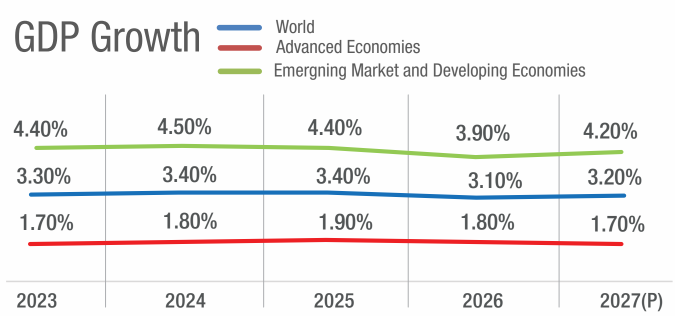
DIRECTORS' REPORT

World Economy

Global GDP growth is forecasted at 3.1% in 2026 and 3.2% in 2027, slightly below the 3.4% seen in 2025. Global inflation is expected to drop to 4.4% in 2026 and 3.7% in 2027. While the general trend is down due to lower energy prices, in U.S. will likely reach its 2% target by 2027, whereas China's inflation is rising from low levels. By 2027, Advanced and Emerging economies expect decreases to 2.2% and 4.6%. Emerging Europe shows marked improvement, with 2026 inflation falling to 10.5%. Falling commodity prices are vital to disinflation. The World Bank projects aggregate prices to drop 7.4% in 2025 and 6.8% in 2026, driven by an oil surplus. Conversely, the Metals and Minerals index should remain stable in 2026, supported by high demand for copper and critical minerals essential to the global energy transition. Trade volume growth is projected to slow from 5.1% in 2025 to 2.8% in 2026. The 2025 surge was driven by "front-loading" to avoid anticipated tariffs, while 2026 growth relies on the continued strength of high-tech and AI exports. Labor markets remain resilient despite localized cooling. The U.S. unemployment rate reached 4.4% by January 2026 due to slower hiring and trade impacts. Japan maintains a low 2.5% rate, while the Euro Area acts as a stabilizer, holding steady at 6.3% in late 2025 and a projected 6.2% through 2026.

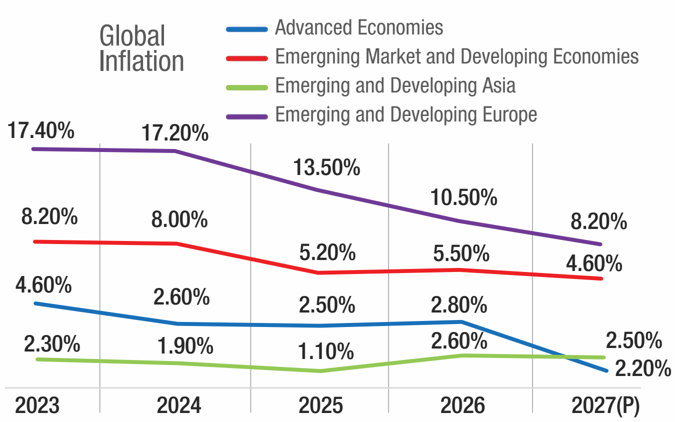
Global GDP Growth

Global GDP growth is estimated at 3.4% for 2025, slowing to 3.1% in 2026 trailing the 3.7% pre-pandemic average. Growth reflects a balance between headwinds from rising trade barriers (with US effective tariffs reaching 13.5%) and tailwinds from surging AI and technology investment. These investments have boosted Asian tech exports and helped the US economy expand by a revised 2.3% in 2026, despite trade policy uncertainty.



Global Inflation

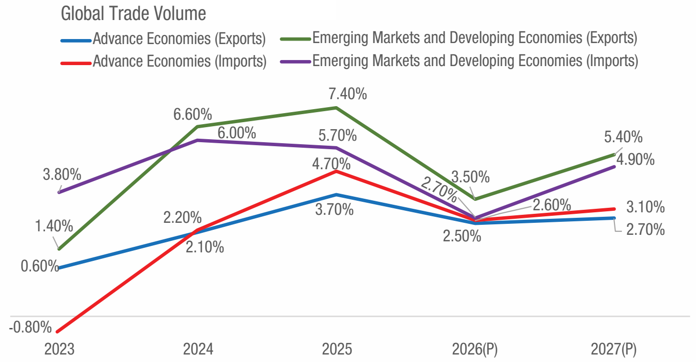
Most economies are seeing inflation fall. Advanced economies, estimated at 2.5% in 2025, are projected to reach 2.8% in 2026 and 2.2% in 2027. Emerging and Developing Europe anticipates a significant downward trajectory as energy supply chains stabilize, with inflation dropping from 13.5% in 2025 to 10.5% in 2026 and 8.2% in 2027. Emerging and Developing Asia shows mixed dynamics. China's



inflation is projected to rise from 0.0% in 2025 to 1.2% in 2026 as domestic demand and fiscal stimulus take effect. Conversely, India is expected to return to near-target levels, with inflation falling to 4.7% in 2026 and 4.0% in 2027, aided by recovered agricultural output and subdued food prices.

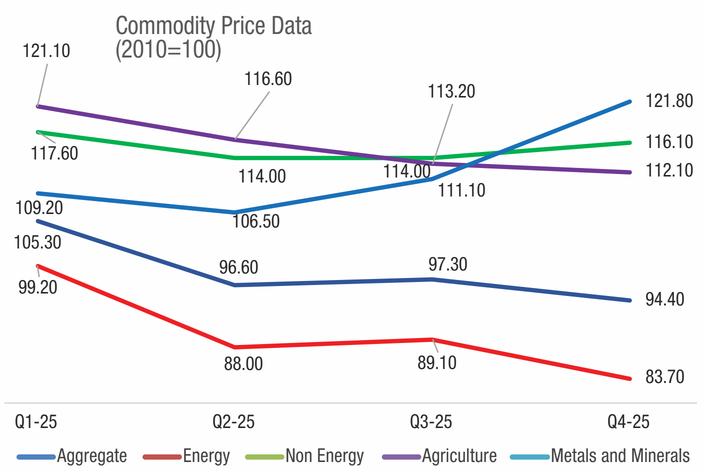
Global Trade Volume

Global trade remains robust as tech exports offset slowing momentum in other categories. World trade volume growth is estimated at 5.1% for 2025 and is projected to moderate to 2.8% in 2026. Advanced economies' trade growth, estimated at 4.2% for 2025, is projected to decline to 2.55% in 2026 a 1.2 percentage point downward revision from October 2025 due to heightened trade barriers. Emerging market and developing economies are estimated at 6.55% growth for 2025, projected to moderate to 3.1% in 2026 before recovering to 5.15% in 2027.



Global Commodity Markets

Following its 2022 peak, the World Bank commodity price index is moderating. Aggregate prices are projected to decrease by 7.4% in 2025 and 6.8% in 2026. The Metals and Minerals index is expected to recover with a 2.9% rise in 2025 before stabilizing with a 0.3% increase in 2026. Agricultural price pressures from the Russia-Ukraine war have eased. The agricultural index is projected to increase by 0.2% in 2025 and decline by 2.2% in 2026. Food prices are set to lead this downward trend, falling by 6.1% in 2025 and an additional 0.3% in 2026.



Global FDI

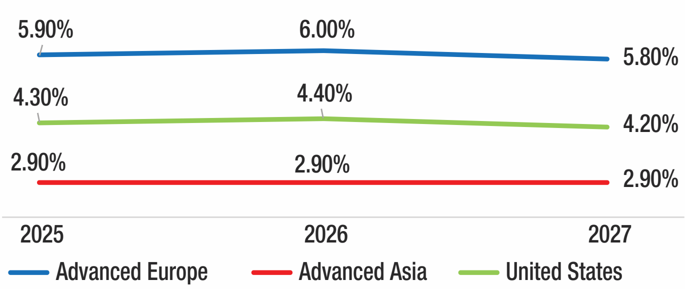
Following a 2023 decade-low, global FDI rose 14% in 2025 to USD 1.6 trillion. This growth was concentrated in developed economies (43% surge) while developing nations saw a 2% decline, widening the "investment divide." Global M&A deal value finished up 43% at USD 4.7 trillion, fueled by technology and energy consolidation. Much of the developed market growth stemmed from volatile conduit flows;

excluding these, real FDI growth was a modest 5%. Investment policies have shifted toward digital infrastructure. AI infrastructure, particularly data centers, captured over 20% of global Greenfield project values in 2025, exceeding USD 270 billion. Long-term funding remains challenged as International Project Finance declined for a fourth year, falling 16% in value.

Global Unemployment

The global labor market remains resilient despite geopolitical risks and trade policy shifts. In the United States, the unemployment rate reached 4.1% by January 2026, influenced by a temporary job growth slowdown exacerbated by a 2025 federal shutdown and trade tariffs. These headwinds were partially offset by AI technology investments, which added 0.5 percentage point to GDP growth. Labor markets in Advanced Asia remain tight but divergent. Japan maintains a low and stable 2.5% unemployment rate through 2027 despite cooling private investment. Conversely, Taiwan Province of China saw a robust 8.7% growth in 2025, driven by surging semiconductor demand for AI applications. In the Euro Area, the labor market serves as a stabilizer.

Global Unemployment Rate



Global Economic Outlook

The global economic outlook reflects a steady but divergent performance, with growth remaining resilient despite significant structural shifts and the balancing of various economic forces. Global GDP growth in 2026 is forecasted to be 3.1% and is projected to remain at 3.2% in 2027, staying relatively steady compared to the estimated 3.4% outturn in 2025. This resilient performance results from a balancing of divergent forces, where headwinds from shifting trade policies are partially offset by a tailwind of surging investment in technology and Artificial Intelligence. Specifically, AI-related investment is estimated to have added 0.5 percentage point to global growth, particularly benefiting North America and Advanced Asia. While the outlook avoids earlier recessionary scenarios, it remains fragile due to structural drags and ongoing geopolitical hostilities. Regional disparities are becoming more pronounced as growth remains robust in the United States supported by the One Big Beautiful Bill Act and India, while the Euro Area faces structural headwinds despite the accession of Bulgaria as its 21st member on January 1, 2026. Global supply chains have reconfigured more efficiently than anticipated, yet fiscal vulnerabilities and geopolitical risks remain the primary threats to a sustainable recovery.

Challenges

- Trade Policy Volatility for imposing U.S. tariff
- Geopolitical hostilities due to ongoing unrest in Ukraine and the Middle East
- Inflation Pressure
- Fiscal Vulnerabilities in both advanced and emerging economies

Opportunities

- AI and Digital Transformation
- Energy Transition
- Supply Chain Resilience
- Labor Market Stability

Source:

- *World Economic Outlook (April 2026)*
- *World Bank Commodities Price Data (April 2026 – Pink Sheet)*
- *UNCTAD January 2026 Global Investment Trends Monitor*

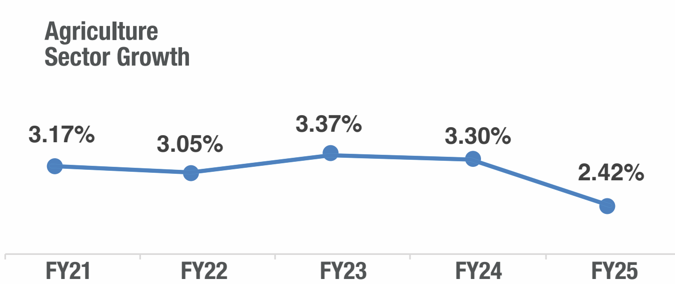
Board of Directors at 26th AGM

Bangladesh Economy

Bangladesh's real GDP growth decelerated to 3.49% in FY2024-25, down from 4.22% in FY2023-24, marking a five-year low. Nominal GDP reached Tk. 55,158 billion. The slowdown reflects a contractionary monetary stance and supply disruptions that weakened private consumption and industrial output. Inflation remained the key challenge. Food inflation peaked above 14.10% in mid-2024, while the December 2025 update shows point to point inflation easing to 8.49%. Despite this, the ongoing cost of living crisis continues to erode purchasing power. Real wage growth (8.10%) lags behind CPI inflation, resulting in subdued private consumption. Investment declined, with gross investment at 28.54% of GDP (from 30.70%) and private investment at 22.03%, constrained by high borrowing costs (12.11% lending rate) and energy supply volatility. The Taka remained stable within the range of Tk. 117.00–122.00, though earlier devaluations continue to pressure reserves, which stood at USD 28,579 million (BPM6) in early 2026. Fiscal space tightened, with a projected deficit of Tk. 221,000 crore (FY2025–26) and slow ADP implementation at 20.31% in the first seven months. Labor market imbalances persist, with overall unemployment at 3.66% and youth unemployment at 8.07%, limiting the demographic dividend. Bangladesh Bank has set a cautious GDP growth target of 5% for FY2025–26.

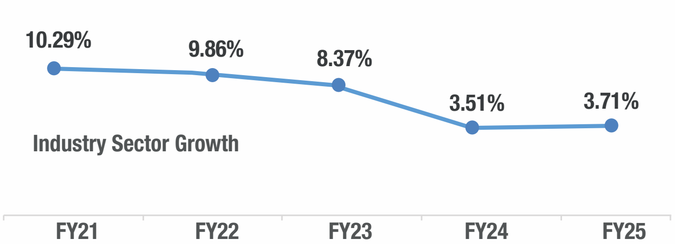
Agriculture Sector

The Agricultural sector contributed Tk. 6,300 billion in FY25 compared to Tk. 5,585 billion in FY24, accounting for 11.42% of GDP. Despite higher nominal value, growth slowed to 2.42% (from 3.30%) due to climate disruptions and rising fertilizer and fuel costs.



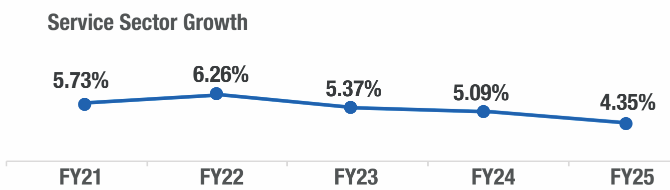
Industry Sector

The Industrial sector contributed 34.02% of GDP, amounting to Tk. 18,766 billion in FY25 compared to Tk. 17,058 billion in FY24, with growth rising to 3.71%. Sub-sectors showed mixed performance: mining grew 1.65%, while manufacturing (5.94%) and utilities (5.26%) indicated a resilient but moderate recovery.



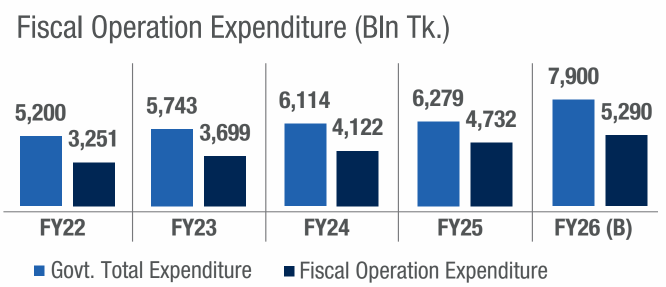
Service Sector

The Service sector contributed 52.13% of GDP, amounting to Tk. 28,752 billion in FY25 compared to Tk. 25,722 billion in FY24, with steady growth of 4.35%. Growth was moderate in financial services, real estate, and ICT, while professional services (6.10%), health (6.59%), and administrative services (9.67%) showed strong performance.



Fiscal Operation Expenditure

The FY26 budget sets total expenditure at Tk. 7,900 billion, including Tk. 2,456 billion for development and Tk. 5,290 billion for operations, with a projected deficit of Tk. 2,210 billion. Financing is expected to come 71% from revenue and 29% from borrowing, with a 30% revenue growth target to reduce foreign loan dependence. In Q1FY26, a surplus of Tk. 126 billion was recorded, as revenue of Tk. 1,177 billion exceeded expenditure of Tk. 1,051 billion. Revenue grew 17.81%, reaching 20.69% of the FY26 target, driven by 20.59% growth in NBR taxes and 29.75% in non-NBR taxes. Expenditure rose 9.94%, accounting for 7.59% of GDP, while net loan repayments led to negative domestic and foreign financing flows.



Revenue Collection

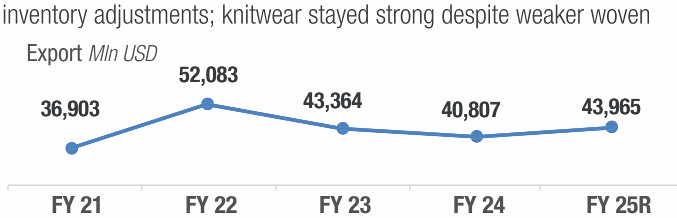
In the revised FY25 budget, total revenue was targeted at Tk. 5,224 billion (Actual FY24: Tk. 4,158 billion). Tax revenue target was Tk. 4,780 billion (Actual FY24: Tk. 3,695 billion), with non-tax revenue set at Tk. 400 billion. For FY26, the government set a total revenue target of Tk. 5,640 billion (~10% of GDP), including Tk. 4,990 billion from NBR and Tk. 650 billion from other sources. The NBR aims to collect Tk. 2,312 billion in H1FY26, while actual collection for July–September 2025 was Tk. 1,177 billion (+16.88%).

External Sector

Historically, the external sectors of Bangladesh's economy driven by exports, imports, and remittances have played a pivotal role in the country's development. Because most infrastructural projects remain heavily reliant on foreign financing, maintaining a net export surplus alongside robust remittance inflows is essential to ensuring an adequate level of foreign exchange reserves. A breakdown of these critical factors is provided below:

Export

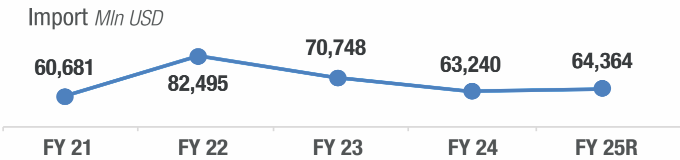
Bangladesh's export earnings reached USD 43,965 million in FY25 (+7.74%). In H1FY26, exports totaled USD 22.12 billion (-1%) compared to USD 22.33 billion previously. The RMG sector remained dominant, earning USD 19.67 billion, though slightly contracting due to global inventory adjustments; knitwear stayed strong despite weaker woven



garments. Market trends varied: the EU remained stable, while exports to the US grew 1.54% (USD 3,901 million) and China surged 19.12%. Non-garment exports showed mixed results, with agricultural products declining 10.30% to USD 534.1 million, but fruits (+116%) and vegetables (+52.33%) grew. Other sectors like leather and home textiles showed late recovery. Despite disruptions, the export target is set at USD 65 billion for the fiscal year.

