%	3,102.54	3.36%
	Readymade Garments	7,924.20	7.55%	3,272.49	3.54%
	Real Estate	3,947.28	3.76%	3,145.33	3.41%
	Steel	6,882.16	6.56%	3,945.06	4.27%
	Textile	6,985.00	6.66%	5,870.50	6.36%
	Others	15,264.79	14.55%	23,821.94	25.80%
	Sub total	56,939.28	54.27%	54,828.83	59.38%
2	Infrastructural				
	Power	1,713.70	1.63%	906.36	0.98%
	Telecom	847.55	0.81%	1,369.68	1.48%
	Construction	3,232.80	3.08%	1,164.47	1.26%
	Transport	3,597.30	3.43%	3,849.95	4.17%
	Sub total	9,391.36	8.95%	7,290.46	7.89%
3	Commercial Lending	26,100.36	24.88%	21,950.24	23.77%
4	Export Financing	812.30	0.77%	516.19	0.56%
5	House Building Loan	204.98	0.20%	283.86	0.31%
6	Consumer Credit Scheme	3,326.87	3.17%	2,893.33	3.13%
7	Small and Medium Enterprise	2,605.57	2.48%	2,487.98	2.69%
8	Staff Loan	814.29	0.78%	605.22	0.66%
9	Credit Card	951.90	0.91%	865.30	0.94%
10	Non-Banking Financial Institutions	3,764.36	3.59%	607.41	0.66%
	Total	104,911.26	100%	92,328.82	100%

Agricultural/rural credit

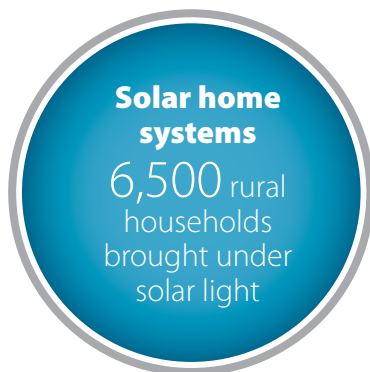
Bank Asia always thrives for financial inclusion through banking the un-banked. As part of this initiative we disburse very low interest agri/rural credit by its own network and NGO network to the low income groups like share croppers and marginal farmers etc. Till date 283,834 farmers have received benefit under this scheme.

As on 31-12-2013, the status of Agricultural/ Rural credit is as under:

Million Taka		
Agri credit	Dis-bursed	Beneficiary no.
Own Network	52.59	43
NGO Network	1380.00	80,833
Total	1432.59	80,876

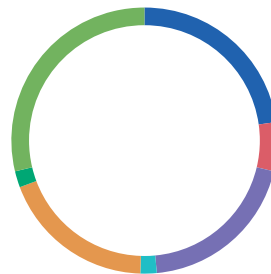
Financing solar home systems

Under a special finance program, Bank Asia disbursed Tk. 30 million financial support in 2013 for import and installation of solar home systems in the off grid areas, this electrification program benefitted around 1500 rural households by solar light. The aggregated households are 6,500 by now.



Bank Asia financed Potato field

Agricultural Loan Disbursement in 2013



- 23% crop
- 6% fishery
- 20% poverty alleviation
- 1% irrigation equipment
- 19% livestock
- 2% agricultural equipments
- 29% others

Cultivation of maize, spice & oil-seed

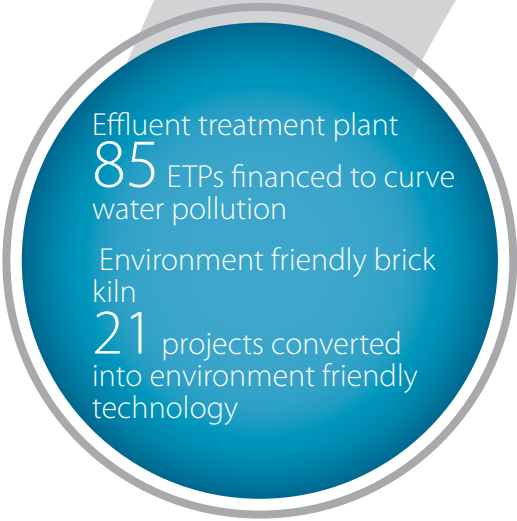
During the period, we disbursed Tk. 0.40 million to a farmer in Faridpur at 4% interest rate for cultivating pulse, oil seed, spice and maize directly through our rural branches. We are promoting and advertising this facility features through our branches to encourage the farmers.

Financing Effluent Treatment Plant (ETP)

Bank Asia has exposure of Tk. 12,526.60 million as on 31.12.2013 for installation of ETP to 85 borrowers which is contributing to curb water pollution a serious environmental concern for Bangladesh.

Financing environment friendly brick kiln

Bank Asia has exposure of Tk. 568.50 million as on 31.12.2013 having 32 borrowers who are engaged in bricks manufacturing business out of which 21 were fully complied projects in respect to environment friendly and energy efficient technology like zigzag, hybrid hoffman kiln (HHK) or tunnel kiln technology. The concerned business of the bank is continuously pursuing remaining 11 non-compliant projects for converting into environment friendly technology within a certain time frame to avoid closure. The conversion process was slowed down as government has time line.



Central bank's appreciation received 2 years consecutively for the year 2012 & 2013

We have received an appreciation letter from the honorable Governor for achieving 101% of the agri/rural credit disbursement target set by Bangladesh Bank.



Online payment gateway services

Multitudes of extremely talented Bangladeshis are earning foreign currencies by exporting services in non-physical form e.g. data processing, off-shore IT service, software development, software customization, business process outsourcing (BPO) etc. Bank Asia is the first bank in Bangladesh to bring such hard-earned money through one of the

world's largest OPGSP (Online Payment Gateway Service Providers) named Payza.com (formerly known as Alertpay). In 2013, we have served more than 2,005 clients amounting Tk. 18.82 million and targeting to excel our service tremendously in 2014. Bank Asia is at the assessment process with Pioneer (USA based company) for the similar services which will unearth new scope of business around the world.

Audit of environmental and social compliances

The internal audit team under internal control and compliance department (ICCD) carry 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. On the other hand, the central bank covered 10 branches and corporate office business department in their comprehensive audit and inspection in 2013.

Policies for the fair design and sale of financial products and services

Our intentions to address the needs of our customers first requires 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

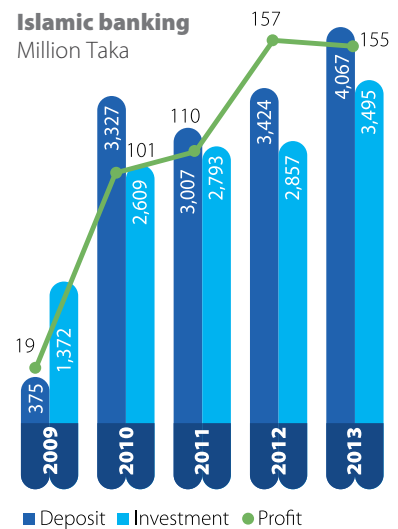
In addition to integrating better customer suitability in our product and service offerings, we are also committed to enhancing the financial capability of our customers. We do this by providing insights, tools, and advices to improve consumers' financial decision-making. By participating in various 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 useable interface. As a result, our customer retention rate is comparatively higher than competitors'.

Islamic banking services

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



ENVIRONMENTAL performance

Energy

Energy Savings

Our new Corporate Office, where we have moved during the year 2011 has been designed to utilize maximum usage of natural lights, which reduces energy consumption substantially compared to other conventional building. Around one third of the bulbs being used in this office are of energy savings type. We are saving around 40% electricity (used for lighting purpose) by using the day light in our Corporate Office. Our electronic mail system has been operating since 2005, which is being extensively used for internal as well as external communication. Electronic communication substantially reduces paper consumption thereby reduce deforestation.

Energy Consumption

Million Taka	
	2013
Energy Type	Total
Electricity	49.11
Fuel & CNG	10.73

Solar powered branches

We have installed solar panels in our 7 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road and Lalmatia.

Financing renewable energy and carbon offset projects

During the year 2013, we have disbursed Tk. 1,432.59 million to 80,876 farmers, which helps sequestration of carbon.

Reducing Energy & Resource Consumption

Instruments of Green Banking offered by Cards Division include E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, and Digital Attendance and E Mail corresponding, which help reducing printing paper. Our Cards Department through its digital filling system where more than 200,000 pages of various files have been digitally archived and indexed and at present these archiving process is executing through own system.

During 2013, Bank Asia produces "BANGLA NOBOBORSHO" greeting cards which are offered to the existing and prospective customers, regulators and other valued partners of the Bank through Branches, different Business Units and High Officials. Unlike every year, the Bank has planned to develop e-Cards for its stakeholders this year.

Direct Energy Consumption by Bank Asia

Source	Consumption	Megajoules
Electricity	5,777,085 kwh	20,797,506
Diesel	10,850 ltrs	390,600
Octane	43,348 ltrs	1,387,136
CNG	178,852 m3	5,723,264
Total		28,298,506

Energy Efficiency Table

Million Taka				
Sln.	Particulars	Quantity	Cost of Conventional Practice	Cost of Green Banking Concept
1	E-Statement	214,569	2.15	
2	SMS Banking	239,331	2.37	0.06
3	SMS Alert	432,654	4.32	0.11
4	Net Banking	84,167	0.84	
5	E- Fund Transfer	36,535	0.38	
6	Digital Attendance	438	0.001	
7	E-Mail Correspondence	126,777	1.27	
	Total	1,134,471	11.32	0.17

Net Savings Tk. 11.15 million

Bangladesh Bank has recognized Bank Asia as one of the Top 10 Private Commercial Banks for contribution to Green Banking activities

Solar home systems

Bank Asia is committed to enlighten every rural home with green electricity. At present, only about 35% of the rural households in Bangladesh have access to grid electricity. For the rest of the areas that are not connected to the national grid, life comes to almost a standstill there after sun-set. Giving priority in this sector, Bank Asia has been supporting to import and install solar home systems in the off-grid area. During the year 2013, we have disbursed Tk. 30 million for installation of 1500 Solar Panel in various rural Off-Grid areas of the country.