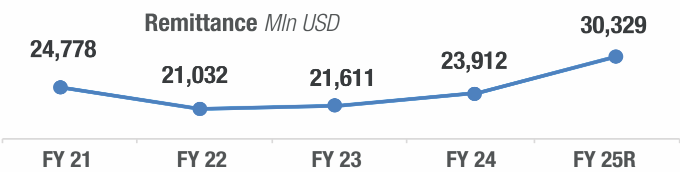
Import

Real import expenditure in FY25 stood at USD 64,364 million. In Q1FY26, import payments were USD 16,800 million, while Q2FY26 recorded USD 16,878 million (-0.11%). Despite policy tightening, H1FY26 imports totaled USD 33,678 million. Consumer goods imports were USD 5,681 million in FY25; in H1FY26 they reached USD 2,359 million, with USD 1,253 million in Q2. Capital goods imports declined to USD 9,549 million in FY25, with USD 5,093 million in H1FY26, including USD 2,331 million in Q2, reflecting subdued industrial demand and tighter credit conditions.



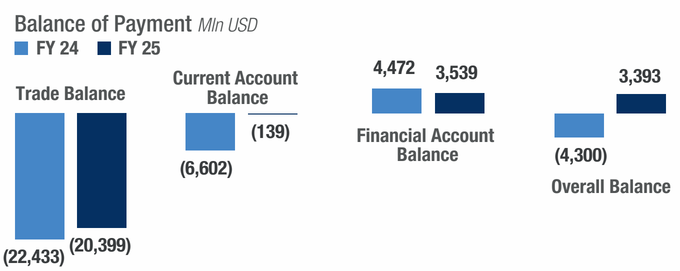
Remittance

Remittance figures recorded a historical high of USD 30,329 million in FY25. In the first half of FY26 (July–December 2025), inflows remained strong at USD 16,261 million. In Q2FY26 (October–December 2025), remittances reached USD 8,676 million, reflecting a 19.93 percent year-on-year increase from USD 7,234 million in Q2FY25. Amid efforts to strengthen foreign exchange reserves, which peaked at USD 28.58 billion (BPM6) by end-December 2025, remittances continued to be a key source of foreign currency. This surge helped reduce the trade gap and contributed to a current account surplus of USD 476 million by the end of December, 2025.



Balance of Payment

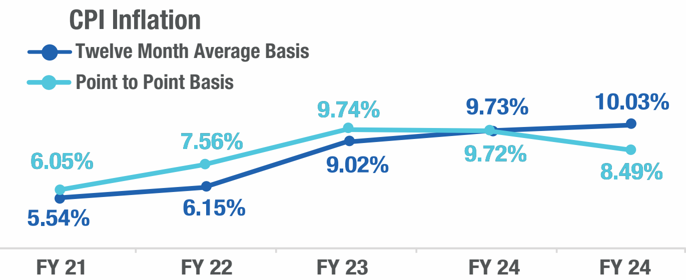
In FY25 and through Q2FY26, high global commodity prices and domestic inflation led Bangladesh Bank to maintain a contractionary stance with the policy rate at 10.00%, alongside fiscal tightening and a market-based exchange rate. As a result, the trade deficit reached USD 5,840 million in Q2FY26, slightly higher than USD 5,714 million



in Q1FY26, driven by import demand for essentials and raw materials. Despite this, the current account balance (CAB) turned into a surplus of USD 476 million in Q2FY26, recovering from a USD 818 million deficit in the previous quarter, supported by strong remittances of USD 7,585 million, totaling USD 16,261 million in H1FY26 (+18.03%). The financial account recorded a surplus of USD 329 million in Q2FY26, supported by USD 1.218 billion in MLT loans. Consequently, the BoP posted a surplus of USD 1,088 million, while reserves rose to USD 28.58 billion (BPM6) by December 2025. However, risks persist, including a high NPL ratio of 30.60%, with ongoing focus on structural reforms and external stability.

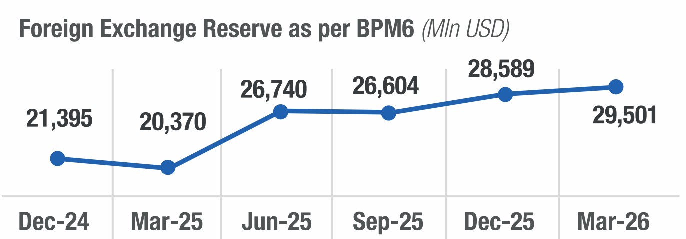
CPI Inflation

During FY25, the 12-month average inflation rose to 10.03%, up from 9.73% in FY24 (Base Index: 2021-22 = 100). Point-to-point inflation peaked at 11.66% in July 2024, then showed volatility in late 2025, falling from 8.36% (September 2025) to 8.17% (October 2025), before rising to 8.29% in November and 8.49% in December 2025, driven mainly by fuel price adjustments. Inflation varied across categories due to supply pressures and tight monetary policy. Average food inflation was 10.70% (June 2025) and average non-food inflation 9.47%. By December 2025, food inflation stood at 7.71%, slightly up from 7.64% in September, driven by fish and fruit prices, while non-food inflation increased to 9.13%, mainly due to higher energy costs such as gasoil.



Foreign Exchange Reserve

Bangladesh's foreign exchange reserves (BPM6) fluctuated before showing strong recovery, rising from USD 21,686 million (FY24) to USD 26,740 million by June 2025. By December 2025 (Q2FY26), reserves reached USD 28,579 million (USD 28.58 billion), driven by USD 16,261 million in H1FY26 remittances an 18.03% year-on-year growth. Strategic policies, including a 10.00% policy rate and a market-based exchange rate, bolstered adequacy. Consequently, the current account achieved a USD 476 million surplus in Q2FY26, while the overall BoP recorded a USD 1,088 million surplus, significantly easing external pressures.



Foreign Direct Investment

Foreign Direct Investment (FDI) remains vital for development and reserve management. Following a decline in FY24, the external sector stabilized, with gross reserves reaching USD 31.77 billion (USD 26.74 billion under BPM6) by the end of FY25. In Q2FY26, the financial account posted a USD 329 million surplus, supported by higher FDI and medium and long-term financing, though lower than Q1's USD 1.66 billion. A stable market-based exchange rate and a USD 476 million current account surplus further bolstered reserves to USD 33.19 billion (USD 28.58 billion under BPM6) by December 2025. The outlook remains positive, underpinned by resilient exports and USD 12.53 billion in H1FY26 remittances.

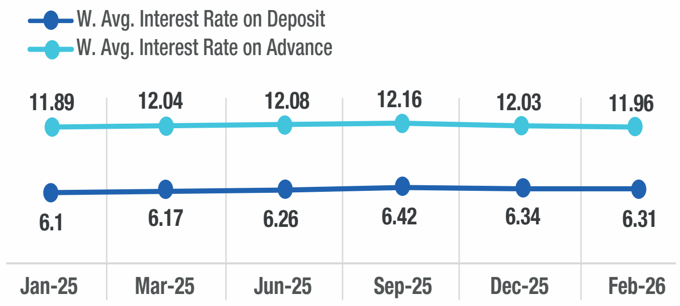
Monetary Policy

Bangladesh Bank maintained a contractionary stance through December 2025, holding the policy rate at 10.00%, with the SDF and SLF rates at 8.00% and 11.50%, respectively. This tightening helped headline inflation ease to 8.10% in December from 8.36% in September, though food inflation remained sticky at 10.10%. Supported by a market-based exchange rate, BPM6 reserves recovered to USD 28.58 billion. In the banking sector, the NPL ratio technically declined to 30.60% due to relaxed rescheduling rather than organic recovery. Objectives remain focused on structural reforms and balancing inflation control against private sector credit growth, which slowed to 6.10%.

Interest Rate Movement

In response to contractionary policy through Q2FY26, lending rates recorded a modest retrenchment, declining from 12.16% in September to 12.03% in December 2025 due to subdued demand. During this period, weighted average deposit rates reached 6.34%. These adjustments occurred as Bangladesh Bank held the policy rate at 10.00%, the SLF at 11.50%, and the SDF at 8.00%. Despite these measures, the gross NPL ratio stood at 30.60% a technical decline from 35.73% due to regulatory relaxation while private sector credit growth hit a multi-year low of 6.10%, reflecting persistent economic stabilization challenges.

Interest rate movement



Exchange Rate Movement

The Taka remained broadly stable in Q2FY26 under the market based exchange rate system, reaching TK.122.31 per USD by December 2025 a 0.38% appreciation since June.

Supported by USD 8,676 million in quarterly remittances and USD 1,218 million in MLT loans, the financial account posted a USD 329 million surplus. Consequently, BPM6 reserves recovered to USD 28.58 billion by year-end, up from USD 26.60 billion in September. While the nominal rate was stable, the REER index rose to 102.74 from June's 96.35, indicating that high domestic inflation is exerting upward pressure on the Taka's real value.

Bangladesh Economic Outlook in 2026: A Transition

Bangladesh enters 2026 in a pivotal phase of recovery and consolidation under a newly elected government. The administration is transitioning from interim stabilization to a long-term growth framework. With political uncertainty diminished by restored democratic processes, focus remains on institutionalizing reforms targeting banking integrity, inflation containment, and the sustainability of foreign exchange reserves.

Major Challenges:

- Persistent High Inflation
- Banking Sector Crisis
- Sluggish Private Sector Credit Growth
- Rising Energy and Utility Costs
- Trade Deficit Expansion

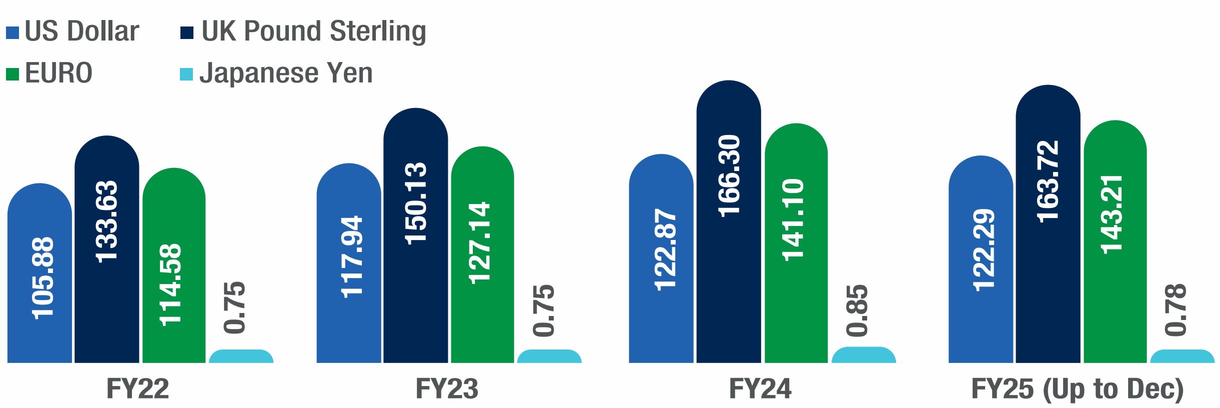
Major Opportunities:

- Record Remittance Growth
- Stabilized Exchange Rate
- Financial Account Surplus
- Institutional Reform Momentum
- Improved Export Competitiveness

Sources:

- *Bangladesh Bank Quarterly (October-December 2025)*
- *Bangladesh Bank Monetary Policy Statement (January-June 2026)*
- *World Bank – Bangladesh Development Update (October 2025)*
- *Bangladesh Bank Monthly Economic Trends (April 2026)*
- *Monthly Report on Fiscal Position – September 2025 by Ministry of Finance*

Exchange Rate Movements (TK./Currencies-Period Avg.)



Banking Industry Exploring 2025

The fiscal year FY2025 remained a highly challenging period for the economy of Bangladesh, marked by persistent macroeconomic vulnerabilities and subdued recovery momentum. Although macroeconomic stabilization began to take hold, several structural weaknesses continued to hinder economic performance. Key challenges included elevated inflation, subdued GDP growth, high non-performing loans (NPLs), weak private sector credit growth, and ongoing fragility in the banking sector, all of which constrained macroeconomic stability and growth prospects.

The banking sector remained under significant stress during FY2025, primarily due to historically high levels of non-performing loans, capital shortfalls, and governance challenges. These weaknesses restricted banks' capacity to efficiently mobilize and allocate financial resources, leading to suppressed credit expansion to the private sector. Moreover, heavy public sector borrowing resulted in a crowding-out effect, causing private-sector credit growth to fall to its lowest levels by December 2025.

To contain inflationary pressures and ensure monetary stability, Bangladesh Bank (BB) maintained a contractionary monetary policy stance throughout FY2025. The central bank actively conducted open market operations (OMOs), tightened liquidity conditions, and sustained elevated policy interest rates. As a result, reserve money (RM) growth stood at 8.0 percent, while broad money (M2) expanded by 9.6 percent by December 2025, reflecting a calibrated monetary expansion aligned with inflation containment objectives.

Regulation of Banking Industry

The regulatory framework governing Bangladesh's banking system is anchored in the Bangladesh Bank Order 1972 and the Bank Company Act 1991, along with subsequent amendments, including those enacted in 2023 and 2025. During FY2025, Bangladesh Bank significantly strengthened its regulatory oversight by implementing Asset Quality Reviews (AQRs), the Deposit Protection Ordinance (DPO) 2025, and the Bank Resolution Ordinance (BRO) 2025, all of which aimed to reinforce financial stability, enhance depositor protection, and improve crisis resolution mechanisms.

The regulatory framework governing Bangladesh's banking system is anchored in the Bangladesh Bank Order 1972 and the Bank Company Act 1991, along with subsequent amendments, including those enacted in 2023 These reforms expanded deposit insurance coverage from Tk. 1 lakh to Tk. 2 lakh, safeguarding nearly 95 percent of retail depositors and enabling the central bank to manage distressed banks through structured resolution processes, including mergers, restructuring, and liquidation.

Banking Sector of Bangladesh

The combined effects of contractionary monetary policy and liquidity tightening led to elevated interest rates across the banking system. By November 2025, the real lending rate increased to 3.85 percent, reflecting heightened demand for credit amid gradual economic recovery. Conversely, the real deposit rate remained negative at –1.93 percent, largely due to persistently high inflation, although it showed moderate improvement compared to earlier periods.

The external sector showed marked improvement during FY2025, supported by exchange rate stability, robust remittance inflows, and favorable interest rate differentials. The balance of payments recorded an overall surplus of USD 769 million during July–November FY2026, compared to a deficit of USD 2.54 billion in the corresponding period of FY2025, leading to a steady rebuilding of foreign exchange reserves. However, export earnings declined marginally due to weak global demand and heightened trade uncertainties, particularly affecting the ready-made garments (RMG) sector.

Monetary Aggregates (YoY % change %)

Item	Actual		Dec-25		Jun-26	
	Jun-25	Sep-25	Projection	Actual	Prior Projection	Revised Projection
Broad Money	**7.0**	**8.1**	**7.8**	**9.6**	**8.5**	**11.5**
Net Foreign Assets*	4.3	17.6	28.0	26.8	21.8	22.0
Net Domestic Assets	7.4	6.7	4.9	7.0	6.2	9.7
Domestic Credit	8.1	10.3	10.0	11.0	10.3	11.5
Credit to the public sector	13.6	25.0	20.5	28.9	18.1	21.6
Credit to the private sector	6.5	6.3	7.2	6.1	8.0	8.5
Reserve Money	**-0.1**	**3.5**	**5.0**	**9.2**	**8.0**	**8.0**
Money multiplier	5.27	5.56	5.28	5.16	5.29	5.44

Source: Bangladesh Bank.
**Calculated using the estimated constant exchange rates of end June 2025.*

Types of Bank	No. of Banks	No. of Branches	CRAR % (Sep, 2025)	NPL Ratio (Dec, 2025)	CL (In Billion) (Dec, 2025)	ROA % (Jun, 2025)	ROE % (Jun, 2025)
State Owned Banks (SCB)	6	3,836	0.48%	44.44%	1,461.08	-0.55%	-22.94%
Specialized Banks (DFI)	3	1,543	-87.91%	39.74%	185.46	-11.96%	-27.49%
Private Banks (PCB)	43	5,863	-4.25%	28.25%	3,895.79	-0.55%	-13.28%
Foreign Banks (FCB)	9	63	42.08 %	4.51%	29.84	4.06%	17.34 %
Total	**61**	**11,305**	**-2.93%**	**30.60%**	**5,572.17**	**-0.58%**	**-16.11%**

Source: Bangladesh Bank Quarterly – October-December, 2025 Volume XXIII, No 2
** All are annualized*

Review of operations of Bank Asia in 2025

The global economy in 2025 remained under considerable strain, as lingering geopolitical conflicts such as the Russia-Ukraine War and the Israel-Hamas War-alongside broader Middle East turmoil-continued to disrupt energy and commodity markets. Although inflationary pressures began to ease in some advanced economies, the prolonged effects of earlier monetary tightening-led by institutions like the Federal Reserve-kept global financial conditions relatively tight, with elevated interest rates and constrained capital flows to emerging markets. For Bangladesh, these external challenges were compounded by ongoing domestic adjustments following the political and economic shifts of 2024. The country continued to face pressure on its foreign exchange reserves, exchange rate stability, and banking sector health, although reform measures initiated by Bangladesh Bank began to show gradual progress in improving financial discipline and governance. Inflation moderated slightly compared to the previous year but remained a concern for households, while export earnings and remittance inflows provided some macroeconomic support. According to projections by the International Monetary Fund, Bangladesh's GDP growth stood at around 3.5% in 2025 and is expected to recover to approximately 4.7% in 2026, reflecting a gradual stabilization of macroeconomic conditions. Despite a cautious investment climate and ongoing structural constraints, the economy maintained positive growth, indicating a fragile recovery path as stabilization efforts gradually take hold in an uncertain global environment.