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. During 2013, Bank Asia spent Tk. 178.25 per employee per month for safe drinking water.

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/ sell old equipment and furniture for charity
- Food wastes are collected by community cleaners on daily basis
- Toner, cartridges and newspapers disposed of through community cleaners.

Greenhouse gas emission

Saving CO2 emission

For observing Earth day an instruction mail was circulated through our intranet service to all our employees regarding switching off the AC system at our corporate office and branches.

For awareness building on World Environment Day Bank Asia spent Tk. 172,500 in this year.

Reducing carbon footprint

As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme on August 10, 2011 for lending in solar energy, bio- gas, and effluent treatment plant & hybrid Hoffman kiln (HHK).

Bank Asia financed Tk. 35 million for 2 ETPs installation in 2013.

Initiative to reduce the bank's adverse impact on environment

Bank Asia by principle always averts financing in environment hazardous business. The bank has decided not to finance any tobacco related business, and all offices of the bank are declared smoking free zone.

Bank Asia Limited has been approved US\$ 40 Million for Global Trade Finance Program (GTFP) Guarantee facility & US\$ 30 Million for Short Term Finance (STF) facility by International Finance Corporation (IFC). The programs will allow the bank to increase the volume and value of trade transactions with enhanced tenors and access to competitive pricing terms and in other way will enhance the global marketability of the Bank to the international confirming banks.

Generally perceived negative covenants:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and ammunitions
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in Tobacco
- Production or trade in radioactive materials
- Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos

cement sheeting where the asbestos content is less than twenty percent (20%)

- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forest

Bank Asia and green banking

Bank Asia always believes in growing in a responsible manner maintaining eco-friendly environment which is essential for our survival. Since its inception, Bank Asia has been committed towards safe, clean and green environment. As a Bank, we play an intermediary role between economic development and conservation of the environment. Our Green Banking activities are on multidimensional areas which include both in-house Green activities and external green activities towards supporting Green Economy.

The Bank's working environment encourages usage of e-mails, relying on online instructions for communication, extensive usage of energy saving bulbs. These steps show the Bank's efforts towards encountering in-house environment management as part of supporting green banking. Our Green Banking Policy Guidelines and Green Office Guide have been circulated to all our employees for creating awareness on Green Banking activities & providing instructions about conserving energy, water, saving paper, etc. During 2013, a circular was issued for all Head of Branches & SME Centers regarding selecting 'Green Employee' who will take all sorts of initiatives as per Green Banking Policy

Guideline, Green Banking Office Guide and Bangladesh Bank's Circulars. Bank Asia developed its own Environmental Policies which proves our commitment to the Environment for a sustainable future. We have unified our sustainable operations under the "Green Banking Unit" equipped with permanent employees. The Audit Committee of the Board is selected as the High Powered Committee of our Green Banking Unit for reviewing the Green Banking activities. As greening of mind, we have arranged 29 trainings and awareness building programs related to Green Banking, Environmental Risk Management, etc. and covered 9,019 participants including our clients and our employees during this year.

In view of highlighting our Green Banking activities and creating awareness amongst our stakeholders, our "Half Yearly Financial Position, 2013" incorporates Green Banking activities. This report reflects the major activities of Green Banking arena and the key activities of our Sustainable Banking Operations. The Articles on Green Banking, sustainability reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers.

Bank Asia has introduced Thin Client / Virtual Desktop in few branches at Teller area to use Core Banking System (CBS) and other software. By replacing desktop computers with Thin Clients (required only 24W power) dramatically reduce power consumption, Carbon emissions and space consumption. Beside this, it reduces electronic garbage significantly.

In 2013, as part of our Green Banking initiative Bank Asia has spent significant amount for beautification, tree plantation, installation of solar panels, environment

friendly brick plant based on HHK (Hybrid Hoffman Klin) technology etc. Strategic Plan is enhanced to define our strategy in the coming years.

Online Banking

Bank Asia has been one of the pioneers in introducing Online Banking and it covers 92 branches/ SME centers, 90 own ATMs, more than 3,700 shared ATMs. Clients can also have access to their accounts through Internet & Mobile Banking. Online banking system is a great way to reduce wastage of paper.

Beautification

Bank Asia is committed to protect the environment and in an effort to do so it has undertaken different beautification program. For city beautification, the bank spent Tk. 470,000 during the year 2013.

Others

Bank Asia spent Tk. 2.57 million on the occasions of Victory Day, International Mother Language Day, different socio-cultural and religious program during the year 2013. Bank Asia granted Tk.100,000 to Bangladesh Poribesh Andolon (BAPA) and Tk. 172,500 to awareness building on World Environment Day.

Compliance

During 2013, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.



◀ "Years of untiring effort towards undertaking of sustainable activities for preserving the environment reflecting our commitment for a better tomorrow", was the published message of Bank Asia on 5 June | World Environment Day

Green House Gas Emission Table

Source	Consumption	Co2 Emission
Electricity	5,777,085 kwh	Not counted
Diesel	10,850 ltrs	31.46 tons
Octane	43,348 ltrs	107.07 tons
CNG	178,852 m3	Not counted
Air Travel	2,907,603 km	524.44 tons
Road Travel	4,361,405 km	405.61 tons
Paper	27,167 reams	88.29 tons

* source: www.carbonneutral.com.au/carbon-calculator.html



◀ Solar powered Lalmatia Branch of Bank Asia

ECONOMIC performance

Bank Asia's value addition during 2013

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

stakeholders i.e. employees, shareholders, government etc.

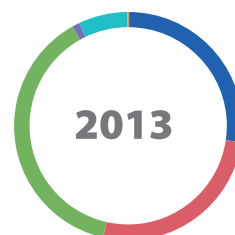
In the year 2013, bank's net value addition was Tk. 5,362 million; 27% distributed to employees as salaries, 26% to shareholders as dividend & reserve, 38% to government as income tax and rest of the amount used for business expansion and growth.

Value Added Statements

Million Taka

Items	2013	2012
Income from banking services	19,699	17,437
Less: Cost of services & supplies	(12,442)	(10,753)
Value added by banking service	7,257	6,684
Non-banking income	-	-
Provision for loans & Off-balance sheet exposure & others	(1,895)	(2,329)
Total	5,362	4,356

Distribution of value addition	2013		2012	
	Amount	%	Amount	%
To employees as salaries	1,462	27%	1,294	29%
To providers of capital as dividend & reserve	1,398	26%	1,175	27%
To Government as income tax	2,042	38%	1,789	41%
To expansion & growth				
Retained profit	62	1%	(267)	-6%
Depreciation	379	7%	338	8%
Deferred Taxation	19	0%	26	1%
	461		98	
Total Value Addition	5,362	100%	4,356	100%



- 27%** Employees as salaries
- 26%** Providers of capital as dividend & reserve
- 38%** Government as income tax
- 1%** Retained profit
- 7%** Depreciation
- 0.4%** Deferred Taxation



- 29%** Employees as salaries
- 27%** Providers of capital as dividend & reserve
- 41%** Government as income tax
- 6%** Retained profit
- 8%** Depreciation
- 1%** Deferred Taxation

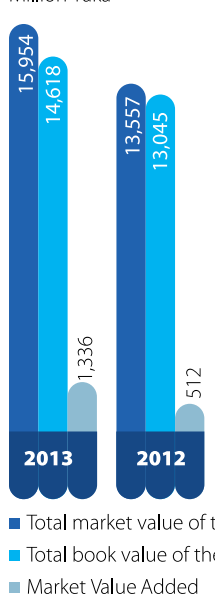
Economic value addition during the year

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

Economic value added



Market Value Added



Economic Value Added Statement

Million Taka

Particulars	Year		
	2013	2012	2011
Invested fund by shareholders			
Shareholders' equity	14,617.70	13,045.17	12,478.93
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units and others	5,100.99	4,392.28	2,385.67
Total invested fund by shareholders	19,718.69	17,437.45	14,864.60
Average invested fund by the shareholders [A]	18,578.07	16,151.03	11,838.42
Earnings for the year			
Profit after taxation	1,459.82	907.99	1,916.21
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	1,895.17	2,328.81	609.76
Less: written off during the year	1,341.14	455.83	-
Earnings for the year [B]	2,013.85	2,780.98	2,525.98
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium [C]	14%	14%	14%
Cost of average equity [D= A x C]	2,600.93	2,261.14	1,657.38
Economic Value Added [B-D]	(587.08)	519.84	868.60

Market value addition during the year

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders i.e. book value of equity.

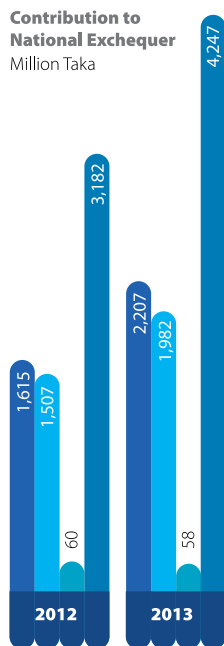
During the year 2013, total market value of the bank was Tk. 15,953.54 million and total book value of equity is Tk. 14,617.70 million i.e. addition of market value was Tk. 1,335.84 million.