In the year 2025, Bank Asia has reached the milestone of Tk. 1,900+ crore Profit. Operating profit of the bank increased to Tk. 19,362 million having growth of 14% over previous year. Although operating profit increased from previous year but core challenge was interest rate hike of deposit expense. Cost of deposit increased to 6.06% from 5.36%. Yield on advance of the bank decreased by 0.27% in 2025 and reached at 10.23% from 10.50% that resulted in decrease of spread by 0.97% from 5.14% to 4.17%. On the other hand, investment income increased substantially for which the bank was able to maintain growth of profit.

In 2025, Bank Asia's total assets reached Tk. 589,487 million, reflecting a 11% growth from Tk. 532,902 million in 2024. Deposits rose by 10%, amounting to Tk. 456,483 million compared to Tk. 416,559 million in the previous year. Loans and advances increased by 0.33%, reaching Tk. 294,682 million from Tk. 293,726 million. The Bank's import business declined by 11%, totaling USD 1,645 million in 2025, down from USD 1,840 million in 2024. Similarly, exports dropped by 3% to USD 1,210 million from USD 1,245 million. On a positive note, inward remittances recorded a strong growth of 23%, reaching USD 1,370 million compared to USD 1,113 million in the previous year. Net profit after tax stood at Tk. 4,456 million, marking a 61% increase year-on-year. Adequate provisions were maintained against risky assets in line with regulatory requirements. While the classified loan ratio in the overall banking industry rose notably, Bank Asia's classified loan (CL) ratio decreased to 8.38% in 2025. The Bank remains on a solid footing, with a strong capital base supporting business growth and resilience against potential shocks. Capital rose by 12%, standing at Tk. 46,405 million, while the Bank maintained a robust Capital to Risk Weighted Assets Ratio (CRAR) of 15.32%, well above the regulatory requirement.

To maintain the increasing demand of customers for innovative services and a balanced distribution of network, the whole network of Bank Asia now consists of 131 branches, 4 SME service centers, 14 sub-branches, 5,057 Agent outlets, 15 Islamic windows, 212 own ATMs (4 CRMs) with more than 14,000+ shared ATMs, 1 Brokerage Company in Bangladesh and 2 exchange houses located in UK and USA. The Bank is also operating 3 branches of BA Express USA Inc. in New York. All the operations of the Bank are interconnected and integrated through state of the art networking technology.

CORPORATE & INVESTMENT BANKING (C&IB)

In 2026, all Corporate Business Departments/Divisions will operate under a fully centralized structure namely Corporate & Investment Banking (C&IB) Division to align the Bank's business operations toward enhanced customer service, stronger compliance, robust governance, effective risk management, and improved operational efficiency.

Corporate & Large Loan

The Corporate & Large Loan (C&LL) Division of Bank Asia PLC remains a key driver of the Bank's growth strategy, delivering comprehensive financing solutions to large and mid-sized corporate clients. The Division continues to support Bangladesh's economic development by addressing evolving business needs through structured, client-focused financial services. C&LL caters to clients with funded exposure exceeding Tk. 200 million and/or total exposure above Tk. 300 million. The Division maintains a well-diversified portfolio across key sectors, including power, infrastructure, construction, steel, cement, ceramics, food & beverage, pharmaceuticals, paper & packaging, trade, and services.

To enhance operational efficiency and deliver specialized solutions, the Division operates through Corporate Finance, Syndication & Structured Finance & Cash Management & Corporate Liability. This structure enables tailored financial solutions aligned with client requirements. In addition to conventional lending, the Division offers: Supply Chain Finance, Islamic Banking Solutions, Foreign Currency (FCY) Facilities through Offshore Banking Unit

The Division also continued to integrate sustainable financing principles into its credit decision-making framework. As of 31 December 2025, the C&LL Division accounted for approximately 60% of the Bank's total loans and advances and demonstrated resilience by sustaining import financing activities and supporting priority sectors such as Healthcare, Infrastructure, Manufacturing, Essential Commodities, Power & Energy.

Bangladesh-India Friendship Power Company (Pvt.) Limited (BIFPCL): Rampal 1320 MW Ultra-Supercritical Coal-Fired Power Plant – Working Capital Financed by Bank Asia PLC.

Syndication & Structured Finance

The Syndication & Structured Finance Unit of Bank Asia PLC continued to play a significant role in delivering structured and customized financial solutions to both corporate and public sector clients. Through fund arrangement, advisory mandates, agency functions, and innovative financing structures, the Unit further strengthened the Bank's position in the syndication and structured finance market.

The Unit remained focused on supporting large-scale industrial, infrastructure, and strategic business initiatives by arranging complex financing solutions tailored to clients' operational and investment requirements. These efforts contributed to economic development, industrial expansion, and long-term investment growth in Bangladesh.

The Syndication & Structured Finance Unit operates with a specialized focus on arranging and structuring complex financing transactions across diverse sectors covering the area of Power & Energy, Manufacturing, Pharmaceuticals, Cement & Steel, Refinery & Ceramics, Pulp & Paper, Telecommunications ,NGO-MFI , Construction & Infrastructure emphasizing Economic Zone Development, Greenfield Investments, BMRE (Balancing, Modernization, Rehabilitation & Expansion) Projects, Structured Corporate Financing Solutions.

The Unit also continued to strengthen its capabilities in Syndicated Loan Arrangements, structured Trade & Project Financing, Agency & Trustee Functions and Advisory Services for Large Financing Transactions.

Looking ahead, the Syndication & Structured Finance Unit remains committed to providing innovative and customized financial solutions aligned with the evolving needs of corporate clients and the broader economy.

Cash Management & Corporate Liability

The Cash Management & Corporate Liability Department of Bank Asia PLC continued to strengthen its position in transaction banking and corporate liability solutions during 2025. Established under the Corporate & Large Loan (C&LL) Division in September 2024, the Department has emerged as a key strategic platform for delivering integrated financial solutions that help corporate clients optimize liquidity, streamline payment processes, and improve operational efficiency.

During 2025, the Department expanded its Cash Management & Corporate Liability portfolio through a range of advanced transaction banking solutions, including: Receivables & Payables Management, Liquidity Optimization Solutions, Corporate Collection & Payment Services, Foreign Exchange Services and Digital Transaction Banking Solutions.

These services were designed to support corporate clients with enhanced treasury management capabilities, automated transaction processing, and greater operational agility in an increasingly dynamic business environment.

A major highlight of the year was the successful establishment of strategic partnerships with leading organizations, including:

- **Bangladesh Ansar & Village Defence Party (VDP):** Bank Asia partners with Bangladesh Ansar & VDP Welfare Trust as banking partner.
- **bKash Limited**
- **Heidelberg Materials Bangladesh PLC:** Bank Asia Partners with Heidelberg Materials Bangladesh for an Integrated Cash Management Solution to streamline its collections and payment processes through efficient banking channels and automated transaction management.

MoU signing with Incepta Pharmaceuticals Limited

Bank Asia partners with Bangladesh Ansar & VDP Welfare Trust as banking partner

CORPORATE & INVESTMENT BANKING (C&IB)

- **Incepta Pharmaceuticals Ltd.:** Bank Asia signed a Cash Management Solutions agreement with Incepta Pharmaceuticals Ltd., under which Bank Asia is collecting transactions from 10 depots across the country both physically and electronically
- **BRAC:** BRAC and Bank Asia PLC have signed a strategic agreement to implement comprehensive cash management solutions, including digital collection and payment services.

The Department also successfully implemented a 24/7 Dealer Collection Solution for bKash Limited, enabling uninterrupted real-time collections and settlement services across the countrywide dealer network. In addition, customized cash management solutions were introduced for Heidelberg Materials Bangladesh PLC and Incepta Pharmaceuticals Ltd. to streamline collections, payments, and transaction management processes.

To strengthen digital transaction banking capabilities, Bank Asia PLC also launched its Corporate Internet Banking platform, "PayEz," on a pilot basis. The platform provides corporate clients with a secure, efficient, and user-friendly digital banking experience for managing payments, collections, and other banking activities seamlessly.

The Department played an important role in enhancing low-cost deposit mobilization, expanding fee-based income opportunities, and improving client engagement through customized transaction banking solutions.

Export Finance

The Export Finance Department, a specialized unit under Corporate Banking accounted for approximately 17% of the Bank's total loans and advances, plays a vital role in supporting Bangladesh's export-oriented industries. Bank Asia PLC recognizes exporters as key contributors to foreign currency earnings and employment generation, particularly in labor-intensive sectors. All 100% export-oriented clients are treated as corporate customers, regardless of size or exposure.

As of 2025, the Department served over 200 export-oriented industries, spanning Ready-Made Garments (RMG), Textiles, Accessories, Leather & Footwear, Jute, Other emerging sectors Financing support is provided through Onshore Banking, Offshore Banking and Islamic Banking Centralized credit relationship management and trade operations were implemented in 2025 to enhance efficiency and service delivery.

The RMG and textile sectors continue to dominate the export portfolio. However, 2025 experienced mixed performance, driven by Reciprocal tariff measures in key markets, Inventory adjustments by global retailers, Pricing pressure in European markets, Utility and cost challenges in local industries. Emerging sectors such as jute, leather, pharmaceuticals, and agro-based industries present strong diversification potential, although compliance challenges continue to constrain growth in certain segments.

Bank Asia PLC continues to promote sustainable financing by Participating in Bangladesh Bank refinancing schemes as an eligible PFI, supporting environmentally sustainable projects, facilitating cost-effective funding solutions through bilateral arrangements

Key Achievements in 2025:

- Onboarded 54 new corporate clients, including leading industry players
- Secured approvals for credit facilities totaling Tk. 88,629 million
- Strengthened centralized relationship management to improve service delivery

MID-SEGMENT ENTERPRISE FINANCING

ME Portfolio

Tk. **21,508** million

New Client

Tk. **2,503** million to **131** clients

The Mid-Segment Enterprise (ME) department focuses on mid-market clients, encompassing low-end corporate and emerging corporate entities. The department is committed to building strong and sustainable relationships with clients by delivering tailored financial solutions to a diverse range of industries, including manufacturing, infrastructure development, commercial lending, real estate finance etc.

As of 31 December 2025, the ME portfolio stood at BDT 21,508.00 million, representing approximately 7.23% of the Bank's total loan portfolio. Import under this segment reached BDT 20,308.00 million. During 2025, Total New Client Origination amounting to BDT 2,503.00 million (131 new clients).

Aligned with the Bank's strategic priority of enhancing financial inclusion, the ME segment is expected to experience tenable growth through its multiple distribution channels ensuring broader access to financial services across the country.

CMSME

Bank Asia PLC remained a committed partner of CMSME clients, continuing to support business sustainability and growth through financing for working capital, machinery procurement, business expansion, and construction activities. Bank Asia PLC initiated SME lending in 2007 and further strengthened its institutional focus with the formal commencement of Cottage, Micro, Small and Mid-Segment Enterprise (CMSME) operations in 2015. Alongside financing, Bank Asia places strong emphasis on **capacity development and awareness-building initiatives**, particularly for **women entrepreneurs**. In collaboration with Bangladesh Bank, SME Foundation, Uttoron, and other stakeholders, various training programs, workshops, and outreach activities have been organized across different districts.

Moreover, the Bank consistently focuses on **innovation and development of CMSME-friendly products** focusing on:

- Bangladesh Bank refinance and pre-finance schemes
- Grant-based and donor-supported projects
- Collaboration with SME Foundation and development partners

Projects with Bangladesh Bank

a) Pre-finance Scheme against Term Loans to CMSME Sector (BDT 25,000 Crore Fund)
b) Small Enterprise Refinance Scheme of Bangladesh Bank for Women Entrepreneurs
c) Supporting Post COVID-19 Small Scale Employment Creation Project (SPCSSECP)
d) Refinance under Start-up Fund
e) Credit Guarantee Scheme (CGS) under CMSME Refinance(BDT 25,000 Crore Fund), Agro Product Processing and Women Entrepreneur.
f) SME revolving fund with SME foundation.

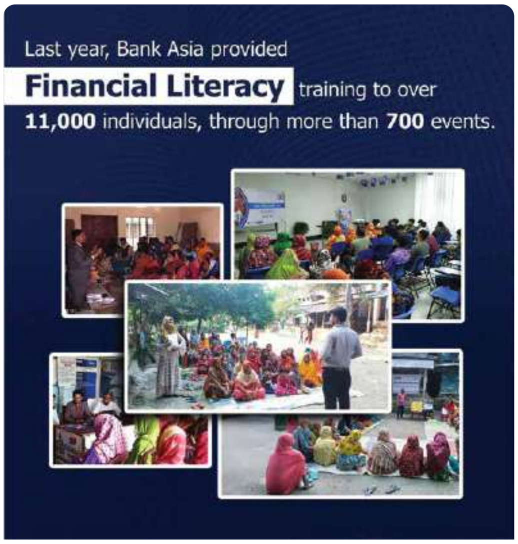
Initiatives in the year of 2025

- Training program on "Business Management and Financial Literacy Training for SME Women Entrepreneurs" in every branches.
- Signing MOU Regarding Distributor Financing between Bank Asia PLC and Rancon Motor Bikes Ltd.
- Participation in SME Entrepreneur Banker Exchange of views & open loan distribution program at Specialized Cloth Cluster , Adamdighi,Bogura organized by SME Foundation.
- Signing MOU Ceremony of EDP under SICIP Program at Bangladesh Bank
- Participation in Bangladesh Bank SME Women Entrepreneur Fair 2025 At Bangla Academy.
- Participation in CMSME Cluster Financing Workshop at Munshiganj.
- Participating Lesson Sharing Workshop on Women Entrepreneurship Development and Financing to Women Entrepreneurs organized by SME Foundation & Asia Foundation .
- Participating **"Bridging the Finance Gap for SMEs in Sylhet: A Matchmaking Initiative"** organized by SME Foundation.
- **Attending day long training on "Prevention of Money Laundering & Combating Financing on Terrorism (Batch-VII)** Organized by BAITD.
- Attending Workshop on CMSME Financing by Bangladesh Bank to enhance awareness & capacity building of the officers of different Banks and Financial Institutions
- Bank Asia participated at 12th SME Product Fair 2025 organized by SME Foundation

Bank Asia signs MoU with Bangladesh Bank to implement EDP under SICIP for empowering future entrepreneurs across Bangladesh.

CMSE Portfolio

Tk. **14,106** million



Cluster Financing

Bank Asia implemented full-fledged digitized cluster-based approach for financing to cottage, micro and small enterprises. Currently the bank is actively working on developing and financing in the following clusters-

- RMG Cluster
- Electric & Electronic Cluster
- Handloom & Specialized Cloth Cluster
- Hosiery Cluster
- Bamboo & Cane Cluster
- Shitol Pati Cluster
- Hotel & Tourism
- Broom Cluster
- Light & Engineering

RETAIL BANKING

Retail Banking Division continued to play a pivotal role in Bank Asia PLC's strategic journey toward building a more diversified, granular, customer-centric and sustainable banking franchise. In line with the Bank's broader objective of reducing concentration dependency and strengthening individual customer relationships, the Division undertook several strategic initiatives during the year to expand its Retail footprint, modernize product offerings, enhance service delivery and improve customer experience across mass, affluent and emerging customer segments.

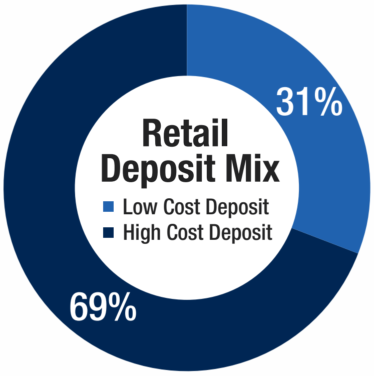
During the year, Retail Banking placed strong emphasis on transforming its operating model from a traditional support structure into a more business-enabling and performance-driven platform. The introduction of the **Value Center concept** marked an important milestone in this transformation journey. Under this model, different functional units of Retail Banking are being aligned more closely with business priorities, customer needs and portfolio growth objectives. This initiative has enabled stronger coordination, improved accountability, better market responsiveness and more structured support to branches and business channels.

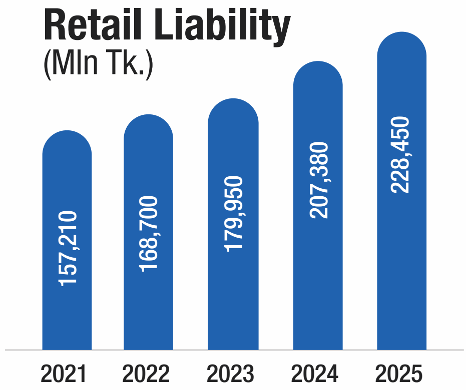
A comprehensive review of Retail products and processes was also carried out with a focus on customer convenience, competitive pricing, simplified documentation and faster service delivery. The Division continued to work on strengthening the overall Retail proposition through product modernization, process reengineering, service quality enhancement, digital onboarding and data-driven business monitoring.

Retail Liability

Retail Liability remained a core strength of the Bank's Retail franchise. In 2025, the Retail Deposit portfolio reached BDT 228,455 million, reflecting the Division's continued contribution to the Bank's deposit base and liquidity position. The portfolio continued to serve both mass-market and affluent customer segments, supported by branch network coverage, customer retention initiatives and targeted onboarding efforts.

The current deposit composition indicates significant opportunity to further optimize the CASA and term deposit mix. With a 31:69 low-cost to high-cost deposit ratio, the Bank remains focused on improving balance quality through customer activation, payroll banking, digital onboarding, account engagement, DPS penetration, lifecycle-based campaigns and deeper relationship management. Going forward, the key strategic objective will be to strengthen low-cost deposit mobilization while enhancing customer stickiness through bundled propositions and digital engagement.

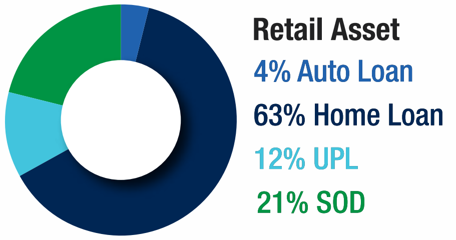




Retail Asset

Retail Asset continued to be positioned around secured and collateral-backed lending, ensuring greater portfolio stability and prudent risk management. In 2025, the Retail Asset portfolio stood at **BDT 22,017 million**, with approximately 88% of the portfolio comprising secured lending. Home Loan and SOD remained the dominant asset products, representing a significant portion of the total Retail Asset book.