Market Value Added Statement

Particulars	No. of shares (in Million)	Share price (in Taka)	Taka (in Million)
Market value	693.63	23.00	15,953.54
Book value	693.63	21.07	14,617.70
Market value added			1,335.84

Contribution to National Exchequer

Bank Asia has contributed significantly to the government's effort of revenue collection. As a corporate entity, the bank pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2013, the bank contributed Tk. 4,247.04 million to national exchequer that was Tk. 3,182.08 million in 2012.



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

Contribution to National Exchequer

Particulars	Million Taka	
	2013	2012
Income tax payment on bank's earnings	2,206.97	1,615.00
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	1,982.34	1,507.00
Income tax payment by the employees	57.73	60.08
Total Payment	4,247.04	3,182.08

Supporting Shipbuilding by Bank Asia

Bangladesh has been emerged as a new global destination for oceangoing shipbuilding industry and local shipbuilders eye to bag one percent of the global market for small ships that sizes about USD 400 billion. And it is our pride that Bank Asia has got ties with Western Marine Shipyard Ltd. (WMSHL), the country's premier shipbuilder, since 2005. Apart from extending regular credit line of Tk. 430 million, during 2013 Bank Asia has also financed WMSHL's construction of an Offshore Patrol Vessel (OPV), appears to be first of its kind in the country, for JGH Marine A/S, Denmark (Kenyan Ministry of Agriculture, Livestock and Fisheries to be end-user) with contract price of USD 19.50 million equivalent to Tk. 1,530.75 million.

Supporting the entrepreneurs through SME service centers

A key agenda of our fair banking is reaching more people with a wider array of financial solutions. Our commitment in providing financial service to any viable business of any size or nature derives us in flourishing in Corporate, Agro/SME financing etc. Our SME banking service is playing a key role in making sure that our service reaches to all echelon of society. With 6 SME Service Centers and 86 branches in urban & rural areas Bank Asia provides Tk. 20,029 million to 5,772 small and medium enterprises/loans for expansion or promotion of their business, which ultimately created productive new off-farm employment.

Ship Building project financed by Bank Asia ▶





◀ Governor of Bangladesh Bank visiting Bank Asia's stall in Women Entrepreneurship Fair

We continue to support the promising small entrepreneurs till last year through SME and micro financing and other sophisticated products and services tailored to their specific needs, impacting the lives of mass people. We introduced 4 fully equipped agricultural branches to widen the access to finance and assist our agro community with the most specialized and innovative banking solution available.

Empower communities through agriculture/rural credit

Bank Asia has disbursed Tk. 1,432.59 million (Tk. 52.59 million through own network and Tk. 1380 million our NGO network) as short- and long-term credit in agriculture/rural sectors during 2013. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. Total numbers of beneficiaries were 80,876 for the year.

Financial inclusion in economically disadvantaged areas

Ektee Bari Ektee Khamar Project (EBEK)

EBEK, one house one farm, is a government's poverty alleviation project for the poorest, Bank Asia started in June 2012. Bank Asia provides online banking

services through this EBK project to unbanked people with good reputation in Bangladesh. Bank Asia is now operating EBK Banking services to 35 districts having 252 Upazillas and 1,208,960 beneficiaries. Already more than 601,352 beneficiaries are getting the services under this project & rest of the people will be added within next 6 months.

EBEK Services at a Glance

Particulars	2013	2012
Districts	32	07
Upazila	231	39
Union	2,251	156
Villages	20,259	1,404
No of Agents	347	51
No of Samitees	20,243	1,404
Total Beneficiary enrolled	601,352	80,200
Total Transactions (Tk. in million)	221	183,821
Government Grant Disbursement (Tk. in million)	882	58
Number of Loan Disbursement	93,127	7,296
Total Deposit (Tk. in million)	2,035	31



◀ Poultry farm financed by Bank Asia

▶ Mr. Quazi Mortuza Ali, FVP & Head of ADC of Bank Asia is briefing functions of digital banking to Honorable Prime Minister Sheikh Hasina formal launching of Digital Banking



Agent Banking

Bangladesh Bank decided to promote the poor segment of the society with financial services especially geographically dispersed locations. Bank Asia has taken initiative to implement Agent Banking in all districts of Bangladesh. Bank Asia successfully implemented Agent Banking pilot phase in Joynshar, Bhabanipur Bazar, Serajdikhan, Munshiganj and within short time more than 150 accounts are operating for deposit and withdrawal transaction regularly. Bank Asia has been providing services for collection of small value deposit and cash withdrawal, Government Payment under social safety net through Agent Banking activities. All transactions are real time and authenticated with high-tech bio-metric device. With the aim of Agent Banking implementation, 64 districts, 485 upazilas, 4,146 unions and 68,000 villages where 5 million account holders will avail their banking services in 5,000 Agent points by 2015.

Mobile Banking

Bank Asia Limited has recently launched Mobile Financial Services in the name & fashion "Hello" with the aim to serve both the banked and un-banked population of Bangladesh covering a vast area of services like cash in, cash out, fund transfer along with other innovative services like life insurance offering, utility bills payment, salary disbursement, fees collection etc.

Foreign remittance

Total inflow of Inward Remittance of Bank Asia in 2013 was USD 440 million (Tk. 34,334 million), a 11.62% growth over the previous year. Due to devaluation of USD, our volume in BDT fails to reflect the achieved growth. Our market share increased to 3% in 2013 from 2% in 2012 where the position is 9th in 2013 with comparison to 13th in 2012 among all banks in Bangladesh.

For the first time, Bank Asia has managed to include nationwide 370 outlets of Singer Bangladesh Limited, the retail giant, in our foreign remittance cash disbursement network. During 2013, the total beneficiaries handled by Singer Bangladesh Limited are above 200.

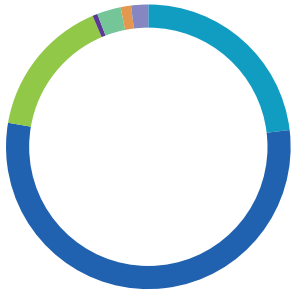
Another success in remittance arena is Western Union which is well-known for its Cash disbursement product of Foreign Remittance. Now, for the first time in Bangladesh, they are going to introduce Credit to beneficiary's bank account in the name 'Direct to Bank (D2B)'. Bank Asia is proud to accomplish all technical and other procedures and expected to launch this product within the first quarter of 2014.



▶ Agent Banking Booth in Joynshar, Serajdikhan, Munshiganj

Total Community Investment in 2013

(Tk. 132.97 million)



23% Education
55% Health
16% Disaster Management
0.56% Environment
3% Sports
1% Art & Culture
2% Others

Community investment strategy

Community investment

One of the major strategic focuses of Bank Asia to attain sustainability is giving back to the community where it operates through its Corporate Social Responsibility (CSR) programs. Bank Asia's CSR expenditures have consistently grown in last couple of years. In the year 2013 its CSR expenditures was Tk. 132.97 million, which was 91.48% higher than previous year. All the donations made under CSR program had noble social cause. Bank's stakeholders were immensely benefitted by way of its community based social programs; education support where total donation was Tk. 30.74 million, health support Tk. 72.58 million, disaster management including support for climate refugees Tk. 21.15 million, environment Tk. 0.74 million patronizing sports Tk. 3.61 million and art & culture Tk. 1.58 million and others Tk. 2.58 million.

Indirect economic impacts

As one of the leading financial services provider in Bangladesh, Bank Asia has an extensive role in the economy and society. Bank Asia makes a positive difference to society and local, regional and national economies where we operate through our community initiatives and investments. We help foster local economic development and stimulate growth and innovation through loans, credit and other financing to organizations of all sizes. In particular, Bank Asia is a major supporter of SMEs across Bangladesh and invests in community programs, which enable youth and those less fortunate, to create brighter economic futures for them. During 2013, Bank Asia disbursed SME loan of Tk. 20,029 million.

Financial assistance from government

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

Compliance

Bank Asia is very much conscious about legal and regulatory compliances. The bank reports regularly to the central bank, the Bangladesh Securities and Exchange Commission, tax & VAT authorities on required compliance issues. During 2013, the bank has not faced any penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh.

SUSTAINABLE HR development

Employee Profile

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

Salary policy

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

Benefits to employees

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

Fringe benefit schemes

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

Other benefit schemes

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

End service benefit plans

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

- Provident fund
- Gratuity
- Superannuation
- Leave encashment

Minimum notice period regarding operational changes

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

Total employees

Out of total 1,600 employees, 424 are female and rest 1,176 are male. As such, a profound commitment to balanced gender mix of employees is reflected in the Bank's employment policy and service rules. All employees are permanent in nature. But support staffs like messengers, cleaners, security guards are recruited through outsourcing. Besides this, some

specific departments like Alternative Delivery Channel (ADC), Consumer Finance, Cards, SME, Islamic window employ ARO (Assistant Relationship Officer) who can be treated as contractual employee and the number was 206 in 2013. Bank's employees are mainly concentrated on branches in terms of number and in 2013 total employees' composition in branch and corporate office was 73% and 27% respectively

Offices	2013		2012	
Corporate office	434	27.12%	426	28.69%
Branches	1,166	72.88%	1,059	71.31%
Total	1,600		1,485	

New employee

210 new employees were recruited during 2013, among which 74% for branches as a part of network expansion of the bank and remaining 25% for corporate office to ensure effective and timely support to branches.

Offices	2013		2012	
Corporate office	57	25.71%	56	27.44%
Branches	156	74.29%	156	72.56%

Employees by diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees (99.69%) dominated in diversity composition.

Offices	2013	2012
Local	1,595	1,480
Indigenous	5	5

Employees by region

Bank's employees are mainly spread over to Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 71.50% in 2013 for corporate office and branches in Dhaka city.