Types of Product	Amount in million Tk.
Auto Loan	834
Home Loan	13,937
UPL	2,575
SOD	4,672



This asset mix provides a strong foundation for sustainable growth. At the same time, the Division has taken initiatives to modernize asset products, simplify processes, improve turnaround time, strengthen credit discipline and enhance customer communication throughout the loan journey. The Bank's focus remains on growing quality Retail assets through Home Loan, Auto Loan, Personal Loan and secured Retail financing, supported by improved process ownership, stronger monitoring and partnership-based business development.

Priority Banking

The year 2025 marked an important strategic step for Bank Asia PLC with the soft launch of Priority Banking, designed to serve affluent and high-value individual customers with a more personalized and premium banking experience. Two flagship Priority Centers were launched at Gulshan and Tejgaon Link Road, creating a differentiated service platform for high-net-worth and emerging affluent customers.

Priority Banking is expected to strengthen the Bank's relationship-led Retail business by offering personalized service, dedicated relationship management, lifestyle privileges and premium financial solutions. This initiative has already created positive market momentum and will support the Bank's ambition to grow high-quality Retail liabilities and assets. In the coming years, the Bank plans to expand the Priority Banking footprint through

Priority Banking Lounge

a phased rollout of additional Priority Centers and enhanced affluent customer propositions.

Key Achievements in 2025

During the year, Retail Banking Division achieved several important milestones. The Retail Deposit portfolio reached BDT 228,129 million, reinforcing the Bank's strong Retail liability foundation. Retail Asset stood at BDT 22,017 million, with a secured lending composition of approximately 88%. The Division introduced the Value Center concept, launched two flagship Priority Centers, reviewed and modernized key Retail product propositions, and strengthened the service quality framework through a dedicated Service Quality Wing.

These achievements have created a stronger platform for customer-centric growth, improved execution discipline and a more balanced Retail Banking business model.

Strategic Focus for 2026

Looking ahead, the Retail Banking Division will continue to focus on portfolio expansion, customer acquisition, digital transformation and service excellence. The division targets scaling the Retail Deposit portfolio to around BDT 290,000 million and the Retail Asset book to BDT 28,000 million with segment-led growth driven by Women Banking and Youth Banking.

In 2026, key priorities will include the strategic redesign and enhanced payroll-based propositions to strengthen market presence, alongside the establishment of a dedicated Retail Collection & Recovery Unit to improve asset quality. Emphasis will also be placed on reinforcing Sales Governance, enhancing Service Quality, and advancing Strategy, Business Planning & Monitoring to drive efficiency and consistency. Continued focus on Retail Alliance development and strengthening Branch Support & Governance frameworks will further support disciplined execution across the network.

The Bank will also expand its affluent banking footprint through additional Priority Centers in Dhanmondi, Uttara, MCB Banani and Agrabad Branch. Ongoing investments in product innovation, digital account opening, end-to-end customer onboarding and faster service delivery will remain central to enhancing customer engagement.

Through these initiatives, Bank Asia PLC is well positioned to strengthen its Retail Banking franchise and deliver a seamless, responsive and value-driven banking experience.

MoU signing Ceremony with Momen Real Estate Limited

MoU signing ceremony with Guardian Life Insurance Limited

AGRICULTURAL / RURAL CREDIT

Total Disbursed Amount
Tk. **7,910** Million

Beneficiaries
7,778 farmers
Tk. **648** Million

Direct Disbursed Amount
Tk. **750** Million

Bank Asia PLC continued to play a vital role in supporting Bangladesh's agricultural sector in 2025 by providing inclusive and need-based agricultural and rural credit to farmers and agro-based entrepreneurs across the country. During the year, total agricultural and rural credit disbursement was to Tk. 7,910 million, including direct agricultural credit of Tk. 750 million. Through Agent Banking outlets, 7,778 farmers received direct agricultural loans totaling Tk. 648 million, further expanding access to formal financing in rural areas.

As of 31 December 2025, outstanding agricultural and rural credit stood at Tk. 6,333 million, benefiting 8,479 customers nationwide. Under concessional financing schemes, 251 farmers received loan amounting to Tk. 12.89 million at a subsidized interest rate of 4.00% for import-substitute crop cultivation. In addition, financial inclusion initiatives supported 3,101 holders of Tk. 10 accounts through loan disbursement totaling Tk. 149.04 million. These initiatives reaffirm the Bank's commitment to financial inclusion, rural development, employment generation, and socio-economic advancement across rural Bangladesh.

Total Outstanding
Tk. **6,333** Million

No of Customers
8,479

Concessional Financing Scheme 251 Farmers
Tk. 12.89 million
Interest rate: Only 4%

10-Taka Account Holder
No of Account Holders:
3,101
Disbursement:
Tk. 149.04 million

In addition, Bank Asia led an Open Loan Disbursement Program in Chapainawabganj under Bangladesh Bank's refinancing scheme on July 3, 2025, to support marginal and landless farmers, low-income professionals, school banking account holders, and small entrepreneurs. At the program, loans totaling Tk. 27.5 million were distributed among 221 customers, of which Bank Asia disbursed Tk. 6.9 million to 116 customers, contributing to business expansion and new entrepreneurial initiatives in the region.

Bank Asia continues to emphasize direct lending to farmers, with a growing focus on Agent Banking to ensure efficient and transparent credit delivery in rural and underserved areas. Looking ahead, the Bank plans to route approximately 85% of its direct agricultural lending through Agent Banking in 2026, while strengthening partnerships with national and international organizations to support sustainable rural livelihoods.

Loan at 4% concessional rate for import substitute crops

Loan Disbursement under Bangladesh Bank Refinance Scheme at Chapainawabganj-Arranged by Bank Asia PLC as Lead Bank

CARDS

The credit card industry in Bangladesh has experienced significant growth in recent years, driven by rapid digitalization, expansion of e-commerce, increasing urbanization, and a growing middle-income population. As consumers increasingly shift from cash-based transactions to electronic payments, commercial banks are expanding and integrating their credit card services to remain competitive and sustainable. Within this evolving financial landscape, Bank Asia PLC has positioned its Credit Card Department as a contributor to retail banking growth and digital financial inclusion.

In 2025, Bank Asia's credit card operations underwent substantial operational, technological, and strategic integration to enhance efficiency, profitability, and customer experience. The bank strengthened its partnerships with global payment networks such as Visa Inc. and Mastercard, enabling secure and internationally accepted card services. Simultaneously, compliance with regulatory guidelines to ensured sound risk management and financial stability.

The state of the art Value Added Services are: Easy buy, Hospital Bill EMI, Buy One Get One Free (BOGO) Facility, Any POS Purchase EMI, Protocol Service Facility, Lounge Facility in Abroad, Balaka Lounge Facility, Reward Point, Green PIN etc

Business Performance

	Profit *Million Taka*	Loan & Advance *Million Taka*	Classified Loan	No. of active Cards
2025	432	4,681	11.40%	98,786
2024	443	4,605	10.33%	100,208

Product List

VISA

- Visa Signature Credit Card (with Priority Pass)
- VISA Platinum Credit Card (with Priority Pass)
- VISA Gold Credit Card
- Virtual Card
- VISA Classic Credit Card
- VISA Prepaid Hajj Card
- Gift Card
- VISA Prepaid Travel Card

MASTER & OTHERS

- Mastercard World Elite (with Lounge Key)
- Master Titanium Credit Card (with Lounge Key)
- Master Gold Card
- Master Silver Card
- Shadhin Card
- Prepaid Travel Card

Promotional Offers throughout 2025

- **25%** Cash Back at Pizza Hut Bd & Kfc Bangladesh
- Upto **20%** Discount at Sharetrip Ltd.
- **10%** Discount at US Bangla Airlines
- **20%** Discount on food bills at EPI
- Up to **10%** discount at different restaurant and Fashion House
- **7%** discount at Rangs E-mart and Transcom Digital
- **15%** discount at MK Electronics
- Up to **25%** Cash Back in Ramadan 2025 Aarong, and 10% Cash Back at Apex, Artisan, Astorion, Ecstasy, Foodpanda, Illiyeen, Infinity, Lubnan, Richman, Sailor, Yellow, Daraz, Gadget & Gear,
- **35%** Cashback on tickets purchase from Star Cineplex
- Up to **12%** savings and Cash Back on Grocery shopping in Meena Bazar, Agora, Chaldal.Com
- Buy one get three **(B1G3)** buffet at Sheraton Dhaka & The Westin Dhaka
- Buy one get One free **(BOGO)** buffet at different 5 star hotel
- Upto **12** Months (0% EMI)at different Merchant
- Upto **10%** Discount at different Hospitals
- Upto **60%** Discount at different hotels
- **"Pay 1, Stay 2 Nights"** Exclusive Offer at Sayeman Beach Resort & Radisson Blu Chattogram Bay View
- **Buy 1 Get 1 Free** (Entry Ticket) at Foy's Lake Ctg & Fantasy Kingdom

CREDIT ADMINISTRATION

Credit Administration is a core operational unit of Bank Asia PLC responsible for ensuring that all approved credit facilities are properly documented, disbursed, and monitored in line with internal policies and regulatory guidelines. It acts as a control and risk-mitigation function, independent from business/relationship units, to maintain credit discipline and operational accuracy.

Operational performance of CAD in 2025

Documentation:

- Arrange legal vetting & Title Search Report of collateral securities- 45 nos. of customers.
- Arrange valuation of collateral securities- 51 nos. of borrowers.
- Prepare set of Charge documents and other security documents including LDCL-190 nos. of borrowers.
- Arrange registration and execution of mortgage charge with irrevocable general power of attorney-164 nos. of borrowers.
- Creation & modification/redemption/vacation of charges etc-45 nos. of borrowers.
- Release loan security documents complying applicable due diligence- 10 nos. of borrowers.
- Completion of all security documentation formalities as per sanction terms under corporate business segments- 175 nos. of borrowers.
- Number of documents scanned-2,480 nos. of documents.
- Checked major documents of the other business segments (ME, CMSE, Retail, Agri & Agent Banking).
- To maintain various ticklers for monitoring of documentation deferral, insurance policy, past due etc.
- Liaison with audit/inspection team for resolution of identified issues, if any.
- Custodian of original documents (Corporate).

CAD operation

- 60,081 nos. - input and authorize credit limits in the CBS in line with approval.
- 3,200 nos. -modification of rate of interest and Process / business department during the year.
- 5,500 nos. -changing / modifying of amount, installment size, validity, security of loan.
- 3,500 nos. -defining OD & SOD limit (Renewal, Validity extension and limit enhancement) as per sanction letters.
- 22,100 nos. -checking documents against SOD loan under Branch Sanction
- 2,800 nos. -loan Account opening & closing.
- 9,367 nos. -loan disbursement, fund transfers & other transaction.
- 3,230 nos. -loan restructure & reschedule, waiver, write off transactions etc.

CIB Operation

- Downloading CIB reports from BB server and uploading to MISDB of present and prospective borrowers – 164,701 reports.
- CIB report archiving through maintenance regarding CIB inquiry & Undertaking – 164,153 reports.
- Mandatory verify of each & every borrower information in the CIB database with NID Server – 164,701 reports.
- Updating MCM Information with Bangladesh Bank - 962 nos. of borrowers.
- Existing borrowers NID verification/Correction/Update in the CIB database - 7,233 nos. of borrower's NIDs.
- Correction or Update director/owner/guarantor information in CIB database - 441 nos. of borrowers.
- Realizing CIB charges from the branches as per Bangladesh Bank instructions - Tk.11,444.698.
- Preparing monthly CIB report & submitting to Bangladesh Bank server through online system - 151,613 nos. of accounts.

Bangladesh Bank Reporting

- Submitted 356 nos. of statements to Bangladesh Bank and other bodies (monthly/quarterly)

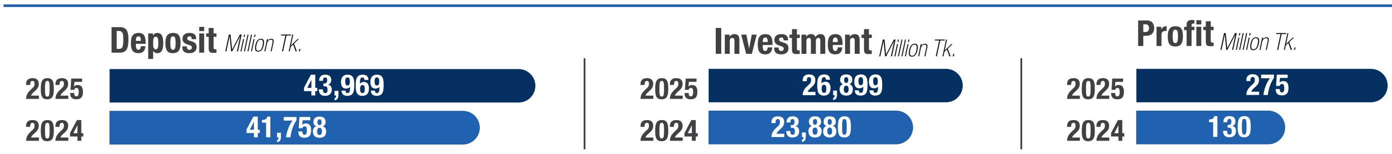
Development & Automation in 2025:

1. Achieved Annual Deposit Target – 2025 of CAD
2. CAD centralization with corporate business segments.

Planning for 2026:

1. CAD centralization with other business segments.
2. Online / offline training & workshop (region wise) to educate about existing & future development.

ISLAMIC BANKING



Since Bank Asia started its Islamic banking operations in 2008 with the slogan "Purity is your dividend", still the Shariah principle maintaining strictly. The Management is uncompromising about Shariah rules. This year, Bank Asia Islamic Banking celebrated its' 17th anniversary. The business of Bank Asia Islamic Banking has been increasing day by day. Meantime, AD/ID ratio of Islamic Banking is higher than all of the previous periods. On the other hand, the surplus fund of Islamic banking is fully invested in Sukuk, Bond and other Shariah complied instruments which maximized the income remarkably.

The Islamic Banking activities are strictly monitored by the Board of Directors. The management is guided by the prudent Shari'ah Supervisory Committee (SSC) of the Bank. Our Shari'ah Supervisory Committee consists of eminent members, including distinguished Islamic Jurists (expertized in Islamic jurisprudence e.g Fiqhul Mua'malat), renowned Islamic scholars and well known professionals of the country.

Now, Bank Asia Islamic Banking is using all the Business Channels of the Bank which increased the overall growth. Beside the dedicated Islamic Windows, Islamic Banking Services are also available in the all distribution channels of the Bank like Branches, SME Centers, Agent Banking and Corporate and Large Banking through online. All modern services like Visa Debit Card, SMS Alert, Internet Banking and Mobile Apps usage are also available for Islamic customers. Besides, 10 (ten) new Islamic Windows launched in the year 2025.

Key Activities in 2025

Introduction of new windows:

- 10 (ten) new Islamic Windows inaugurated in addition to 5 (five) Islamic Windows.

Training & Others:

- 25 physical and online training programs for Core Banking Officials, Agent Banking Officials and potential Agent owners.
- 60 Shari'ah Awareness & Islamic Banking Knowledge sharing program.
- Total 3,075 outlets covered for Islamic Agent Banking operations.

Hajj Activities:

- Total 1,960 Pilgrims were registered under Bank Asia Islamic Banking in 2025.

SECTORAL DISTRIBUTION OF CREDIT

The Bank's loans and advances stood at Tk. 294,682 million achieving a growth of 0.33%.

Sectorwise distribution of loans and advances is as follows:

SL. No	Sectors/Sub-Sectors	2025		2024	
		Million Taka	% of Loan	Million Taka	% of Loan
1	Agriculture	5,162	1.75%	6,231	2.12%
2	**Industries**				
	Food Manufacturing	21,416	7.27%	22,396	7.62%
	Beverage industry	3,963	1.34%	4,816	1.64%
	RMG industry	31,307	10.62%	26,701	9.09%
	Textile industry	40,936	13.89%	33,405	11.37%
	Wood cork and allied products	72	0.02%	108	0.04%
	Furniture and Fixture	982	0.33%	922	0.31%
	Paper and paper products	3,841	1.30%	6,000	2.04%
	Leather and leather products	2,456	0.83%	3,695	1.26%
	Rubber products	5,933	2.01%	5,440	1.85%
	Chemical and chemical products	1,542	0.52%	1,801	0.61%
	Basic metal products	16,396	5.56%	20,712	7.05%
	Electrical machinery and apparatus	3,226	1.09%	4,300	1.46%
	Other manufacturing industries	35,220	11.95%	32,390	11.03%
	Ship building	78	0.03%	111	0.04%
	Ship breaking	70	0.02%	2,184	0.74%
	Pharmaceutical	7,968	2.70%	12,240	4.17%
	Subtotal	**175,405**	**59.52%**	**177,221**	**60.34%**
3	Constructions	3,405	1.16%	5,217	1.78%
4	Power, Gas, Water and Sanitary Services	24,903	8.45%	15,452	5.26%
5	Transport, Storage and Communication	3,232	1.10%	3,860	1.31%
6	Trade Services	28,608	9.71%	33,969	11.56%
7	Housing Services	20,907	7.09%	22,618	7.70%
8	Banking and Insurance	13,207	4.48%	7,057	2.40%
9	Professional and Misc. services	19,853	6.74%	22,100	7.52%
	Total	**294,682**	**100.00%**	**293,726**	**100.00%**

GROUP FINANCE AND ACCOUNTS

With a view to ensuring safe & stable Banking, Group Finance & Accounts Division of Bank Asia is operating with utmost efficiency and professionalism. This team oversees all financial activities of its main operations as well as three subsidiary companies. The major functions of the division in 2025 are delineated below.

VAT
Effective management of VAT Audit

Bank Budget
175
Branches and Departments

Financial Statement
Regulatory Reports
220+

Employee Fund Management
Total fund
Tk. 8,964 mln

Business Conferences
Performance analysis in comparison with the respective budget & growth of the branches, divisions, departments & units

Tk. 10,000 Million
The transaction of Bank Asia PLC. Green Sutainable bond is under process

Rating
- CAMELS Rating:half yearly
- Entity Rating:Yearly
  - Long term: AA+
  - Short term: ST-1
- 3 Bonds Rating: Yearly

Regulatory Reporting-ISM, FPM, & CDLC Reporting
- **40** reports to Bangladesh Bank
- Provided daily support to branches under ISM reporting
- Conducted 2 trainings regarding ISM

Interest Rate Monitoring 40 peer banks
- Market Deposit and advance rate analysis
- T-bill , T-bond rate analysis
- Monitoring of Product wise deposit inclusion-exclusion

CL Monitoring
- Tracking of CL movement
- Letters distribution to respective branch for necessary action

Investment
- Fresh Investment Tk. **1,500** mln
- Total Income Tk. **1,000** mln

MIS
- Monthly business unit wise performance tracking 1000+
- Monthly profitability analysis: 12
- Daily business position :260
- Daily co-ordinator wise report :260

10 Publications
(annually-semiannually-quarterly)

Tax
- 1 year return submitted
- 1 year assessment finalized

Finance

- Budget Preparation based on commanding areas potentiality and Variance calculation
- Monitoring & Control
- Financial Forecast
- Financial Analysis
- Individual Employee Deposit Budget

Financial and Strategic Planning

Financial Reporting

- Quarterly, semi-annual and annual Financial statements (solo & consolidated)
- Regulatory reporting to Bangladesh Bank, DSE, SEC, CDBL & others

- Supervision of integrated information
- Individual field wise and branch wise monitoring of performance parameters
- Supervision of Central Database for Large Credit

ISM, FPM & CDLC Reporting

Capital Planning & Management

- Implementation of Basel-III capital accord and reporting to Bangladesh Bank and management
- Capital planning and capital raising
- Successfully raised Tk. 4,000 million as Bank Asia 4th Subordinated Bond

- AIR 2024
- Sustainability Report 2024
- Business Review 2025
- Half Yearly business review 2025
- Quarterly Financial Statement

Publications

MIS

MIS-Database Management

- MIS database management, system development and maintenance
- Providing data for preparation of Financial Statements, major regulatory reporting, management reporting, budgeting and other divisional reporting
- Sensitivity, movement and potential analysis on major business parameters along with industry growth for decision-making and strategy setting
- Branch wise performance tracking with budget
- Monthly performance review of bank's different business units

VAT/Tax Management

- Yearly Tax planning, return submission, and provision
- Attend hearing with tax officials and face Tax/VAT audit
- Monthly VAT/Quarterly Tax Return Submission
- Tax and VAT Deposit to Govt. Exchequer

Tax & VAT Planning and Management

Employee Fund Management

- Investment and fund management
- Facilitate final settlement
- Financial statement preparation

Investment & Capital Issue

- New capital issue (Bond) & Management of operation
- Facilitate final settlement
- Formation of Investment Committee
- Feasibility analysis of all investment offers of Bonds, Preference Shares, Mutual Fund and Pre-IPO private placement
- Own portfolio management/activities
- Regular supervision of functions of Bank Asia Securities Ltd., BA Exchange UK and BA Express USA

Accounts Department

Accounts Department carries out the responsibility of ensuring accountability, transparency and effectiveness of every penny of the Bank through automated and compliant accounting service.

Accounts Department ensures:

- Proper accounting and reconciliation of every transaction of the Bank;
- Three Es (Effectiveness, Efficiency and Economy) in every amount expensed by the Bank;
- Accurate accounting services;
- Delivery services at minimum Turnaround Time (TAT);
- Meticulous compliance with all Regulatory and Internal policies/ procedures;
- Digitalization and automation of services'

Key Highlights

Financial Control

Pre-Audit:

- Bills Processed: **14,000+** (Nos)
- Cost Savings: BDT 1.52 mln
- Imprest Fund Management: 32(Times)
- Setting Financial Delegation on process
- Issued VAT and Tax Deduction Certificate: 625 (Nos)
- Operational Budget & Budgetary Control

GL & TB Monitoring and Controlling Chart of Accounts

- New GL Created: 372 (Nos)
- GL head Modify (Lock/Unlock): 768 (Nos)
- OPEX Monitoring
- Yearly and Half Yearly Balance Confirmation
- Books of Accounts Closing Certificate

Fixed Asset Management

- Quarterly/Half Yearly/ Yearly Fixed Asset Schedule Preparation
- Update Fixed Assets Module for Branches and Corporate Office
- Review and Reconciliation of Fixed Assets Module
- Monitoring Depreciation/ Amortization of Fixed Assets

Payment Processing

Payment Disbursement and Book-keeping

- No of Bills/Vouchers Payment: 14,000+ (Nos)
- Transactions Executed: 67,276 (Nos)
- Voucher Management

Regulatory Reporting & MIS

Regulatory Report:

- Weekly Reports: 54 (Nos)
- Monthly Reports: 108 (Nos)
- Quarterly/Yearly Reports: 39 (Nos)

Internal Report:

- Monthly Budget Variance Report
- Monthly Profit Movement

Digitization & Process Re-engineering

- New e-billing system for 2026 with budget tracking
- Daily Email Automation for Reverse GL Balance
- Paperless Payment Processing System (Under development)

Reconciliation and Suspense Control

- Reconciliation Statements Prepared: 12 (BB LCY Accounts and 49 Accounts with other Banks)
- GL & TB and Suspense Monitoring

CBS-User Access Control

- ID Approved: 1,541 (Users)
- Access Privilege Modification: 11,790 (Nos)
- Rights Deputized: 1,848 (Users)
- Transactional Limit Enhancement: 782 (Users)
- Account Title Modification/Rectification: 3,960 (Nos)
- Performed Branch Support: 20,689 (Nos)

Month Closing Activity

- Month-Closing Activities:
- Issued Instruction Circulars and Checklist For Month Closing
- Issued Year Closing Preparation Circular
- Issued Instruction Circular For Fixed Asset Physical Counting
- Provided Closing related Support to the Branches and Corporate Office

Accounting Process Development

Accounting Procedure for:

- Accounting process automation
- Implementing new IAS & IFRS e.g. IFRS-16, IFRS-9 on process
- Implementing Bangladesh Bank circulars and guidance related to financial accounting
- Oversee finance and accounts functions of Agent Banking Division
- System/ Module development coordination
- Developing different policies, circulars related to Group Finance and Accounts

BRANCH OPERATIONS

Branch Operations Division plays a vital role in providing diversified operational support to the Branches on General Banking activities. Besides this, BOD also serves as the Central Sanchayapatra Unit and the Complaint Management Unit of Bank Asia.

New initiatives in 2025

Cash in Transit service through third Party: Started Cash in Transit service through third Party for the safe and convenient operation of Cash in Transit (CIT) service throughout the country.

Completion of AOF e-Archiving: Successfully completed the archiving of AOF of all Branches of in May 2025.

Manpower Outsourcing from third party: Bank Asia signed agreement with M/S Alam Enterprise to outsource Data Entry Staffs for performing the A/C Opening Activities of LOD as a cost-effective and hassle-free approach.

Central Payroll Processing for corporate clients : Branch Operations Division started Corporate Clients' payroll processing centrally from Corporate Office for faster and error free service.

Process Development:

- Introduction of system generated script for Fixed Deposit (FD) Account and Mudaraba Term Deposit (MTD) Account.
- Printed Cheque Book Delivery Register to avoid duplication of work.
- Inter Branch fund transfer without chq. Leaf
- Management of cash loading in ATM during the holidays and beyond office hours

Physical Archiving Service: Bank Asia has signed an agreement with Orogenic Resources (BD) Limited to ensure uniform document preservation, optimize space utilization, enhance security, and improve turnaround time for archival and retrieval.

Formation of Liability Operations Department (LOD): LOD was established along with SOP for centralized liability account operations to ensure uniformity in account opening and operation.

Formulation of different Guidelines/circulars: Management of common user IDs and passwords, opening 'Non-face-to-face (NF2F) account' for the Non-Resident-Bangladeshis (NRB), management of Excess Cash received over the counter of the Branches, opening and maintenance of Resident Foreign Currency Deposit (RFCD) Account, SOP of cash in transit and so on.

Regular Activities

Unit/Task Name	Volume/Amount
Central Account Opening Unit total	**18,588**
Central Account	5,764
Omni channel	616
Bulk Account	10,958
Non-NID Account Approval	1,250
Central Sanchaypatra Unit	
- Sanchaypatra issue (no. 9,530)	Tk. 6,036 mln
- Sanchaypatra claim payment	Tk. 13,149 mln
- Sanchaypatra commission earned	Tk. 2.34 mln
Handle customer complaints	236
Circular issued	67
Circular e-archiving	450
Lien/Bank Guarantee reconfirmation	240
FDR/Statement/Cert. verification	420
Modification in CBS	6,000+
Review of audit report of ICCD & BB	176
Surprise Branch visit	15
Account Opening Form e-archiving	55 Branches
Mail circulation on a/c of Branch	1500+
Bangladesh Bank reporting	As per frequency
Corporate salary posting (1 month)	54 Files
Review/increase of Insurance Limit for Vault/Counter/ATM/Locker	216 Instance
Different approval for exceptional transaction	50+

Upcoming projects of 2026:

- Centralized Operation of Stamp Procurement and management.
- Centralized processing of maturity actions for various Term Deposit / Scheme Deposit accounts.
- Dynamic Workflow System for Central Account Opening from LOD.
- System generated account certificate for various Deposit Accounts.
- Sending transaction alert to the e-mail address of customer.

FOREIGN REMITTANCE

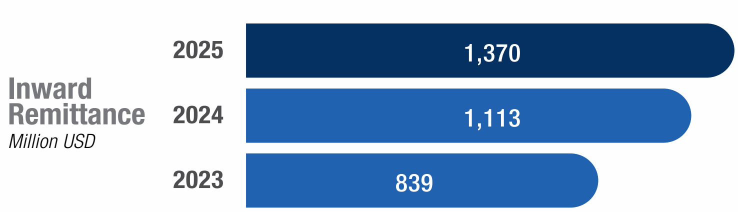
In 2025, Bangladesh received a record $32.8 billion remittances, marking a 25% YoY increase, driven by a rise in the official dollar rate and a decline in money laundering. The flexible exchange rate and the narrow difference of exchange rate between the formal and informal markets accounts for the spike in remittance uptick.

Previously a significant portion of remittances channelized through hundi, an informal cross-border money transfer system that bypasses the legal banking channels which is now coming through formal channels due to reduced money laundering.

Bank Asia PLC remittance inflow follow the country growing trend and achieve 23% YoY growth. Bank has directly received SAR 133 million in 2025 from KSA through BYC. Bank's 100% own overseas subsidiary company in USA first time ever collected USD 126 mln in a single year.

Summary of FRD 2025 Performance

- Nos of Exchange house with nos of countries: 57 Exchange Houses (including 2 own overseas exchange houses in USA & UK) & 200 countries
- Nos of outlets for remittance payment: 6,700+ Cash Payout Locations
- Amount of Inward Remittance: US$ 1,370 million
- Market share: 4%
- Bank has served around no.268,348 of freelancer customers and disburse US$ 124 million worth remittance.



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Exchange House

1,370

Remittance

23% Growth

GROUP TREASURY OPERATION

In year 2025, Bangladesh navigated through a delicate phase of economic stabilization following the significant political transition in mid-2024 with a moderated GDP growth rate of 3.5%–4.0% and persistent inflation hovering between 8.5% and 9.9%. Business environment remained subdued due to low investment and sluggish credit growth. Enterprises in this period apparently prioritized operational resilience over expansion. Under a reform-heavy mandate during the tenor of post-revolution interim government, Bangladesh Bank undertook a significant overhaul of the financial sector, dissolving the boards, preparing Bank Resolution Ordinance, enhancing supervision and side by side provided liquidity support to distressed banks. In foreign exchange, country reserves saw a modest recovery but Taka remained under pressure against the USD, and the external sector faced challenges as merchandise exports dipped slightly lower. Scenario did not deteriorate father due to growth in wage earners' remittance and lower import growth.

Bangladesh Bank opted for market based exchange rate regime, moved away from previous crawling-peg mechanism. In 2025, treasury played a crucial role in the profitability of Bank Asia PLC. The year witnessed several significant developments impacting how bank's management maneuvered the movement of assets, liabilities, and utilized the surplus liquidity position. The year ended with continued struggle in banking industry with new hope of fresh economic cycle in 2026.

Key market events for Treasury 2025	Market Based Exchange rate Regime	Conservative Monetary Policy	Sluggish business cycle	Global Int. Rate Movements	Growth of Govt. Credit	Upward Policy rate movement	GSEC Yield Volatility

WINGS OF TREASURY

MONEY MARKET	FOREIGN EXCHANGE	ASSET LIABILITY MANAGEMENT
Statutory Compliance, money investment, & Market intelligence.	Monitoring & Planning of Import & Export originated fund flow. NOP (Net open position) management.	Balance sheet gap & profitability analysis, ALM indicators management. Maintain discipline in balance sheet growth & commitment book.
Investment & trading of securities. & Customer investment portfolio management.	Quoting Exchange Rates to import, export, and remittance. Advising corporates in Trade Finance Transaction.	Liquidity & Market risk Management of Banking Book. Liaison with business units.
Short term balance sheet gap management.	Interbank trading for Risk Management.	Asset-Liability composition analysis and pricing.
Arbitrage business & earnings.	Matching & Funding of foreign currency transaction.	ALCO Paper & different MIS paper preparation.
Liquidity and market risk management.	Market and liquidity risk management for bank and customers	Assisting ALCO to ensure the planning coherence of Treasury business and overall Balance sheet strategy.

ACTIVITIES in YEAR 2025

Coordination of ALM & Business

- Managing Deposit mix and pricing of Assets & Liabilities.
- ALM discipline in all indicators were maintained
- Syncronizing with business units for corporate requirement solutions and fund clearance.

Portfolio Management

- Service of G-SEC portfolio to individuals and corporate customers
- Increased earning in regular interest income from investment and short term money market.

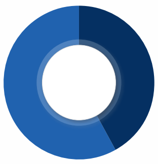
Liquidity & Market Risk Management

- Managing liquiidty , market risk of protfolio and exchange earning and capital gain.
- Funding gap management of Multi-currency balance sheet and arbitrage earnings.

Size of Treasury Business in 2025

In 2025 bank acted cautious in commercial loan booking. Therefore surplus loanable fund was managed by Treasury addressing liquidity and market risk factors. In this year, Treasury expanded its trading book. In 2025, the average size of balance sheet is BDT 205,000 Mln. At year end, Treasury Balance sheet size is BDT 220,500 mln which is more than one-third of total balance sheet.

BANKING BOOK
33%
TRADING BOOK
67%



TREASURY B/S SIZE
220,500 Mln
Banking Book **72,330** Mln
Trading Book **145,490** Mln

Throughout the year, Treasury effectively leveraged volatility in the FX and money markets to generate stable income through active book management and prudent positioning within regulatory limits. Strong engagement with corporate clients supported trade transactions and remittance flows, contributing to risk management and exchange income. In the money market, liquidity was efficiently managed through optimized placements and borrowings, while timely participation in call and repo markets enhanced yields without compromising liquidity buffers. The investment portfolio was actively rebalanced to ensure higher-yielding securities holding within the constraint of market volatility and liquidity maintenance. Treasury worked hand in hand with business units in competitive pricing, ensuring effective asset-liability alignment and helping sustain net interest margins. From ALM perspective, proactive management of re-pricing gaps and portfolio duration helped protect spreads. Liquidity positions remained strong throughout the year, with ratios comfortably above regulatory requirements.

TREASURY FOCUS FOR YEAR 2026

- Extensive collaboration with Business Units for business & Risk management
- Increase presence among Local and Foreign Corporates for product diversification and cross selling
- Investment Portfolio optimization & Primary Dealership arrangement with Govt.
- Focusing on advisory services and customer wealth management

Achievement of Treasury in Year 2025

Substantial investment income & capital gain	High exchange earning	Significant arbitrage income	Strong ALM indicator maintenance

INTERNATIONAL TRADE

Import
USD **1,645** million

Export
USD **1,210** million

Remittance (Payoneer)
USD **1,370** million

Foreign Correspondents
612 in **69** Countries

Nostro accounts 31

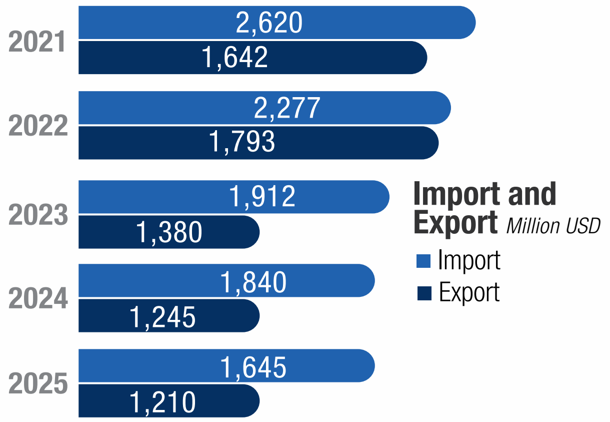
International Division of the bank is playing a key phenomenon with upmost importance to facilitate the bank's international transactions. It always acts to introduce foreign exchange business routed through various branches, innovate different products and mechanisms on foreign exchange business, to ensure better compliance and regulatory requirements. The division has its own portfolio (business targets) for maximization of rebate earning, mobilization of counter guarantee business, establishment of RMA (Relationship Management Application), Offshore Banking Business in addition as facilitators of foreign exchange business of the bank like credit line arrangement, add confirmation, international borrowing, bilateral arrangements with different International agencies including IFC, ADB, ISDB, FMO etc.

Milestones of International division in year 2025:

- Borrowed overseas funds for OBU of USD 1,852 million (cumulative for last five years)
- Bilateral unique trade relationship for counter guarantee, remittance and LC business with Banco Sabadell, Spain, La Caixa Bank, Spain, Unicredito, Italy.
- On boarded maximum FDI customers of Bangladesh with Bank Asia, number is 292 and established of FDI Help Desk for priority services to FDI clients.
- A system has been structured for foreign exchange products under the Central Trade Processing Center (CTPC) through two centers-Dhaka and Chattogram- covering both Conventional and Islamic Banking Operations.
- Only and unique arrangement with International Online Payment Gateway Service Providers (Payoneer) and repatriated about USD 124 million from ICT exports in 2025.
- Up-gradation in automated platform for notification of overdue liability on foreign exchange products to stakeholders.
- Up-gradation in automated 31 Nostro & 03 Vosto Accounts Reconciliation System
- Up-gradation in automated platform for monitoring of import and export transactions of the bank.
- KCY Reviewed of RMA over 612 international reputed banks (all big names in our list) and enjoying about USD 850 million Credit Line from overseas Banks.

Import Trade

Due to foreign currency crunch throughout the year and political instability, the total import business of the bank was slightly reduced. Total import volume in 2025 was USD 1,645 Million with 11% negative growth.



Export Trade

The combined foreign currency inflow from export and foreign remittance has enabled our bank in efficient treasury management to settle our import commitments without being dependent on the local inter-bank foreign exchange market in 2025. Besides traditional item like Readymade Garments, Jute and Jute-made goods, Frozen Fish, Bank Asia PLC has been able to be part of exploring export of some new items like Ocean going vessel. In 2025 the total export finance of the Bank has become USD 1,210 million equivalent to BDT 150,309 million with a negative growth of 3%.