Region	2013	2012
Dhaka	1,144	1,057
Chittagong	299	288
Sylhet	66	65
Rajshahi	39	33
Barisal	8	6
Khulna	38	36
Rangpur	6	0

Gender positioning

Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels. Among our female colleagues 1 is in top level management, 13 in mid level and 410 in low level management.

Gender positioning of directors

Board Level	2013		2012	
	M	F	M	F
Directors	9	5	10	4

- No minority group membership in the Board
- All the directors are local, no indigenous individual sits in the Board

Gender positioning of employees

Management Tier	2013		2012	
	M	F	M	F
Top Level	30	1	30	1
Mid-Level	206	13	173	12
Low Level	940	410	857	412
Total	1176	424	1,060	425

Male employees are dominating executive level, which is around 94%. Comparatively female employees mainly belong to non-executive level and holds 30.37%.

Gender positioning by position

Position	2013		2012	
	M	F	M	F
Executive	236	14	203	13
Non-Executive	940	410	857	412

Age distribution

As mentioned in page 22 board of directors plays key roles in corporate governance of the bank, i.e. Board is the highest governance body.

Age distribution of directors

Age group	M	%	F	%	Total
30 & Below	0	0%	0	0%	0
31-40	0	0%	2	14%	2
41-50	2	14%	2	14%	4
51-60	1	7%	0	0%	1
61+	6	43%	1	7%	7
Total	9	64%	5	36%	14

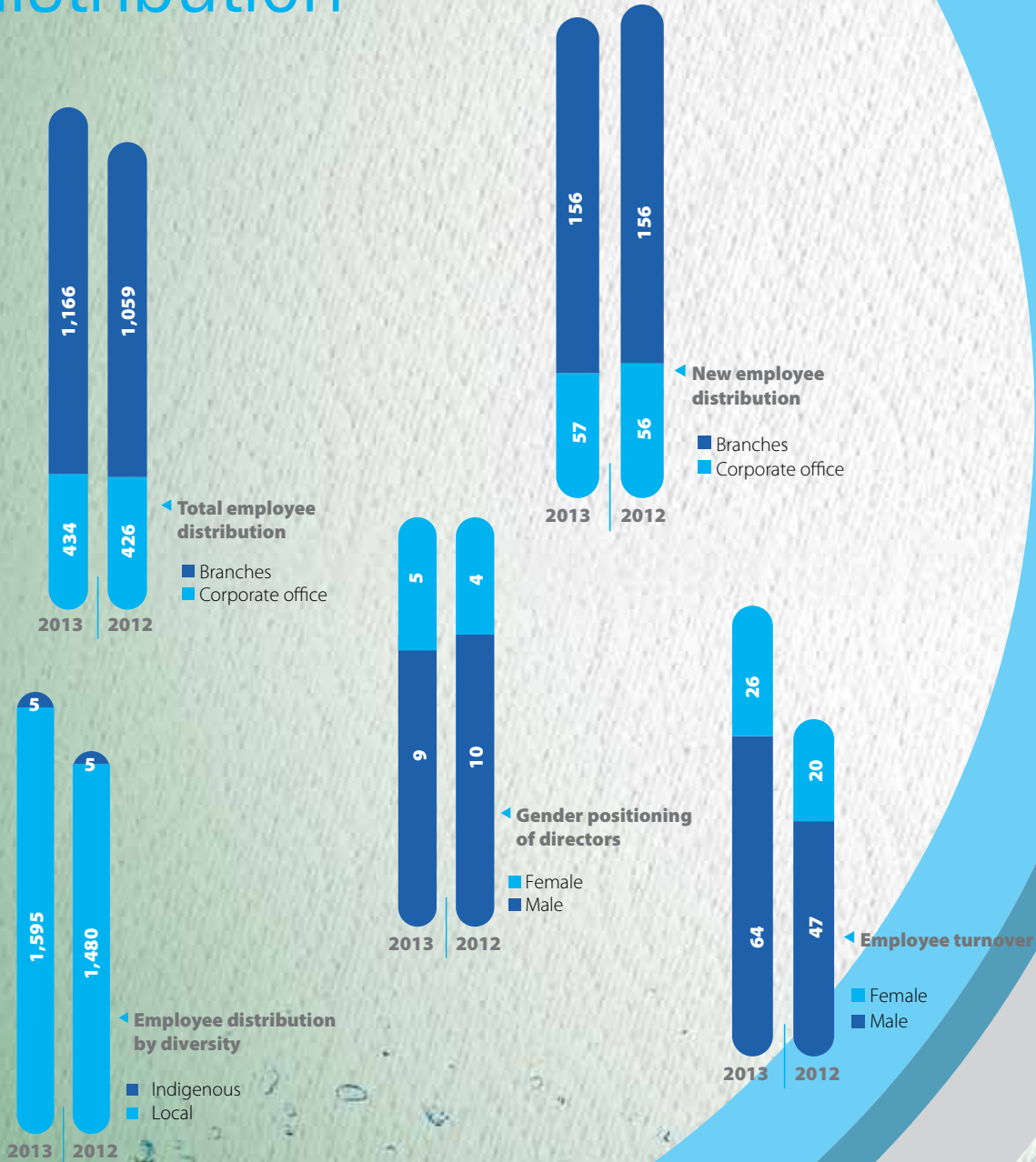
87% of staff members are aged below 40 years which signifies that Bank Asia is in young, dynamic and capable hands.

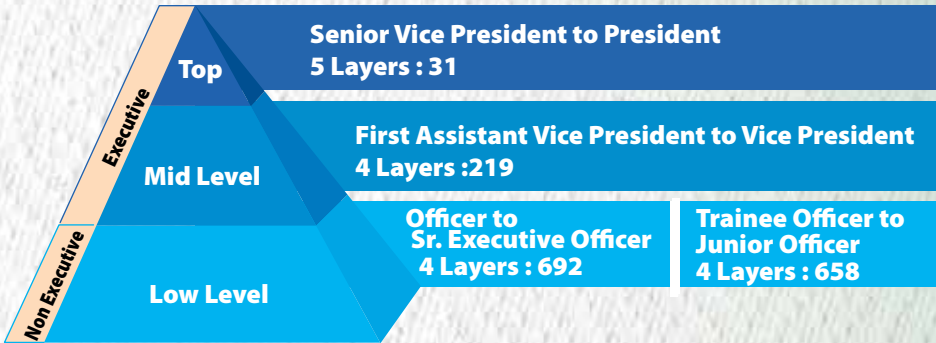
Age distribution of employees

Age Group	M	F	Total
30 & Below	370	193	563
31-40	612	217	829
41-50	163	13	176
51-60	28	1	29
61+	3	0	3
Total	1,176	424	1,600
Percentage	73.50%	26.50%	100%

M = Male | F = Female

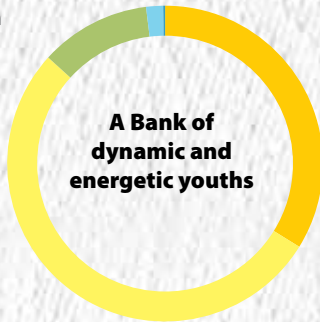
HUMAN CAPITAL distribution





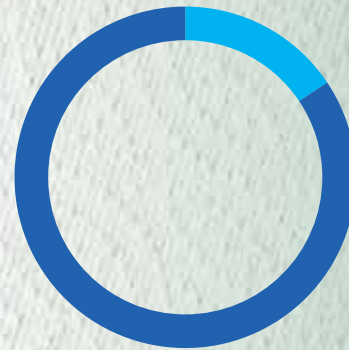
Age Distribution

- 20-30 | 563
- 31-40 | 829
- 41-50 | 176
- 51-60 | 29
- 61+ | 3



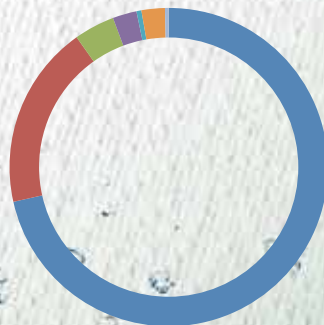
Employee by Position

- Executive | 250 | 16%
- Non-Executive | 1350 | 84%



Regional Distribution of Employees

- Dhaka | 1144
- Chittagong | 299
- Sylhet | 66
- Rajshahi | 39
- Barisal | 8
- Khulna | 38
- Rangpur | 6



Gender Positioning

- Female 26%
- Male 74%



Employee turnover rate by gender

Male and female employees turnover rate is not equal in terms of percentage. Overall employee turnover rate is very low in the Bank which is around 5.62% of total employees in 2013.

Gender	2013		2012	
	No.	%	No.	%
Male	64	3.78%	47	4.28%
Female	26	1.53%	20	4.69%

Employee turnover rate by region

As per demographic scenario, employees of Dhaka city left the Bank in 2013 which was 74% of total employees left.

Region	2013	2012
Dhaka	67	49
Chittagong	16	14
Sylhet	3	3
Rajshahi	0	1
Barisal	0	0
Khulna	4	0
Rangpur	0	0

Performance management system

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

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

Parental leave

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

Maternity leave

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

Maternity leave availing in 2013

No. of female employees	Average leave at a stretch
66	7 months

Paternal leave

As per bank's policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 5 working days paternal leave. An employee can avail this leave more than two occasions during the entire period of service. In 2013, every entitled employee has availed paternal leave facility.

Learning & development

Knowledge & skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the bank continues to organize training & workshop to the officers & executives in an effort to improve their professional efficiency. The bank always lays the highest importance on training of its employees as a continuous process of human resources development.