Foreign Correspondents

Bank Asia has continuously developed strong correspondent relationship with worldwide well reputed banks to facilitate its foreign trade business. By the end of 2025, we have 612 foreign correspondent relationship (RMA) in 69 countries.

Credit Line Management

Our excellent reputation in meeting our commitment and strong financials enabled us in securing Credit lines (both funded and non-funded) from Asian Development Bank, International Finance Corporation-IFC (private sector arm of World Bank Group) and other world renowned Banks. In year 2025, we utilized USD 188 million from overseas borrowing for OBU and enjoyed a cumulative credit of USD 850 million from our overseas correspondents.

Bank Asia is the first bank in Bangladesh to arrange Supplier's Credit with Europe based AKA Bank, Commerzbank AG. Besides, preliminary relationship building with DEG (Deutsche Investitions- und Entwicklungsgesellschaft) known as "German Investment and Development Corporation" and Dutch based renowned development bank FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) known as "Netherlands Development Finance Company" has also been setup.

Nostro Accounts:

At present Bank Asia maintains 31 nostro accounts in major international currencies: US Dollar, Pound Sterling, Swiss Franc, Japanese Yen, Chinese RMB, Euro & Dollar accounts under Asian Clearing Union with reputed international banks which ensure effective foreign currency management and timely payment of foreign currency commitments.

SWIFT Operations

Bank Asia has become the member of SWIFT in 2000 in order to ensure smooth, reliable and secured financial transactions for its retail and corporate customers. In year 2025, Bank Asia has successfully migrated in ISO20022 and on boarded of SWIFT GPI and Payment Experience Services to trace both inbound and outbound payment.

Online Payment Gateway Services Provider (OPGSP)

To meet the banking needs of freelancers in Bangladesh, Bank Asia has established strategic alliance with PAYONEER Inc. USA. Through its service, freelancers can receive their valuable earnings quickly and easily. This is the second venture of the bank. In year 2025, we have earned remittance of USD 124 million equivalent BDT 15,548 million through 'Payoneer'.

Offshore Banking Unit (OBU)

Bank Asia has a large offshore banking business with a portfolio of over USD 261 million to meet clients' financing requirements in FCY (Foreign Currency) satisfactorily. The offshore Banking Unit (OBU) is a separate business unit of the Bank. It provides financing facilities (on and off-balance sheet exposures) as well as takes deposits in freely convertible foreign currencies to and from person/institutions not resident in Bangladesh. Offshore Banking Unit has made a profit for USD 2.34 million in 2025.

CREDIT RISK MANAGEMENT

Credit risk represents the most material risk to the banking sector. The persistent upward trend in Non-Performing Loans remains a key supervisory concern for Banks in Bangladesh. In addition, elevated credit concentration to large corporate borrowers heightens vulnerability to the sectoral and macroeconomic shocks. Against the backdrop of recent political transition followed by the general election, restrained private sector investment is expected to pick up the pace. Concurrently, sustained inflationary pressures affecting business cash flows adversely are being eased but still not enough, thereby continuing the risk of revenue shortfalls and potential stress on debt servicing capacity of the borrowers.

Accordingly, Credit Risk Management Division of Bank Asia PLC. is placing heightened emphasis on proactive and forward-looking credit risk management practices through an integrated framework to preserve the quality and resilience of the Bank's loan portfolio. The ongoing reform initiatives undertaken by the new Governments, particularly within the banking sector, are viewed as positive developments toward strengthening financial sector stability. In parallel, Bangladesh Bank has introduced revised loan classification and provisioning framework aligned with international standards and best practices.

Key Performance in 2025:

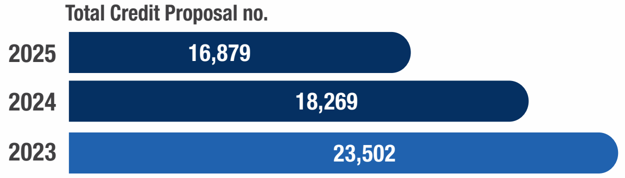
Updating the Bank's Credit Policy:
CRM Division has issued instruction circulars internally from time to time aligning with the evolving business environment and regulatory requirements to supplement our Bank's credit policy.

Monitoring Credit and Business Performance of the Borrowers:
Monitoring on the credit and business performance of the borrowers with us is prevailed upon persistently. CRM Division raised red alerts on any regulatory deviation, deterioration of credit and business performance from time to time to the concerned business units/relationships to keep the portfolio healthy. Several letters for overdue monitoring, highlighting deterioration of accounts turnover with us, notifying deferral expiry etc. were delivered to raise awareness/measures of respective business unit aimed at minimizing credit risk. Implementation of Early Alert Systems detects potential defaults in advance and allows us to take proactive measures.

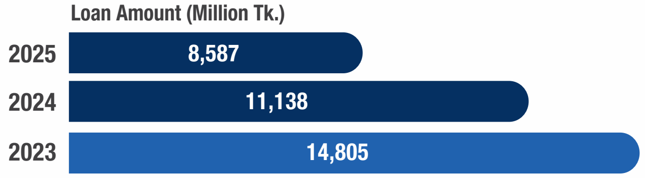
Customer Monitoring through Site Visits:
CRM Division is placing greater focus on physical visit to the borrower's business sites (such as project, factory, sales outlet/showroom, warehouse etc.) to have understanding on actual scenario of the borrower's business position. Business site visits across all borrower segments (i.e. small, medium, and corporate) have been significantly increased.

Developing Strategic Business Segment-Specific CRM Units:
To expedite the underwriting of credit proposals while ensuring effective risk management, development of strategic business segment-specific CRM units have been undergoing under CRM Division.

Total Credit Proposal no.



Loan Amount (Million Tk.)



Operating Technology Based Platform for Credit Proposal Underwriting:
Credit proposal underwriting through technology-driven platform (OCAS-Diganta) is fully operational. Performance of this platform is depicted below: Amount in million

Portfolio	2023		2024		2025	
	Proposal (no.)	Loan amount *(Mln Tk.)*	Proposal (no.)	Loan amount *(Mln Tk.)*	Proposal (no.)	Loan amount *(Mln Tk.)*
SME	6,591	7,669	6,525	8,478	5,360	5,494
Retail	2,985	6,131	2,256	1,770	2609	2,451
Agri	13,926	1,005	9,488	890	8,910	642
Total	**23,502**	**14,805**	**18,269**	**11,138**	**16,879**	**8,587**

Highlighting Sustainable and Green Finance:
From the inception, Bank Asia carries on its efforts to make a better society by providing supports in different sectors through taking green banking initiatives and extending green finance to the projects towards making them more environment-friendly and sustainable. The achievement of the Bank on Sustainable and Green Finance is depicted below:

	Sustainable Finance	Green Finance
Target for 2025	103,475	12,934
Disbursement in 2025	109,364	4,132
Achievement	106%	32%

Strategic Priorities for 2026:

Optimizing the Bank's Loan Portfolios:
To mitigate risks arising from concentration in any specific business segment exposures, CRM Division will develop a specialized procedure to facilitate diversification of the loan portfolio across different business segment and /or groups of companies. Additionally, greater attention will be placed on expanding lending in CMSMEs (Cottage, Micro, Small, and Medium Enterprises), home loans, and consumer financing segments.

Ensuring Faster Disposal of Credit Proposals:
CRM Division will prioritize physical visits to the borrowers' operations to gain deeper business insights, enabling informed credit decisions, while continuing to reduce approval related turnaround time through broader workforce engagement and technology-enabled platforms.

Enhancing Credit Monitoring and Recovery Framework
Loan accounts will be regularly monitored to identify early alert signals such as low account turnover, delayed payments, negative impression in the market or deterioration in the borrower's financial position. This proactive monitoring enables the Bank to initiate timely corrective and recovery measures before the situation escalates.

Aligning Underwriting with International Standards:
CRM Division is committed to adopting International Standard underwriting practices/functions to mitigate credit risk through comprehensive borrower assessment, evaluation of industry and macroeconomic conditions, and strict compliance with regulatory guidelines, thereby facilitating prudent credit decisions and a balanced loan portfolio.

Emphasizing Continuous Training and Development Culture:
CRM Division emphasizes continuous training and capacity development of underwriters to keep them abreast of evolving industry dynamics, regulatory guidelines, and technological developments, while promoting collaboration and knowledge sharing so as to ensure uniform adoption of best underwriting practices.

INTERNAL CONTROL & COMPLIANCE

Internal Control System

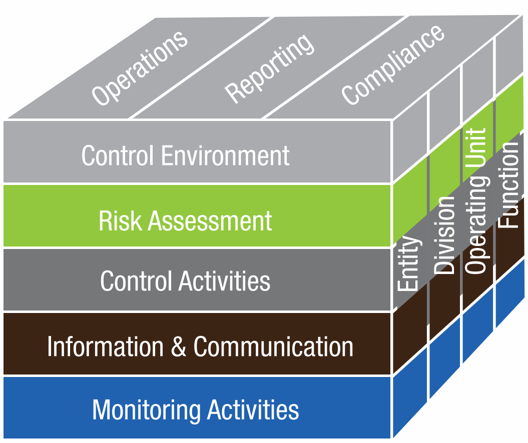
Internal Control is a process, rather than a structure which is an integral part of banking, serving to protect assets, ensure accuracy, and ensure compliance with regulations, thereby maintaining the stability and integrity of the financial institution. The internal control system always helps mitigate risks and prevent fraud, errors, and inefficiencies.

Broadly, Internal Control is effected by a bank's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to the effective and efficient operations of the Bank, the reliability of its financial reporting and compliance with applicable laws, regulations and internal policies.

Internal Controls are policies and procedures established and implemented alone, or in concert with other policies or procedure, to manage and control a particular risk or business activity or combination of risks and business activities to which the Bank is exposed or in which it is engaged. This helps build confidence among stakeholders (such as customers, regulators, and investors) and enhances the bank's reputation for sound and secure operations.

Internal Control Environment

Effective internal control and compliance system has become essential in order to boost effective risk management practices and to ensure smooth performance of the banking industry. Thus, the internal control system of the bank must be designed in a manner that the compliance with regulatory requirements is recognized in each activity of the bank. Therefore, the Board of Directors of the Bank has established an Audit Committee to monitor the effectiveness of internal control system of the Bank. The Audit Committee meets the senior management periodically to discuss the effectiveness of the internal control system of the Bank and ensure that the management has taken appropriate actions as per the recommendations of the Bangladesh Bank's Inspection Team, External Auditors and the Internal Control and Compliance Division (ICCD).



ICCD of Bank Asia follows the 17 COSO Principles including 5 Components to adhere to its objective. Adoption of this Framework helped ICCD run a flexible, reliable, and cost-effective approach of internal control systems to achieve operational, compliance, and reporting objectives.

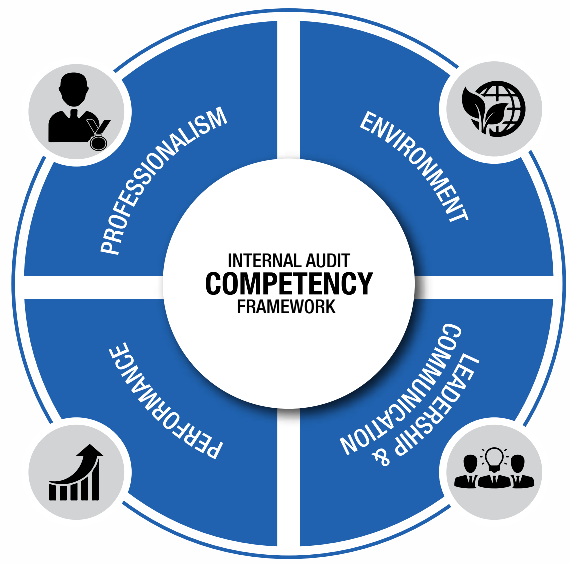
Structure of Internal Control & Compliance Division

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 03 (Three) separate departments:

- Audit & Inspection Department;
- Compliance Department and
- Monitoring Department.

Audit & Inspection Department

Audit & Inspection Department emphasizes that the bank has moved forward from comprehensive transaction testing to risk based prioritized audit areas and proper resource allocation in line with the risk assessment. While focusing on effective risk management and controls, risk-based internal audit of Bank Asia PLC is not only offering suggestions for mitigating current risks but also anticipating areas of potential risks and playing an important role in protecting the bank from various risks.



While carrying out the assigned jobs, the Audit & Inspection Department of ICCD complies the Internal Audit Competency Framework of the Institute of Internal Auditors (IIA), which serves as an effective onboarding tool for the both Audit Team Members and Leaders to continuously upgrade themselves with the evolving changes or skill required.

Key Activities of Audit & Inspection Department in 2025:

- Audit & Inspection tasks on 131 Branches, 4 SME Service Centers, 5 Islamic Banking Windows, 14 Sub-Branches and 29 Corporate Office Divisions/Departments including subsidiaries.
- ICT/IS Audit on 60 Branches & Corporate Office Divisions/ Departments.
- 70 Special Audit & Investigations on different issues of the Bank.
- Cash Incentive Audit on CTPC.
- Surprise Cash Audit on 08 Branches.
- Special Audit/Inspection on Anti-money Laundering issues of 21 Branches.
- 7 Collateral Valuation Inspections.
- Shari`ah Audit on 60 Branches.
- Internal Control & Compliance Team of Channel Banking conducted Audit/Inspection tasks on 720 Agent Outlets and related 10 different Units/Departments of Agent Banking in the year 2025. Besides, the Team also conducted 24 Special Inspections and 26 Investigations on different issues of Agent Banking including incidents like fraud-forgery.

Compliance Department

The Compliance Department of the ICCD ensures timely and proper compliance (both internal & regulatory) with the relevant laws, regulatory instructions/circulars/guidelines and internal policies and procedures in banking operations to ensure a compliance culture in the Bank. Compliance Department is entrusted to ensure that Bank complies with all internal & regulatory policy requirements while conducting its business. This Department also ensures adequate and effective oversight on evolving changes in business climate and regulatory requirements.

Key Activities of Compliance Department in 2025:

- Ensured compliance of observations (Internal Audit) of 131 Branches, 4 SME Service Centers, 05 Islamic Banking Windows and 20 Corporate Office Divisions/Departments.
- Submitted 181 compliance reports to the Bangladesh Bank against their 60 inspection reports.
- Compliance Tests were conducted on 52 Branches/Centers.
- All Compliance Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board.

Monitoring Department

The Monitoring Department of this division monitors effectiveness of the Bank's internal control system continuously through off-site supervision, follow-up on compliances and regularization of deficiencies that are detected through different Off-site monitoring reports, On-site monitoring reports, scrutinizing QOR, LDCL, DCFCL, Half-yearly Self-Assessment of Anti-Fraud Internal Controls etc.

Key Activities of Monitoring Department in 2025:

- Monitored 131 Branches, 4 SME Service Centers & 05 Islamic Banking Windows through 447 Off-site Reports.
- On-site Monitoring and Surprise Visit conducted on 12 Branches.
- Reviewed 242 nos. of Credit Proposals and identified lapses were submitted to the EC of the Board and Board of Directors with the remarks of Monitoring Department of ICCD.
- Prepared 230 exception reports on Control Tools and communicated with the concerned Branches/Centers/IBWs for due compliance.
- Prepared Bank's Annual Integrated Health Report 2024 and duly submitted to Bangladesh Bank.
- All Monitoring Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board based on the gravity of the issues.

Evaluation of Effectiveness of Internal Control

The Senior Management Team (SMT) of the Bank reviews the overall effectiveness of the control system of the Bank on a yearly basis and provides feedback to the Board of Directors on the effectiveness of internal control policy, practice and procedure. Internal Auditors conduct comprehensive internal audit of the internal control system of the Bank. The significant deficiencies identified by internal audit team are reported to the Audit Committee of the Board.

Outlook for 2026

- Implementation of Audit, Monitoring and Compliance Plan for the year 2026.
- Detection of Irregularities, Malpractice, Fraud-Forgery, Operational Loss/Error (if any).
- Find out the potential threats/risks in Banking.
- Ensure timely submission of all regulatory returns.
- Arrangement of frequent Training/Learning Session on recent reforms for the Officials of ICCD.
- Automation of the Audit, Monitoring and Compliance tasks.

Conclusion

The ICCD team remains resolute in its commitment to safeguarding Bank Asia PLC's reputation, protecting shareholder value and maintaining the confidence of our regulators and customers. It will continue to evolve the control architecture to match the growing complexity of the financial landscape.

Audit and inspection covers

131 branches
04 SME service centers
05 IBWs
14 Sub-branches
29 Corporate Office Departments
720 agent outlets
10 Different Units of Agent Banking

Monitoring

447 off-site reports
230 exception reports
242 reviews of credit proposals

Special Audit on Anti-money Laundering

21 Branches

ICT/IS Audits

60 Branches and corporate office division/departments

Shariah Audit

60 Branches

Compliance Test

52

Branches/ Centers

INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology (ICT) has played a key role in transforming banking services by introducing various innovative IT initiatives. In 2025, these efforts have further advanced the digital transformation of banks, improving customer service, enhancing security, and ensuring greater operational efficiency. The bank continues to focus on improving services for customer satisfaction and simplicity in a rapidly changing and technology driven business environment.

PayEZ - Corporate Banking System

A comprehensive digital solution has been launched for corporate clients. It includes user management, onboarding, EFT/RTGS fund transfers, salary processing and account statements.

Scan to Cash: Branch QR Cash Withdrawal

A QR code–based cash withdrawal service has been introduced, eliminating the need for cheques or debit cards. It ensures a fast, convenient and fully digital banking experience for customers.

bKash eMoney 24/7 for Distributor – Utility Module

A new module has been introduced to facilitate distributor payment collection through branches. Transactions are secured through a Checker & Maker process with instant co-branded money receipt generation.

e-KYC Enhancement in Agent Banking System

Real-time EC API integration has been implemented to enable instant NID verification for customers. This has made the onboarding process faster, more accurate and highly secure.

Risk, Fraud and Transaction Monitoring module (eAML) – BFIU regulatory compliance

An advanced monitoring system has been implemented to detect money laundering and suspicious transactions. It includes alerts for trade-based anomalies and high value transactions.