Bank Asia is maintaining its own training institute which is equipped with all modern study aid and course materials.



Training by gender

Gender	2013		2012	
	Persons	Hours	Persons	Hours
Male	1,354	24,538	1,141	21,144
Female	389	7,685	315	7,920

Training by position

Position	2013		2012	
	Persons	Hours	Persons	Hours
Executive	340	3,887	204	2,544
Non-Executive	1,403	28,336	1,252	26,520

Training by different institutes

Particulars	Year 2013	
	Persons	Hours
In House Training	1,493	27,591
Bangladesh Bank	15	144
BIBM	34	1,008
Overseas / Foreign Training	11	336
Training by other institutes	190	3,144
Total		32,223

Bank has organized 2 (two) foundation training courses each 3 weeks long for entry level employees to improve knowledge base and proficiency in banking.

Sustainability training

As greening of mind, Bank Asia arranged 29 Trainings and awareness building programs related to Green Banking, Environmental Risk Management, etc. and covered 9,019 participants including our clients and our employees. Among all the knowledge development initiatives the followings are significant:

- For highlighting Green Banking activities and creating awareness amongst the stakeholders, our "Half Yearly Financial Position, 2013" incorporates Green Banking activities which reflect the major activities of Green Banking and the key activities of Sustainable Banking Operations.
- The Articles on Green Banking, sustainability reporting were published in different newspapers which reflect our Green initiatives to our employees, our stakeholders and all subscribers of those newspapers.

Mr. Md. Touhidul Alam Khan, SEVP & HOCACO, Mr. Imran Ahmed, FCA, CISA, CFO and Mr. Md. Bashir Uddin Ahmed, Assistant Vice President & Financial Controller, from Finance & Accounts attended training program on "G4 Bridging Module Course on Sustainability reporting" held at Kuala Lumpur, Malaysia from August 21-25, 2013.

As per Bangladesh Bank policy on green banking, banks are to publish independent Sustainability Report as per GRI format under the third phase.



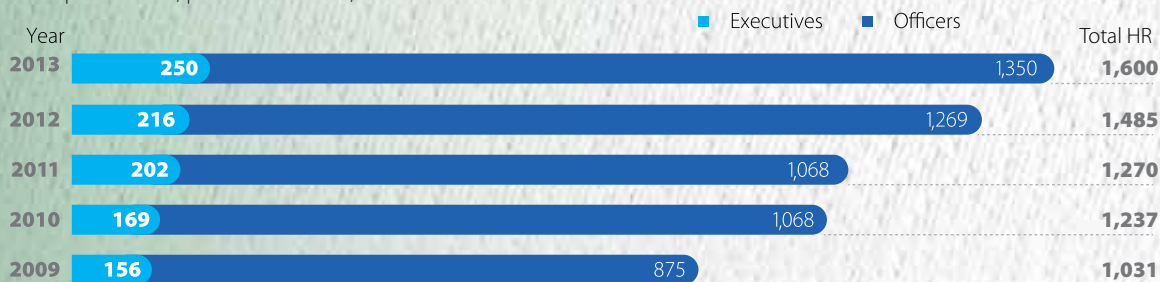
◀ Mr. Md. Touhidul Alam Khan, SEVP & HOCACO, Mr. Imran Ahmed, FCA, CISA, CFO and Md. Bashir Uddin Ahmed, Assistant Vice President participated "G4 Bridging Module Course on Sustainability reporting" held in Kuala Lumpur, Malaysia from August 21-25, 2013

HUMAN capital

Bank Asia has always been very vibrant about human capital management and cautious to set up HR applications and best practices for developing employee talent and leveraging employee skills in the organization. Bank Asia significantly considers human resources management at corporate level, professional level,

social level and overall national level. In this process Bank Asia tries to identify and report investment made in human resources.

Last five years manpower strength (number) was as under :



The total value of Human Capital has been ascertained Tk. 10,195 million in year 2013 and Tk. 9,893 million in 2012 in present value of future earning model (Lev & Schawrtz) by discounting total

benefits payable to employees, which was considered minimum expected earnings from them up to retirement. Category wise break down is presented in the table below:

Million Taka

Category	2013			2012		
	No. of Employee	Per Capita Value	Total Value	No. of Employee	Per Capita Value	Total Value
Executives	250	12.71	3,177	216	16.78	3,625
Officers	1,350	5.20	7,018	1,269	4.94	6,268
Total	1,600		10,195	1,485		9,893

66
Female
employees availed
13,860 days
maternity leave
during 2013

As per model we have capitalized the total value of employees as human capital. 3% growth in the value of human capital in 2013 over 2012 was due to net addition of 215 headcounts of experienced and fresh recruitments that was required for

the expansion of the business and for ensuring the better quality of the service and customer satisfaction. In this process, Bank Asia increased its year to year training expenditure to excel employee performance.

Balance Sheet Including Human Capital
abridged for banking operation

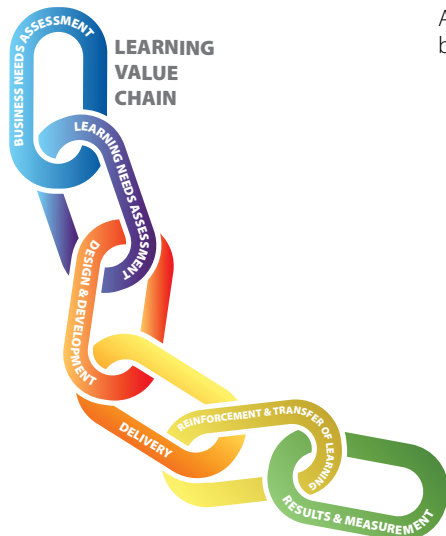
	Million Taka	
	31/Dec/13	31/Dec/12
Assets		
Cash	9,709	6,594
Balance with other banks	1,363	3,704
Money at call & on short notice	-	220
Investment	33,933	25,115
Loans & Advances	104,911	92,329
Fixed Assets	5,288	4,520
Human Assets:		
Individuals' value	10,195	9,893
Value of investments	9	8
Other assets	8,573	7,880
Total Assets	173,970	150,262
Capital & Liabilities		
Borrowing	1,945	3,825
Subordinate bond	600	600
Deposits	133,489	110,062
Shareholders' equity	14,618	13,045
Human Capital	10,205	9,901
Other liabilities	13,126	12,829
Total Capital & Liabilities	173,970	150,262

Learning value chain (LVC)

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

Bank Asia believes that without proper training the value of human capital can never be augmented. Considering this the bank has arranged 32,223 man hours of local and foreign training in 2013. Some of the major In house trainings are referred below:

- Foundation training: 2 nos.
- Risk Based Capital Management in Banks for Top Branch Managers : 1
- Prevention of money laundering and terrorist financing: 16 nos.
- Risk awareness and mitigation in automated cheque clearing and Electronic Fund Transfer (EFT): 7
- Foreign trade: 7
- Good etiquette vs good business & customer friendly services: 5
- Credit management & loan documentation: 2
- Negotiable Instruments Act: 2
- SBS-1& 2 (Assets & Liabilities; Deposits)- sectoral code, economic purpose code: 2



Occupational health, safety and environment

Board and management of Bank Asia strongly believe safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. So the bank is very careful about ensuring modern, healthy and safe workplace for its employees. All the branches, SME service centers, SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces. 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. Bank's internal audit also inspects and report on HSE (Health, Safety and Environment) as an integral part of their branch and departmental audit.

Human rights, child labor & other issues

Human Right issue is particularly relevant for organizations that operate in industries/regions where the protection of human rights is of significant concern. As this is a significant concern for a business to be sustainable in long term,

we integrated the human rights 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 2013, no incident of discrimination and violation involving rights of indigenous people and forced or child labor have been recorded.

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.

Workshop by
Mr. Ric Power,
AML/ CFT
consultant at
International
Training &
Capacity Building
and project
manager of go
AML software



Anti corruption training

Anti corruption training received in 2013

- 25% of management employees, i.e. Executives
- 46% of non- management employees, i.e. Non-Executives

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 contractors
- Graphics and interior designers
- Advertisement agency
- Newspaper
- Printing and publication agency
- Stationery suppliers
- Mineral water suppliers
- Transport facilitator
- ATM, hardware, software service providers
- Nursery
- Security agency

Selection of suppliers 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.
- 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.

Practices related to customer satisfaction

We take initiatives to conduct customer survey on the basis of their satisfaction over the product & services that we offered to them. We have already finalized the survey questionnaire and getting feedback from the customers, but we didn't yet complete the overall procedure but we expect that within a very short time we conclude the procedure and the findings we get from the survey helps us a lot to diversify our products and services.

Therefore, it is mentionable that our customers can always inform us on their expectations via different channels (i.e. via e-mail, letter, personal visit etc). The bank has an in-house policy and practice of measuring customer satisfaction.

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AML & CFT trainings to create AML & CFT awareness

Statement on compliance

In the year 2013, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding use of product and services, information about product and services, marketing, communications, advertising, promotion. No incidents of fines/penalties have been recorded this year concerning the above mentioned issues.

Our Bank always maintained the fundamental principle of business regarding protecting customer privacy. Customer's information/ data is not available to anyone other than the client himself and the Banks concerned personnel who is responsible for maintaining the data. We haven't received any complaints relating to breaches of customer privacy and losses of data in 2013.