Islamic Banking Weightage Method – Bangladesh Bank regulatory compliance

A new Weightage-based profit calculation method has been implemented as per regulatory requirements. This replaces the previous ISR method and ensures more accurate and compliant calculations.

Fraud detection in Agent Banking System using elastic search

Check transaction pattern, detect suspicious transactions using elastic searching tools.

Suit Management

Suit Management is a legal case management module that supports suit record handling, progress tracking, and hearing scheduling. It provides a centralized system for effective case monitoring and timely decision-making. The dashboard and calendar features help ensure legal activities are managed in a structured and organized manner.

Overall, these ICT initiatives reflect the bank's continuous commitment to digital innovation, operational excellence and regulatory compliance. By leveraging modern technologies, the bank has enhanced customer experience, strengthened risk management, and improved service efficiency. Moving forward, these developments will further support sustainable growth and a more technology-driven banking environment.

PAYMENT SERVICE

Daily Average Transactions
No. **77,466**, Growth **15.08%**
Tk. **9.20** Billion

Bank Asia takes pride in being one of the leading banks in Bangladesh, offering a comprehensive range of payment services—including BACPS, BEFTN and RTGS—available through Branches, Sub-branches, Agent Banking outlets, SME units, Islamic Banking, FIFLD and Credit Card Department. This achievement reflects PSD's relentless efforts in driving innovation, new developments and continuous process re-engineering. The Decentralized Outward and Centralized Inward model implemented across all units is a key feature of PSD operations.

KEY ACHIEVEMENTS IN 2025

- Highest number of EFT transactions for this year received in a single day: 1,156,270
- Online RTGS and EFT transaction can be executed from any branch upon customer request.
- Corporate customers can avail internet banking facilities for both EFT and RTGS transactions

TRAINING & DEVELOPMENT IN 2025

- Conducted 02 Training sessions at Bank Asia Training Institute on BACH, BEFTN & RTGS operations and guidelines.
- Total 72 employees were provided training over the year.

STRATEGIC PLANNING FOR 2026

- Positive Pay confirmation from customer through IVR system.
- Bulk transaction upload facility in the RTGS system.
- Foreign Remittance certificate generation facility in the BEFTN system.

BACPS

Daily Average Transactions

No. **5,009**,
Tk. **349** Crore

PSD is actively engaged in BACPS operations ensuring smooth and efficient processing. With a strong focus on automation and Green Banking, and a commitment to technology-driven innovative services, PSD operates under the tagline "Protected, Systematic and Disciplined." Several system-related enhancements have been implemented to improve resiliency and reduce operational dependency. Additionally, Positive Pay confirmation through the IVR system is currently under development, which will enable more efficient, secure, and systematic handling of customer confirmations for cheque payment.

BEFTN

Daily Average Transactions

No. **69,958**,
Tk. **163** Crore

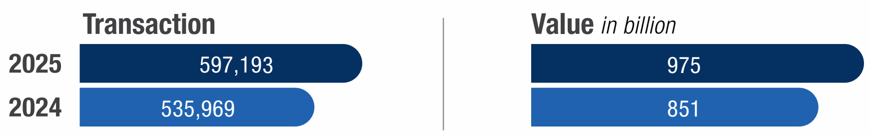
In the current year, PSD processed 1,156,270 inward transactions in a single day through the digiPay (BEFTN) system. Individual account holders are availing BEFTN facilities through branches, sub-branches, agent banking outlets, internet banking, and the Smart App. Corporate customers are also being facilitated through internet banking services for fund transfers. Over the year, PSD has successfully processed approximately 1.23 million foreign remittance transactions, 229,286 transactions via Net Banking/Smart App and 59,387 transactions through agent banking outlets. Furthermore, 10.80 million Social SafetyNet payments were received and successfully processed during the year.

RTGS

Daily Average Transactions

No. **2,499**
Tk. **408** Crore

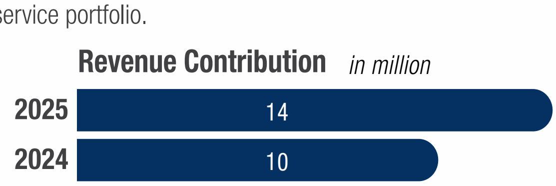
RTGS is growing rapidly and has become an essential payment channel, enabling both local and foreign currency settlements. Inward credit processing is fully automated based on predefined system criteria, ensuring faster crediting and meeting customer expectations. Corporate customers are facilitated with internet banking services for fund transfers. Over the year, approximately 7,362 transactions were initiated through Net Banking and the Smart App. Credit confirmation messages are sent to the originators in accordance with Bangladesh Bank guidelines.



MICR

Daily Average Transactions
27,412
cheque leaves

The Bank supplies MICR cheque books to a large volume of customers. MICR instruments include SB, CD, MSA, AWC, MSND, Pay Orders, Card Cheques and FC instruments. These MICR instruments are issued for customers of the Islamic Banking Wing, Agent Banking and Card Department. Priority Banking customers have recently been added as the latest segment to the service portfolio.

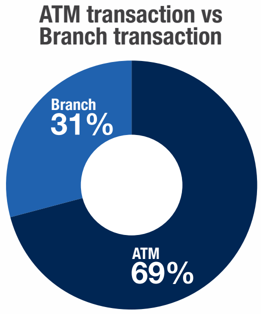


ALTERNATIVE DELIVERY CHANNEL (ADC)

Alternative Delivery Channels (ADC) continue to play a key role in enhancing the Bank's service delivery framework by enabling customers to access banking services in a secure, convenient and efficient manner, without dependence on physical branches or agent outlets. Through a comprehensive range of digital and automated platforms, the Bank ensures uninterrupted 24/7 access to financial services across the country.

ATM, CDM & CRM Services

During the reporting year, approximately 69% of total cash withdrawal transactions were executed through automated channels, supported by 212 own ATMs, and CRMs, along with access to over 14,000 shared ATMs nationwide. This strong adoption reflects customers' growing preference for self-service banking, and the Bank remains committed to further expanding and modernizing its automated channel infrastructure to enhance coverage and customer experience across the country.



Own ATMs and CRM's	Shared ATMs
212	14,000+

Online Payment System or E-Payment Solution

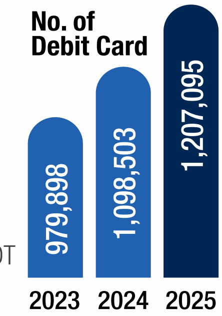
During the year, Bank Asia successfully on boarded and operated payment collection systems for several utility companies, insurance providers, educational institutions, and national payment platforms. Key partners include, KGDCL (Karnaphuli Gas Distribution Company Limited), SGCL (Sundarban Gas Company Limited), BGDCL (Bakhrabad Gas Distribution Company Limited), DESCO, DPDC, and NESCO (postpaid bill collection). The Bank also facilitated insurance premium collections for MetLife Alico, Pragati Life Insurance and Sandhani Life Insurance Company Limited. In the institutional segment, Bank Asia enabled online fee collection services for ICMAB (Institute of Cost and Management Accountants of Bangladesh) and several educational institutions, including East West University, Green University, Uttara University and Beautiful Mind School. Additionally, the Bank expanded its service portfolio through integrations with EkPay (Unified Utility Bill Collection – a2i), Akash DTH, ACI Motors, Rancon Motors and multiple merchant payment solutions. Furthermore, disbursement services were strengthened through integrations with bKash (Bulk Disbursement) to enhance transaction efficiency and customer convenience across ADC channels. As a result of these initiatives, Bank Asia processed over 806,665 transactions, amounting to approximately BDT 15,178 million collected from customers through all branches, agent outlets and ADC channels during the year.

Total Number of Transaction	Tk. Amount
806,665	15,178 Million (approx.)

Debit Card

Since inception, the Bank has issued 1,207,095 debit cards to our valued savings and current account holders, with over 820,000 active cards, reflecting strong customer engagement and trust. Our Visa and Mastercard–branded debit cards provide nationwide access through 21,118+ ATMs/CRMs and 140,167+ POS terminals, enabling cash withdrawals, retail purchases, mobile financial service transfers, and e-commerce transactions—highlighting the Bank's commitment to a seamless, convenient, and cash-lite banking experience for all customers.

In 2025, total transaction volume increased from 9.46 million in 2024 to 9.93 million, driven by strong growth in POS transactions (from 1.20 million to 1.58 million) and e-commerce transactions, which more than doubled from 0.35 million to 0.84 million. In value terms, total debit card transaction value rose from BDT 83,770 million to BDT 86,370 million. POS transaction value increased to BDT 4,725 million, while e-commerce transaction value surged to BDT 2,199 million.



Looking ahead, Bank Asia plans to further enhance its debit card ecosystem through Priority Banking, Dual Currency, TakaPay, and Virtual Debit Cards, alongside enhanced security through debit card tokenization and integration with Google Pay and Apple Pay, supporting a secure and future-ready digital payments ecosystem.

Bank Asia SMART App & Internet Banking

Bank Asia offers secure, convenient, and user-friendly digital banking solutions through its Internet Banking ("My Bank") platform and the Bank Asia SMART App. Both platforms empower customers to manage accounts anytime, anywhere, providing services such as fund transfers (EFTN, NPSB, RTGS), bill payments, tuition and insurance payments, credit card payments, cheque stop and status inquiries, standing instructions, and mobile recharge for all telecom operators in Bangladesh.

Security is a priority, with advanced encryption, firewalls, and dual-factor authentication (2FA) using OTPs safeguarding all transactions. The SMART App additionally supports secure biometric login, ensuring a seamless and reliable banking experience.

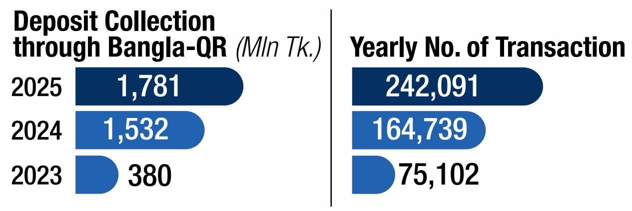
By the end of 2025, 3,16,579 customers were registered for Internet Banking, with 2,14,632 transactions worth BDT 7,633 million, while the SMART App had 4,30,909 registered users, handling 58,86,770 transactions worth BDT 1,40,917 million, reflecting the growing adoption of Bank Asia's digital services.

316,579 Registered Internet Banking Users

430,909 Registered Smart App Users

Bangla-QR and Cashless Initiative

As part of the Cashless Initiative led by Bangladesh Bank under Circular No. PSD(CB)/01/2025/1776, Bank Asia PLC has been actively contributing to the nationwide promotion of digital payment systems through the Bangla QR platform. Since the official launch of Bangla QR on 18 January 2023, the Bank has played a significant role in expanding secure, interoperable digital transactions across the country.



During the reporting period, Bank Asia served as the Lead Bank in the Gopalganj District Cashless Program, successfully coordinating with stakeholders to implement digital payment solutions. Additionally, Bank Asia participated in the Barishal Cashless Program, further strengthening digital payment penetration in the region. Looking ahead, Bank Asia is set to act as the Lead Bank for the upcoming Narsingdi District Cashless Program, which is currently in the pipeline.

Bangla QR Business Performance Overview

Total Bangla QR Merchant **8,500+**	Daily Average Transactional Amount BDT **6** Million	Daily Average Transaction **900**

Scan-To-Cash (Branch QR) – Cheque less Cash Withdrawal Service

In August 2025, Bank Asia PLC successfully launched its Cheque-less Cash Withdrawal Service through an innovative Branch QR platform, marking a significant milestone in the Bank's digital transformation journey. This initiative enables customers to withdraw cash directly from branches without the need for physical cheques, enhancing convenience, security, and operational efficiency.

The Branch QR service has been fully implemented across all 131 branches, 4 SME service centers nationwide, ensuring comprehensive geographic coverage and uniform service availability. Since its launch, the service has demonstrated strong adoption and transaction momentum. Currently, more than 5,000 transactions per month are being processed through Branch QR, with a cumulative monthly transaction value exceeding TK. 213 million.

Introduction of scan to cash feature

Key benefits of the Branch QR service include:

- Elimination of physical cheque processing
- Reduced transaction time at counters
- Improved operational efficiency within branches
- Contribution to environmentally sustainable, paperless banking

Inter Bank Fund Transfer (IBFT) Using NPSB and Q-Cash Chanel

Since 2018, Bank Asia Limited has been offering Inter Bank Fund Transfer (IBFT) services, enabling customers to transfer funds instantly to other banks through its Internet Banking platform.

Currently, 53 banks are connected to the IBFT network, ensuring extensive interbank coverage nationwide. The transaction limits are TK. 300,000 per transaction and TK. 1,000,000 per day, maintaining a balance between customer convenience and risk control. During the year, the IBFT channel recorded strong transaction volume:

Yearly Incoming Transactions (No.) **1,300,000+**	Yearly Outgoing Transactions (No.) **1,800,000+**	Outgoing Amount: TK. **106,813** mln
Incoming Amount: TK. **131,489** mln		

Cash Withdrawal service Using POS (Branch and Agent Outlet)

Bank Asia PLC has further strengthened its digital service network by introducing an additional digital cash withdrawal service using POS Machine in 39 branches, BDT. 5,00,000 withdrawal facility per transaction, currently processing around 2000 transactions per month with a monthly volume of BDT 115+ million.

In partnership with Bangladesh Post Office, the Bank continues to provide digital banking services through Post Office Digital Centers nationwide. Since 2019, over 3,500 POS machines have been deployed to support rural financial inclusion. At present, Post Office POS terminals process about 9000 transactions per month, with a monthly transaction value of around BDT 15 million.

Withdrawal up to Tk. **500,000** per transaction	**3,500** POS deployed

E-Commerce Using Internet Banking (IB)

Bank Asia PLC continues to enhance its Internet Banking platform by enabling customers to make E-Commerce payments directly from their bank accounts, eliminating the need for debit or credit cards. During the year, the service recorded approximately 2,400 transactions, with a total transaction value of around TK. 20 million. In addition to online shopping, customers are also able to recharge their Metro Rail / MRT cards through Internet Banking, ensuring convenient and instant top-up facilities for daily commuters.

A-Challan

Automated Challan (A-Challan) is a web-based system for depositing all types of government revenue and service fees into the government treasury through the web address www.achallan.gov.bd. Through the A-Challan system, various government payments such as personal and corporate income tax, passport fees, VAT, customs duty (bill of entry), fines, and more than 200 other government fees and revenue items can be deposited into the government treasury in real time. Payments can be made via over-the-counter (OTC) services at all branches of Bank Asia, as well as through Agent Outlets and Alternative Delivery Channels (ADC), including Internet Banking and the Smart App. In 2025, we have received more than 1,64,969 passport and other challan payments, amounting to approximately BDT. 36,451 million, from clients through all branches, Agent Outlets, and ADC channels..

No of Payments **164,969**	Total Payments (Mln Tk.): **36,451**

E-Procurement System

Bank Asia has been providing banking services for e-Government Procurement (e-GP) through our Branches. In the meantime, customers have received around 7,225 services from our bank with their utmost satisfaction. This online platform ensures digitalization of different Government procurement project enabling equal access to the Bidders from all over the country while ensuring efficiency, transparency, and accountability in the public procurement process of the country. Currently, 129 branches have been registered in e-GP system to provide services.

Bank Asia e-GP Service Overview

Total e-GP Services **7,225**	No. of Registered Branches **129**

Call Center

Bank Asia's Centralized Call Center operates 24/7 via the short code 16205 and the dedicated number 09617016205, which is accessible from abroad, ensuring uninterrupted support for both local and overseas customers. In 2025, the Call Center handled 787,922 call attempts, successfully answering 763,963 calls with a low call drop rate of 2.67%, reflecting strong responsiveness and system stability. Continuous monitoring maintained an average system uptime of 99.8%, while diligent transaction monitoring and exception handling minimized disruptions and operational risks.

Contact Number: 09617016205	Short Code 16205	Call Drop: Only 2.67%

AGENT BANKING

Coverage
District 64
Upazila 492

Agent Outlets
Number of outlets
5,057

Number of Accounts
7.53 Million
Growth 8%

Student Beneficiaries
School Student Beneficiaries
0.17 Million

Female customers
Female customers 64%
Number of Female customers
4.83 Million

SSN
3.54 Million+
SSN Beneficiaries

Bank Asia, since its inception in 1999, has evolved into a pioneer of financial inclusion in Bangladesh, driven by its innovative Agent Banking model. Over the decade, this specialized delivery channel has played a transformative role in integrating underserved populations into the formal financial system, thereby reducing reliance on informal financial practices. Leveraging a robust and inclusive nationwide network, the Bank continues to bridge the gap between formal financial services and remote rural communities. The Bank's outreach strategy remains focused on rural, unbanked, and economically excluded segments, reinforcing its commitment to inclusive and sustainable growth. This tech-based solution has redefined the financial ecosystem by bringing secure, real-time banking directly to the doorsteps of the rural periphery.

- **Outreach and Inclusion:** Bank Asia commanded a 24% market share of total agent banking outlets, serving 30% of the country's 23 million agent banking customers. It has successfully integrated over 7.53 million people into the formal economy, 89% of whom reside in rural areas.
- **Empowering the Vulnerable:** The ecosystem serves as a catalyst for women's empowerment, with women making up 64% of its customer base. It also facilitates social safety net (SSN) payments for 3.4 million customers and provides critical support for smallholders and refugees.
- **Strategic Global Alliances:** To strengthen this ecosystem, Bank Asia has partnered with major international organizations to establish comprehensive financial ecosystems for women and facilitate agricultural finance.

Bank Asia's performance in the industry

Represents 24% of total agent banking outlets across the country

Deposit: Tk. 67,772 million | Growth 22%

Disbursed 1,759 Crore Loans through Agent Banking

Profit: Tk. 1,646 million | Growth 45%

29,238 micro-merchants.

Serving 30% of the Country's 23 million customers.

Digitization of Rural Financial Needs

Bank Asia is effectively completing the digitization of financial needs for the rural mass by integrating diverse services into a single digital channel. This includes:

- **Micro-Merchant Integration:** To further enhance last-mile delivery, a network of 29,238 micro-merchants complements our primary outlets, extending the reach of essential banking services deep into grassroots communities.
- **Full-Fledged Services:** Providing seamless digital channeling for remittances, cash transactions, and affordable credit for cottage and small enterprises.
- **Innovative Distribution:** Leveraging initiatives like the Bangladesh Post's e center, Union Digital Center and future partnerships with widely distributed companies to outspread a high-impact financial network to the "bottom of the pyramid".