Brief economic environmental and social performance

Economic responsibility	Nos. of loans	+15%
	Nos. of deposit customer	+16%
	Nos. of savings customer	+19%
Environmental responsibility	Electricity consumed	5,777,085 kwh
	Oil	54,198 ltrs
	CNG	178,852 m3
	Local business travel	7,269,008 km
Social responsibility	Paper used	27,167 reams
	Staff strength	+8%
	Benefits and emoluments	+14%
Shareholders responsibility	Profit after tax	1,460 million BDT
	Shareholders fund	14,618 million BDT
	Share price	23.00 BDT

CAPITAL management

Implementation of risk based capital adequacy (RBCA) in line with Basel II capital accord was started by Bangladesh Bank, the central bank of Bangladesh, from the year 2009 as parallel reporting with Basel I capital reporting. Since January 01, 2010 Basel II guidelines on RBCA fully came into force as a regulatory compliance to be reported under

- 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.

Bank Asia is very much serious to maintain capital adequacy and continuously plan its capital requirements considering risks and shocks of financial market movement. It has implemented automated calculation process for MCR in the form of capital adequacy ratio (CAR) and regularly report to the central bank. We also publish Pillar III Market Discipline Statement in annual reports and upload the same into bank's website on yearly basis.

Bank Asia also prepared its ICAAP documents based on 2011, 2012 and 2013 and submitted to Bangladesh Bank. SRP-SREP dialogue under Pillar II based on 2011 and 2012 already conducted between Bank Asia and Bangladesh Bank.

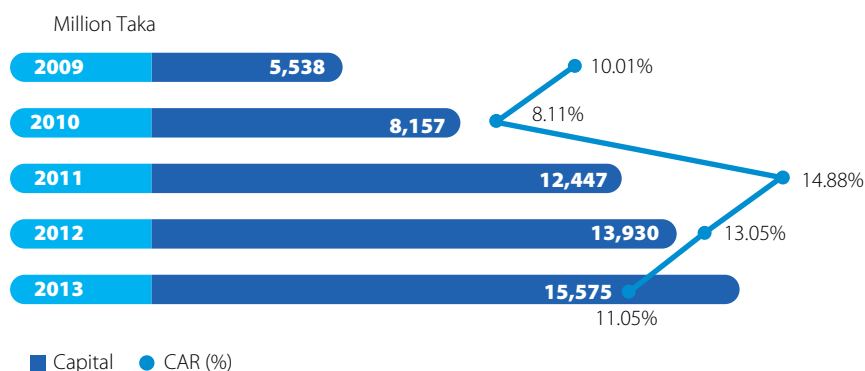
Besides, Bank Asia is taking preparation for capital management under BASEL III as Bangladesh Bank has already set a road map for implementation of BASEL III by 2019.

According to the roadmap, BASEL III will start from 2015 with minimum capital requirement 10% which will gradually increase upto 12.50% in the year 2019. Leverage ratios will by 3%, liquidity

coverage ratio will be $\geq 100\%$ and net stable funding ratio will be $> 100\%$. An additional countercyclical capital buffer will also be required from January 2016. BASEL III also brings some regulatory adjustment of capital, e.g. revaluation gain etc., which will be 40% in 2015 and will be gradually increased to 100% in 2019.

	Million Taka	
	2013	2012
Tier-1: Core capital	11,904.15	10,444.33
	76.43%	74.98%
Tier-2:		
Supplementary capital	3,670.70	3,485.86
	23.57%	25.02%
Capital Fund	15,574.85	13,930.19
RWA	140,977.00	106,719.00
Capital adequacy ratio (CAR)	11.05%	13.05%

- Standard MCR is 10% on risk weighted assets (RWA)
- Bank Asia is in the process of raising Tk. 3,000 million tier 2 capital by issuing 7 year floating rate non convertible subordinated debt through private placement, which is expected to be closed in Q₄/2014.



BUILDING THE community

Bank Asia is always aware of its Corporate Social Responsibility (CSR) with an aim to ensure the Bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising an ecological condition. During the year, Bank Asia spent an amount of Tk. 132.98 million for the overall betterment of the nation.

Bank Asia Ltd, from the very beginning, concedes CSR activities as a part of its culture, identity and business practice. The basic driver of our CSR practice consists of values that have been taken place within business where our efforts continues to look beyond short-term quantitative gains, and concentrate on issues that make the bank a socially responsible institution. We are committed to social and environmental well being and strive to ensure sustainable balanced growth in economic, social and ecological arena. In the year 2013, Bank Asia has performed various CSR activities alongside its three major programs – Higher Study Scholarship, Ophthalmological Operation and Operating Computer Learning Centers (CLCs). The Bank's total CSR activities in 2013 are presented in the table-

Donation in Social projects

Initiatives	Donation (Taka)	Beneficiaries
Education	30,742,888	8,147
Health	72,583,782	28
Disaster Management	21,146,675	Not Numbered
Environment	742,500	Not Numbered
Sports	3,611,500	Not Numbered
Art & Culture	1,575,750	Not Numbered
Others	2,574,800	Not Numbered
Total	132,977,895	



▶ Handing over a cheque of Tk. 20 million to Prime Minister's relief & welfare fund



▶ Bank Asia Higher Studies Scholarship awarding program at Malkhanagar

Education

Bank Asia Higher Studies Scholarship

Higher Study Scholarship program for rural poor and meritorious students, who are studying in public universities, is the major CSR activity of Bank Asia Ltd. The Bank initiated the program in 2005 for those students who have merit and dream to serve the society, but not the means to pursue higher studies. The scholarship is given through the Bank's rural branches on the basis of SSC and HSC results. So far, 621 students have been provided the scholarship. Each of the students gets Tk. 34,000 annually as scholarship. In the year 2013, Bank Asia spent around Tk. 24.97 million for this purpose.

Operating Computer Learning Centers

In collaboration with D.Net Bank Asia has been operating Computer Learning Centers (CLCs) in different rural schools since 2006 in order to impart IT literacy to the rural students. The motto of the program is to educate and make young generation acquaint with the state-of-the-art knowledge of ICT. In the year 2013, above 3,500 young students were imparted ICT training through 25 CLCs set up in rural areas of the country. Those who have been provided training are using their ICT knowledge in their profession or got avenue of earning. A total of 25 teachers have been provided ToT so that they can train up the young learners properly. In 2013, Bank Asia spent Tk.1million for operating 25 CLCs in different parts of the country.

Scholarship to Graduate Nurses of the BSMMU

Bank Asia under its CSR program provides scholarship and food grant to 25 graduate nursing students of Department of

Graduate Nursing in Bangabandhu Sheikh Mujib Medical University (BSMMU) from 2011 to help the nurses lead a healthy life and continue their studies peacefully. A total of Tk. 0.57 million was provided to them as scholarship during the year 2013.

Health

Ophthalmological Operation of cataract-affected children

Bank Asia has been operating Ophthalmological Operation of all recoverable born-blind children in Bangladesh in collaboration of Bangladesh Eye Hospital (BEH) since 2005. The objective of this program is to provide the handicapped and the underprivileged children necessary financial support so that they can see the light of the world

through ophthalmological operation and be a part of mainstream of the society. The Bank bears entire cost of cataract-related eye operation, whose parents cannot afford the high cost of operations. The Bank spent Tk. 0.30 million in 2013 for cataract operations of born-blind children of 25 beneficiaries.

Bank Asia supports construction of a Nurse Hostel in the BSMMU

Bank Asia as a part of its corporate social responsibility is extending entire financial support for construction of a nine-storied 'Nursing Student Hostel' at Bangabandhu Sheikh Mujib Medical University (BSMMU) to mitigate acute accommodation problem of graduate nursing students. Total cost of the project has been earmarked Tk. 103.72 million.



Financial assistance to widow of Late Major Humayun Kabir Sarkar who was killed in a mutiny at BDR head quarter's



Earth digging of Nurse's Hostel in the BSMMU

COMMUNITY investment

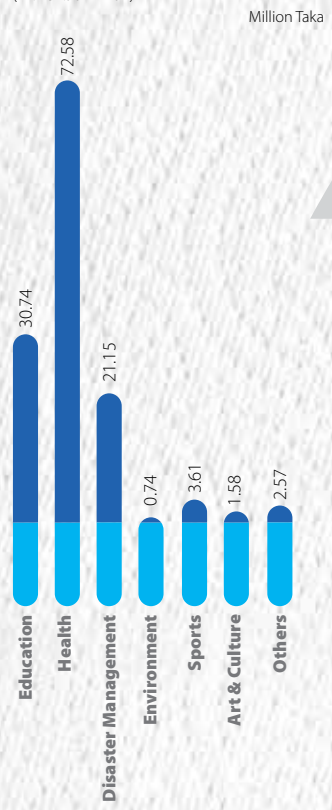
Disaster management	Taka
Prime minister's relief & welfare Fund	20,000,000
Support to victim army family in BDR carnage	480,000
Support to cold-hit people	666,675
Total	21,146,675

Environment	Taka
City Beautification	470,000
Bangladesh Poribesh Andolon (BAPA)	100,000
Awareness building on World Environment Day	172,500
Total	742,500

Tk. 1.33 million
 The employees of Bank Asia donated their one day basic salary to the victims of Rana Plaza in addition to their personal level contributions

Community Investment

(Tk. 132.98 million)



Sports	Taka
Donation to Bangladesh Olympic Association	3,000,000
Corporate Cricket Tournament	100,000
Handball Team of MAH Memorial School & College	11,500
Lancer Cup Golf Tournament	500,000
Total	3,611,500

Art & Culture	Taka
BRAC-Setouchi Triennial-2013	1,000,000
Prangone Mor (Nattya Goshthi)	46,000
Padakkhep (cultural organization)	40,000
Padatik Nattya Sangshad	23,000
Bangla Barsha Bidaya O Barsha Baron Sammilan Parishad	46,000
Lok Nattya Dal	23,000
Aranyak Nattya Dal	23,000
Sponsor for musical concert in Savar	300,000
Chhayanot	17,250
Sponsor for Photo Exhibition	57,500
Total	1,575,750

Other Social Projects	Taka
ELCOP	150,000
Message on International Mother Language	694,600
Donation to BTCL Colony Zamia Mosque	50,000
Donation for BAMDA picnic	15,000
Message on Victory Day	992,450
SME Women Entrepreneurship Fair-2013	115,000
Padakkhep Bangladesh	23,000
Senbagh Kallyan Samity	23,000
Santosh Gupta Smriti Parishad	50,000
Horizon Sebok Samity	17,250
Lions Club	34,500
Rotary Club	74,750

Other Social Projects	Taka
Aguner Poroshmoni program	5,750
Zonta Club & Shishu Bikash Kendra	34,500
Dhaka Ahsania Mission program	57,500
Nari Kantho Foundation	17,250
Donation to Shahid Sangbadik Selina Parvin Smriti Parishad	20,000
Donation for SAHIK (organization for hearing impaired children)	20,000
Support for Commonwealth Association for Health and Disability	100,000
T&T Club	34,500
Bankers' Puja Parishad	34,500
Siddhi Gono Puja Parishad	11,250
Total	2,574,800

Tk. 0.24 million

Bank Asia donates each year to the widow of an employee of Tarail Branch and will continue for a period of 20 years

Mr. A Rouf Chowdhury, Chairman of the Bank and Mr. Pran Gopal Dutta, Vice Chancellor of the BSMMU laid foundation stone of the Nursing Student Hostel at Kazi Nazrul Islam Avenue, Paribagh, Dhaka on February 26, 2013 subsequent to signing of a Memorandum of Understanding (MoU). The 'Department of Graduate Nursing', first time in Bangladesh, was introduced in 2010 with Prof (Dr.) Shahana Akhter Rahman, Dean of Nursing Faculty realizing the local and international demands of nurses. Initially 20 students were admitted but due to acute accommodation crisis at least six students had to scramble in each room that forced them to lead a poor life. As soon as Bank Asia came to know the gloomy situation, it had a meeting with top authorities of the BSMMU and decided to solve the problem by constructing a modern hostel. Earlier the Bank introduced scholarship and food grants for 1st batch students from 2011 for helping them lead a healthy life and continue their studies peacefully.

Bank Asia financed construction of Outdoor Patient Department of HFRCMCH

Bank Asia funded Tk. 50.05 million for construction of Outdoor Patient Department (OPD) building for Holy Family Red Crescent Medical College & Hospital (HFRCMCH) at New Eskaton Garden Road, Dhaka. The 9 storied building is projected to be completed by two years. Once complete the OPD will immensely facilitate patients availing medical treatment smoothly.

Blood Donation program

Bank Asia organized blood donation program and various social welfare activities in 2013 and Bank Asia has been honored by Bangladesh Red Crescent Society (BRCS) in recognition of the Banks

contribution towards voluntary blood donation movement.

This recognition motivated the employees of Bank Asia to form "Bank Asia Donor Group" marking the 14th Anniversary of the Bank. The objectives of the group are to donate blood when and where necessary, donate eye posthumously, promote and encourage all levels of people to come forward to this priceless donation. Already about 100 members formally joined the donor group platform and started donating blood.



◀ Blood Donation Program organized by Chittagong Zone of Bank Asia

▶ Mr. Aminul Islam, Deputy Managing Director of Bank Asia, receiving crest for the Banks contribution to voluntary blood donation marking the World Blood Donor Day



◀ The President & Managing Director of Bank Asia handing over a cheque of Tk. 5 lac to President of BAFWA to establish Sheba Health care Clinic for 4th class employees of Bangladesh Air Force

Other health related donations

Bank Asia donated Tk. 3 million to Ahsania Mission Cancer & General Hospital and Tk. 0.50 million to SHEBA Health Care Clinic of Bangladesh Air Force Women's Welfare Association (BAFWA). The Bank also extended support to individuals and institutions as a part of its CSR activities.



◀ Bank Asia champions 'Teletalk 3G Corporate Free Hit Indoor Cricket Tournament'

Disaster management

As a responsible corporate citizen, Bank Asia is committed to the welfare of the community at large. The Bank responds promptly to support the disaster affected humanity. In 2013, Bank Asia donated Tk. 20 million to the Prime Minister's Relief & Welfare Fund to help government carry out its humanitarian activities smoothly.

It also donated Tk. 0.48 million to a victim family of BDR carnage as a part of regular support. The Bank also distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of December and January and stood beside the victims of Rana Plaza with sufficient support of an amount of Tk. 1.33 million.

Environment

During the year 2013, Bank Asia spent Tk. 0.74 million to protect the environment and city beautification purposes.

Sports

During 2013, Bank Asia contributed Tk. 3.61 million for organizing events of Bangladesh Olympic Association, Lancer Cup Golf Tournament, Corporate Cricket Tournament and others.

Besides that, Bank Asia also participates in various games in Cricket. The bank becomes champions in 'Teletalk 3G Corporate Free Hit Indoor Cricket Tournament' in 2013.

Art & Culture

Bank Asia always supports promotion of art and culture. The Bank sponsored Tk. 1.58 million for various arts and cultural program including BRAC-Setouchi Triennial photo exhibition, Bangla new year and year end celebration and organizing cultural programs by Chhayanaut, Lok Nattya Dal, Arannyak Natya Dal, Padatik Nattya Sangstha and others.

Other Social Projects

Bank Asia donated/sponsored/spent Tk. 2.57 million on the occasions of Victory Day, International Mother Language Day, different socio-cultural and religious program during the year 2013.

Bank Asia Scholarship drives Yeahia's dream to destination

It was totally a herculean task for Yeahia and his widowed mother to bear the expenses of his education in the University of Dhaka. He had no ability to buy a single book, even Xerox copy of study material although third-quarter of his first year study passed away. The lumpsum amount of Tk. 10,000 and monthly Bank Asia Higher Study Scholarship money of Tk. 2,000 helped him to buy books and study materials.

Yeahia Al Mamun, now an Asst. Superintendent of Police (ASP) of Bangladesh Civil Service, received Bank Asia Scholarship under the Bank's Tarail (upazila) Branch of Kishoreganj district in 2006. The eldest of four brothers, Yeahia lost his father in 1997 when he was in class six. His mother was solely a housewife. Amid grave financial crisis he completed SSC with the highest GPA from his school. The problem mounted when he got admission into college, and



became unbearable when in the university.

"It is very vivid in my memory that I was just full of tears when I got the news via my brother-in-law. It seemed like peeping of hope in my life. And I started to dream again", Yeahia asserted. "Days went on!

From then Bank Asia became a part of my life. I felt like a member of Bank Asia family. When I see the beautiful signboard of any branches of Bank Asia, I show my friends with pride that that's the bank from where I received higher study scholarship. Now I cherish to pay back to Bank Asia but by assisting needy and insolvent to my greatest means". This is the way how Bank Asia adds prosperity to the local community by its dynamic network/arrangement.

GRI G3.1 Content Index

Status: Fully reported Partially reported Not reported

STANDARD DISCLOSURES PART-I: PROFILE DISCLOSURES

	Disclosure	Page no.	Status	Comments
1.	Strategy and analysis			
1.1	Statement from the most senior decision maker of the organization	10-13	●	
1.2	Description of key impacts, risks and opportunities	21	●	
2.	Organizational profile			
2.1	Name of the organization	16	●	
2.2	Primary brands, products, and/or services	32	●	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	27, 29	●	
2.4	Location of organization's headquarters	6	●	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	16	●	
2.6	Nature of ownership and legal form	16	●	
2.7	Markets served (including geographic break down, sectors served, and types of customers/beneficiaries).	16-17	●	
2.8	Scale of the reporting organization	16	●	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	16	●	
2.10	Awards received in the reporting period	14	●	
3.	Report parameters			
3.1	Reporting period for information provided	6	●	
3.2	Date of most recent previous report, if any	6	●	
3.3	Reporting cycle - annual	6	●	
3.4	Contact point for questions regarding the report or its contents	6	●	
3.5	Process for defining report content	18-21	●	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	6, 16-17	●	
3.7	Specific limitations on the scope or boundary of the report	6	●	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	6	●	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	6	●	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	6	●	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	6	●	
3.12	Table identifying the location of the Standard Disclosures in the report	74	●	

Disclosure	Page no.	Status	Comments
Assurance			
3.13 Policy and current practice with regard to seeking external assurance for the report.		●	In Bangladesh there is currently no assurance firm available who can provide external assurance on sustainability reporting under GRI guideline G3.1

Disclosure	Page no.	Status	Comments
4. Governance, commitments and engagement			
Governance			
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks such as setting strategy or organizational oversight	22, 57	●	
4.2 Indicate whether the chair of the highest governance body is also an executive officer	27	●	
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	27	●	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction	28	●	
4.5 Link between compensation and performance of the board, senior management and executives	27	●	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	28	●	
4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	25	●	
4.8 Mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	4-5	●	
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	27	●	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	27	●	
Commitments to external initiatives			
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	26	●	

Disclosure	Page no.	Status	Comments
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		●	Policy set by Bangladesh Bank regarding environmental risk management, green banking are adopted by Bank Asia
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic	17	●	
Stakeholder engagement			
4.14 List of stakeholder groups engaged by the organization	18-20	●	
4.15 Basis for identification and selection of stakeholders with whom to engage	19-20	●	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	19-20	●	
4.17 Key topics and concerns raised by stakeholders and how the organization has responded to those key topics and concerns	19-20	●	

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

Disclosure	Page no.	Status	Comments
Product profile			
FS1 Policies with specific environmental and social components applied to business lines	40	●	
FS2 Procedures for assessing and screening environmental and social risks in business lines	40	●	
FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	40	●	
FS4 Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	41	●	
FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	40	●	
Audits	44	●	
Active ownership		×	Data deficiency

Economic (EC)		Page no.	Status	Comments
ASPECTS	Economic performance _{comm}	50,53-56,71	●	
	Market presence	65	●	
	Indirect economic impacts	52-55	●	
Environmental (EN)		Page no.	Status	Comments
ASPECTS	Materials		×	Not relevant for financial institution
	Energy	46	●	
	Water		×	Not relevant for financial institution
	Biodiversity		×	
	Emissions, effluents and waste	47,49	●	
	Products and services	48	●	
	Compliance	49	●	
	Transport		×	Not relevant for financial institution
Overall	49	●		
Labor practices & decent work (LA)		Page no.	Status	Comments
ASPECTS	Employment	56-60	●	
	Labor/management relations	56	●	
	Occupational health and safety _{comm}	64	●	
	Training and education	60, 61, 64	●	
	Diversity and equal opportunity	57-59	●	
	Equal remuneration for women and men	56	●	
Human rights (HR)		Page no.	Status	Comments
ASPECTS	Investment and procurement practices	64, 65	●	
	Non-discrimination	64	●	
	Freedom of association and collective bargaining		×	No private commercial bank in Bangladesh has trade union
	Child labor	64, 65	●	
	Prevention of forced and compulsory labor	65	●	
	Security practices	65	●	
	Indigenous rights	64	●	
	Assessment		×	
	Remediation		×	

Society (SO)		Page no.	Status	Comments
ASPECTS	Local communities	53, 54	●	
	Corruption	64-65	●	
	Public policy	55	●	
	Anti-competitive behavior		×	
	Compliance	55	●	
Product responsibility (PR)				
ASPECTS	Customer health and safety		×	Not relevant for financial institution
	product and service labeling	38, 39, 45, 65, 66	●	
FS15:	Policies for the fair design and sale of financial products and services	44, 45	●	
ASPECTS	Marketing communications	66	●	
	Customer privacy	66	●	
	Compliance	66	●	

STANDARD DISCLOSURES PART- III: PERFORMANCE INDICATORS

Disclosure		Page no.	Status	Comments
Product portfolio				
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	41	●	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	41-44	●	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	41-44	●	
Audit				
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	44	●	
Active ownership				
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues		×	We do not report this information fully yet, as we are still gathering data. We will be able to report in 2016

Disclosure	Page no.	Status	Comments
FS11 Percentage of assets subject to positive and negative environmental or social screening		×	We do not report this information fully yet, as we are still gathering data. We will be able to report in 2016
FS12 Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting		×	We do not report this information fully yet, as we are still gathering data. We will be able to report in 2016

Economic performance indicators

Disclosure	Page no.	Status	Comments
Economic performance			
EC1: Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments FSS: Commentary added to the value generated by the organization's community investment programs and breakdown of community investment by theme	50, 53-55, 68-73	●	
EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change	71	●	
EC3: Coverage of the organization's defined benefit plan obligations	56	○	
EC4: Significant financial assistance received from government	55	●	
Market presence			
EC5: Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.		●	Bank Asia practices competitive salary package in all level in line with the industry best practices
EC6: Policy, practices, and proportion of spending on locally-based suppliers	65	●	

Disclosure	Page no.	Status	Comments
EC7: Procedures for local hiring and proportion of senior management hired from the local community		×	
Indirect economic impacts			
EC8: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	52-55	●	
EC9: Understanding and describing significant indirect economic impacts, including the extent of impacts.	55	●	

Environmental performance indicators

Disclosure	Page no.	Status	Comments
Materials			
EN1: Materials used by weight or volume		×	Not relevant for financial institution
EN2: Percentage of materials used that are recycled input materials		×	Not relevant for financial institution
Energy			
EN3: Direct energy consumption by primary energy source	46	●	
EN4: Indirect energy consumption by primary source		×	
EN5: Energy saved due to conservation and efficiency improvements	46	●	
EN6: Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	46	●	
EN7: Initiatives to reduce indirect energy consumption and reductions achieved	46	●	
Water			
EN8: Total water withdrawal by source		×	Not relevant for financial institution
EN9: Water sources significantly affected by withdrawal of water		×	
EN10: Percentage and total volume of water recycled and reused		×	
Biodiversity			
EN11: Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		×	
EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		×	Not relevant for financial institution
EN13: Habitats protected or restored		×	
EN14: Strategies, current actions, and future plans for managing impacts on biodiversity		×	
EN15: Protected species with habitats in areas of operations		×	
Emissions, effluents, and waste			
EN16: Total direct and indirect greenhouse gas emissions by weight FSS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel	49	●	
EN17: Other relevant indirect greenhouse gas emissions by weight		×	
EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved	47	●	
EN19: Emissions of ozone-depleting substances by weight		×	
EN20: NOx, SOx, and other significant air emissions by type and weight		×	
EN21: Total water discharge by quality and destination		×	

	Disclosure	Page no.	Status	Comments
	Disclosure			
	Total weight of waste by type and disposal method			
EN22:	FSS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions.	47	●	
EN23:	Total number and volume of significant spills		×	
EN24:	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		×	Not relevant for financial institution
EN25:	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		×	
	Products and services			
EN26:	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	48	●	
EN27:	Percentage of products sold and their packaging materials that are reclaimed by category		×	Not relevant for financial institution
	Compliance			
EN28:	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	49	●	
	Transport			
EN29:	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce		×	Not relevant for financial institution
	Overall			
EN30:	Total environmental protection expenditures and investments by type	49	●	

Labor practices and decent work performance indicators

	Disclosure	Page no.	Status	Comments
	Employment			
LA1:	Total workforce by employment type, employment contract, and region, broken down by gender	56-59	●	
LA2:	Total number and rate of new employee hires and employee turnover by age group, gender, and region	57, 60	●	
LA3:	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	56	●	
LA15:	Return to work and retention rates after parental leave, by gender	60	●	
	Labor/management relations			
LA4:	Percentage of employees covered by collective bargaining agreements		×	No private commercial bank in Bangladesh has trade union
LA5:	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	56	●	
	Occupational health and safety			
LA6:	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	64	○	
LA7:	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender		×	

	Disclosure	Page no.	Status	Comments
LA8:	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		×	
LA9:	Health and safety topics covered in formal agreements with trade unions		×	No private commercial bank in Bangladesh has trade union
	Training and education			
LA10:	Average hours of training per year per employee by gender, and by employee category	60-61	●	
LA11:	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	64	●	
LA12:	Percentage of employees receiving regular performance and career development reviews, by gender	60	●	
	Diversity and equal opportunity			
LA13:	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	57-59	●	
	Equal remunerations for men and women			
LA14:	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	56	●	

Human rights performance indicators

	Disclosure	Page no.	Status	Comments
	Investment and procurement practices			
HR1:	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. FSS: Commentary added to report on investment agreements for the financial services	64	○	
HR2:	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	65	○	
HR3:	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		×	
	Non-discrimination			
HR4:	Total number of incidents of discrimination and corrective actions taken	64	●	
	Freedom of association and collective bargaining			
HR5:	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights		×	No private commercial bank in Bangladesh has trade union
	Child labor			
HR6:	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	64-65	●	
	Forced and compulsory labor			
HR7:	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	65	●	
	Security practices			

	Disclosure	Page no.	Status	Comments
HR8:	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	65	●	
	Indigenous rights			
HR9:	Total number of incidents of violations involving rights of indigenous people and actions taken	64	●	
	Assessment			
HR10:	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		×	
	Remediation			
HR11:	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		×	

Society performance indicators

	Disclosure	Page no.	Status	Comments
	Local communities			
SO1:	Percentage of operations with implemented local community engagement, impact assessments, and development programs		×	
SO9:	Operations with significant potential or actual negative impacts on local communities		×	
SO10:	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		×	
FS13:	Access points in low-populated or economically disadvantaged areas by type	53-54	●	
FS14:	Initiatives to improve access to financial services for disadvantaged people	53-54	●	
	Corruption			
SO2:	Percentage and total number of business units analyzed for risks related to corruption		×	
SO3:	Percentage of employees trained in anti-corruption policies and procedures	64-65	●	
SO4:	Actions taken in response to incidents of corruption		×	
	Public policy			
SO5:	Participation in public policy development and lobbying	55	●	
SO6:	Contributions to political organizations	55	●	
	Anti-competitive behavior			
SO7:	Total number of legal actions for anti-competitive, anti-trust and monopoly practices		×	Not relevant for financial institution
	Compliance			
SO8:	Monetary value of penalties for non-compliance with laws and regulations	55	●	

Product responsibility performance indicators

	Disclosure	Page no.	Status	Comments
	Customer health and safety			
PR1:	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		×	Not relevant for financial institution
PR2:	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes		×	Not relevant for financial institution
	Product and service labeling			
PR3:	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	38-39	●	
PR4:	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information	66	●	
PR5:	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	65	●	
FS16:	Initiatives to enhance financial literacy by type of beneficiary	45	●	
	Marketing communications			
PR6:	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	66	●	
PR7:	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communication	66	●	
	Customer privacy			
PR8:	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	66	●	
	Compliance			
PR9:	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	66	●	



YOUR FEEDBACK

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



EMAIL & WEB

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



CONTACT

contact us on
Phone : +88 02 71 10062
Fax: +88 02 9577841



WRITE

write us at:
Sustainability Reporting Team
Bank Asia, Corporate Office
Rangs Tower(2nd - 8th Floor)
68,Purana Paltan, Dhaka-1000