Through this evolution, Bank Asia continues to drive economic emancipation, job creation, and sustainable financing, fulfilling its vision of responsibly growing together "For a better tomorrow".

Integration of missing segment in formal financial channel

Bank Asia Agent Banking actively promotes financial inclusion by empowering women and marginalized groups with access to safe, convenient, and affordable banking services. As of 2025, the Bank has successfully opened over 7.53 million Agent Banking accounts, of which 89% are located in rural areas and 64% are held by women, reflecting strong progress in advancing inclusive finance.

Customer Composition & Demographic Inclusion

The Bank's Agent Banking model serves a diverse socio-economic profile, successfully integrating previously underserved segments into the formal financial system. Our focus on financially dependent and productive groups is reflected in the following composition:

- **Financial Inclusion for Non-Conventional Groups:** 39.73% (30.13 lakh) of our customers are individuals without a conventional profession, highlighting our role in bridging the inclusion gap.
- **Empowering Women:** Housewives constitute 27.76% (21.05 lakh) of our base, reflecting a strong outreach toward female financial independence.
- **Agricultural & Entrepreneurial Support:** The platform serves 10.05% (7.62 lakh) farmers and 4.13% retail businessmen, fostering local economic activity.

Community based Financial Literacy Workshop at Moulvibazar

- **Future & Institutional Growth:** Students (2.30% / 1.73 lakh) and Institutional Clients (3.13% / 2.78 lakh) represent a growing adoption across academic and organized sectors.

Deposit Mobilization & Credit Growth

Bank Asia has leveraged its expansive reach to aggregate small-value deposits from across all demographics, building a resilient and diversified funding base.

- **Deposit Base:** Total deposits mobilized through the Agent Banking channel have reached approximately BDT 67,772 Million.
- **Credit Disbursement:** To stimulate the rural economy, the Bank has disbursed BDT 2,449 crore in loans. These funds primarily target farmers and small retailers, directly supporting income-generating activities and sustainable grassroots growth.

Micro Merchant Initiative Awarded

Bank Asia's Micro Merchant initiative was recognized with the "Fintech Innovation of the Year: Financial Inclusion" award at the 3rd Bangladesh Fintech Award 2025, reflecting the Bank's continued leadership in driving inclusive digital finance.

Launched in July 2020, the mobile app–based solution enables Micro Merchants to function as extended agents, delivering essential banking services directly to customers' doorsteps. The model effectively addresses last-mile accessibility challenges, particularly for unbanked and underserved populations.

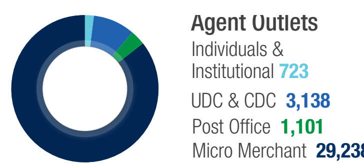
Through this initiative, the Bank has successfully facilitated the disbursement of government social safety net allowances and other payments to over 3.54 million beneficiaries, predominantly elderly and low-literacy individuals, thereby strengthening financial inclusion at the grassroots level.

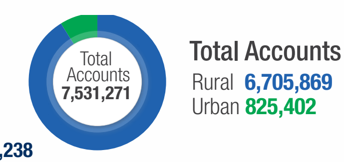
WSBI SDG Award 2025: Recognition of Sustainable Impact

Bank Asia PLC was honored with the prestigious WSBI SDG Award 2025 in Washington DC in recognition of its significant contribution to advancing the United Nations Sustainable Development Goals (SDGs). The Bank achieved distinction across five key pillars: Inclusive Banking and Social Impact, Economic Growth and Empowerment, Digital Transformation and Technological Innovation, Climate Finance, and Customer Education demonstrating a holistic approach to sustainable banking.

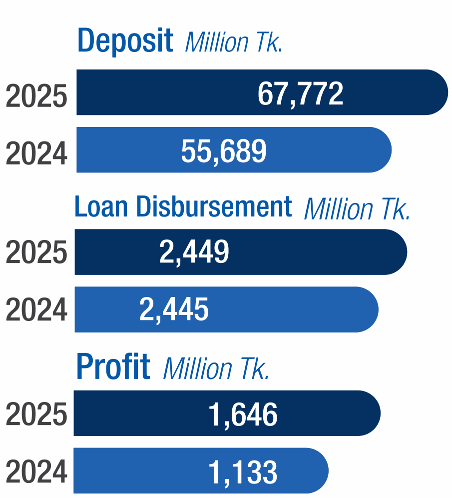
This international recognition underscores the Bank's unwavering commitment to creating long-term value for communities through responsible, inclusive, and sustainable financial practices.

The award was formally received by Mr. Romo Rouf Chowdhury, Chairman of Bank Asia PLC, from Mr. Peter Simon, Chief Executive Officer of the World Savings and Retail Banking Institute (WSBI), at a ceremony held in Washington, D.C. on 15 October 2025. Mr. Mohammad Ziaul Hasan Molla, Deputy Managing Director and Head of Channel Banking, was also present on the occasion.





39.73% (30.13 Lakh) from Non-Conventional Profession
27.76% (21.05 Lakh) House Wives
10.05% (7.62 Lakh) Farmers
2.30% (1.73 Lakh) Students
4.13% (3.13 Lakh) Retail Businessman
3.13% (2.78 Lakh) Institutional Clients



Bank Asia Celebrates 11th founding Anniversary of Agent Banking

FINANCIAL INCLUSION & FINANCIAL LITERACY

Services Reached
57 district
410 Upazillas

Beneficiaries
5,030,182 people

SSN Beneficiaries
3,650,798 people

Financial Inclusion and Financial Literacy Department has played a key role in advancing agent banking and financial inclusion, currently operating across 3,267 unions, 410 upazilas, and 57 districts through collaboration with government initiatives such as Digital Centre Agent Banking and Social Safety Net payment programmes, the department continues to expand access to formal financial services for unbanked and ultra-poor communities.

Indicator	2025	2024
No. Of Digital center	3,267	3,201
No. of Account	5,030,182	4,854,811
Deposit in Mln BDT	22,059	18,428
Loans in Mln BDT	1,512	651
Remittance in Mln BDT	1,188	3,059

Digital Center Agent Banking: A nation's progress is shaped by the well-being of its rural communities. In Bangladesh, where nearly 67 percent of the population lives in rural areas (World Bank, 2024), the government has worked to bring essential services closer to people. The establishment of 3,267 Digital Centers across the country reflects this commitment. Initially created to provide access to public information and government services, these centers have evolved into something more. Through agent banking, these UDCs now offer financial services to rural and marginalized communities enabling people to open accounts, deposit money and transact without traveling long distances. In essence, UDCs have become local hubs of financial inclusion, bridging the gap between communities and formal banking.

Social Safety Net Disbursement: Social Safety Net beneficiaries can now securely withdraw their allowances at the nearest Digital Centre or agent banking outlet. Following biometric verification, funds are accessed directly from their bank accounts, which are linked to their unique National ID numbers.

Sylhet Zila Parishad Digital Center, Sylhet Sadar, Sylhet. (Cash Withdraw by SSN Beneficiaries from Agent Point.)

Partnership with Bangladesh Rural Development Board (BRDB): Bank Asia PLC has expressed interest in disbursing the third phase of the Rural Livelihood Program loan under the Bangladesh Rural Development Board (BRDB), with a commitment to ensuring funds reach genuine beneficiaries through formal banking channels. To formalize this collaboration, a MoU was signed with BRDB on 11 April 2022. In 2025, a total of 32,286 recipients received BDT 1303.35 million under this initiative.

Collaboration with the World Food Programme (WFP): Bank Asia PLC has been appointed to provide Cash in Hand services for Cash-Based Transfer (CBT) activities in Bangladesh under the World Food Programme (WFP), serving both the local communities and the Rohingya population residing in refugee camps. Following the signing of an agreement with WFP, the Bank has successfully completed 12 distribution cycles as of 2025, disbursing BDT 340.38 million to 162,647 recipients.

Workshop on Financial Literacy for Students.

Workshop on Financial Literacy for rural and marginal women in Bhola District

HUMAN RESOURCE MANAGEMENT

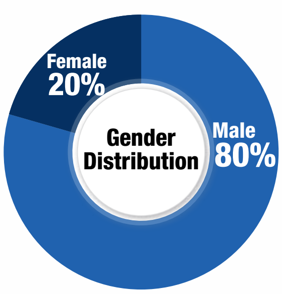
Strategic Human Resource Management at Bank Asia PLC continues to play a crucial role in aligning the Bank's people strategy with its long-term business objectives. As the Bank progresses through a period of transformation and modernization, the Human Resource Division (HRD) remains committed to developing a dynamic, capable, and future-ready workforce. In 2025, HRD continued its focus on strengthening the Bank's human capital framework through strategic talent acquisition, leadership development initiatives, continuous learning programs, and employee engagement activities.

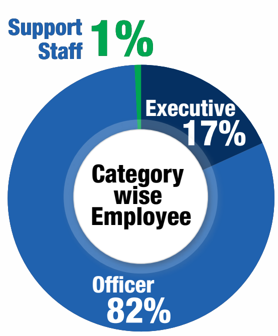
The Bank firmly believes that its employees are the most valuable asset in achieving sustainable growth and maintaining operational excellence. Accordingly, HRD has undertaken several initiatives during the year to ensure that the organization remains equipped with the right talent, skills, and leadership capabilities required to navigate the evolving financial landscape.

Bank Asia Headcount Summary (FTE) - As on December 31, 2025

Gender wise total number of executives, officers and support staffs

Category	Male	Female	Total	Ratio (M:F)
Executive	460	52	512	90: 10
Officer	1,853	520	2,373	78: 22
Support Staff	21	0	21	100: 0
Total	**2,334**	**572**	**2,906**	**80: 20**

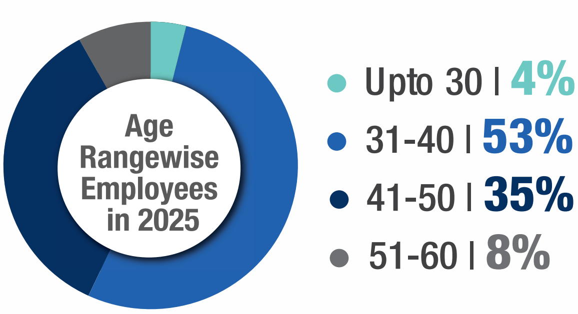




Manpower Beginning of 2025	**2,678**
Recruited	**444**
Separated	**216**
Net Increase/(Decrease)	**228**
Manpower End of 2025	**2,906**

Turnover Rate
7.74%

Bank Asia is an equal opportunity employer and promotes a diversified culture with highly congenial work environment for its female employees. Currently 21% of total manpower is female which is expected to rise in the coming days to ensure an even better mix of employee genders.



HR Planning & Talent Acquisition

During the year 2025, Bank Asia PLC placed significant emphasis on strengthening its human capital base through targeted recruitment and strategic workforce planning. As part of the Bank's broader transformation journey, the recruitment of critical resources across key functional areas remained a priority. HRD undertook focused initiatives to attract talented professionals with diverse expertise to support the Bank's operational efficiency, digital transformation, and customer-centric service delivery.

Foundation Training Course for the Management Trainees at BIBM

The Bank's recruitment strategy continued to emphasize merit, competence, and cultural alignment with the values of Bank Asia. Through careful manpower planning and proactive recruitment efforts, HRD ensured that the Bank maintained a strong talent pipeline capable of supporting both present and future organizational needs. The recruitment process is ongoing and reflects the Bank's commitment to ensuring that the right people are positioned in the right roles to facilitate smoother transformation and sustainable growth.

A notable highlight of the year was the recruitment of the 14th batch of Management Trainees (MTs), who represent the future leadership pool of the Bank. The Management Trainee program is designed to identify and nurture young professionals with strong academic backgrounds and leadership potential. The newly recruited MTs underwent a comprehensive one-year structured development program, which included classroom training sessions, practical exposure to various banking functions, rotational assignments across departments, and mentorship from senior management. This structured program aims to develop competent banking professionals who will eventually take on leadership roles within the organization.

Through such initiatives, the Bank continues to invest in developing its future leaders while strengthening the overall talent ecosystem of the organization.

Learning & Development

Continuous learning and professional development remain key pillars of Bank Asia's human capital strategy. In 2025, the Human Resource Division further reinforced the culture of knowledge-based performance through a wide range of learning and development initiatives.

The Bank Asia Institute for Training & Development (BAITD) continued to play a pivotal role in facilitating employee learning and skill development throughout the year. BAITD organized numerous training programs, workshops, seminars, and knowledge-sharing sessions aimed at enhancing the professional competencies of employees at various levels of the organization.

The training programs were designed based on systematic Training Needs Assessments (TNA) to ensure that employees receive relevant and practical knowledge aligned with the Bank's operational requirements. The learning initiatives covered diverse areas including core banking operations, regulatory compliance, risk management, digital banking practices, customer service excellence, leadership development, and soft skill enhancement.

Training programs were conducted through a blend of physical classroom sessions, virtual platforms, and e-learning modules, allowing employees to access learning opportunities in a flexible and efficient manner. In addition to internal training initiatives conducted by BAITD, employees also participated in external training programs organized by regulatory bodies, professional institutes, and reputed training organizations both at home and abroad.

These initiatives have contributed significantly to strengthening the professional capabilities of employees and fostering a culture where knowledge sharing and continuous learning are actively encouraged.

Particulars	2025		
	Nos.	Participant	Hours
In House Training at BAITD	69	2,627	23,148
External Bangladesh Bank, BIBM others	89	216	4,722
Overseas/Foreign Training/seminar	1	2	48
Foreign seminars and events	5	7	N/A
Total No. of Participants & Man Hour	**164**	**2,852**	**27,918**

Organizational Development

Organizational Development (OD) continues to remain a key focus area for the Human Resource Division as the Bank progresses through structural transformation and operational improvements. HRD played an important role in supporting various organizational initiatives by ensuring effective manpower deployment, capacity development, and alignment between individual roles and organizational objectives.

Efforts were undertaken to strengthen the performance-oriented culture of the organization through system-driven performance management practices. The Bank continued to emphasize merit-based career progression and leadership development to ensure that capable employees are prepared to assume greater responsibilities in the future.

HRD also continued its efforts to identify and nurture high-potential employees through targeted development initiatives, mentoring opportunities, and exposure to strategic assignments. By providing opportunities for professional growth and leadership development, the Bank aims to build a strong internal leadership pipeline capable of sustaining the Bank's long-term growth.

Employee Engagement & Workplace Culture

Bank Asia firmly believes that a motivated and engaged workforce is fundamental to sustaining organizational excellence. The Human Resource Division continues to play a proactive role in nurturing a workplace culture that encourages collaboration, inclusivity, and employee wellbeing. Throughout the year, a range of engagement initiatives were undertaken to strengthen interpersonal connections, promote team spirit, and enhance the overall employee experience.

The Bank also observed significant cultural and social occasions that brought employees together in a spirit of unity and celebration. Eid and other festivals were celebrated where employees exchanged greetings and shared sweets, reinforcing camaraderie and collective workplace spirit. Celebrations of traditional festivals such as Chaitra Sankranti and Pohela Boishakh were also organized at the Corporate Office, featuring mini fairs, traditional food arrangements, and cultural performances.

In recognition of International Women's Day, female employees at the Corporate Office were presented with token gifts in the form of plants, symbolizing appreciation and growth. As part of the Bank's ongoing commitment to employee wellbeing, a Breast Cancer Awareness Session was

The Human Resource Division of Bank Asia PLC. organized a Breast Cancer Awareness session to promote preventive healthcare, raise awareness and encourage community engagement among employees.

organized for female employees, alongside a complimentary health check-up campaign aimed at encouraging preventive healthcare and health awareness.

The Human Resource Division of Bank Asia PLC. organized a Breast Cancer Awareness session to promote preventive healthcare, raise awareness and encourage community engagement among employees.

Employee health and wellbeing remained a key priority. An ENT health check-up camp was arranged for employees working at the Call Centre to support their occupational health needs and promote overall wellbeing.

Employee Welfare & Wellbeing

Bank Asia remains committed to ensuring the overall wellbeing of its employees by maintaining a supportive and inclusive work environment. The Bank continues to enhance its employee welfare framework through initiatives designed to promote financial security, access to healthcare, and overall work-life balance.

During the year, the Bank further strengthened its employee healthcare support by introducing Outpatient Department (OPD) benefits under the Health Insurance coverage. This enhancement enables employees to access medical consultations and routine healthcare services more conveniently, reinforcing the Bank's commitment to preventive and accessible healthcare.

To provide additional financial protection in times of medical need, the Bank also increased its Corporate Buffer facility to BDT 20 lacs. This dedicated fund supports employees in situations where their Inpatient Department (IPD) insurance coverage has been exhausted, ensuring continued assistance during critical healthcare circumstances.

In addition, Bank Asia continued to maintain partnerships with leading healthcare institutions through Memorandums of Understanding (MOUs), enabling employees and their dependents to benefit from discounted medical services. These collaborations help ensure that employees and their families have access to quality healthcare at more affordable rates.

The Bank also continued the Benevolent Fund, which serves as an important support mechanism for employees facing critical health challenges or unforeseen hardships. Through this fund, the Bank is able to extend financial assistance to employees during difficult times, reflecting its strong culture of care and solidarity.

Through these initiatives, Bank Asia continues to prioritize the welfare and wellbeing of its employees, fostering a workplace where individuals feel supported, secure, and empowered to contribute to the Bank's long-term success.

The year 2025 has been an important period in the ongoing transformation journey of Bank Asia PLC, and the Human Resource Division has played a vital role in supporting the Bank's strategic objectives. Through focused recruitment of critical resources, structured leadership development programs, strengthened learning initiatives through BAITD, and active employee engagement activities, HRD has continued to build a strong foundation for sustainable organizational growth.

As the Bank moves forward, the Human Resource Division will remain committed to fostering a culture of continuous learning, performance excellence, and employee empowerment. By investing in its people and nurturing future leaders, Bank Asia aims to build a resilient workforce capable of driving innovation, delivering superior customer service, and contributing to the long-term success of the Bank.

During the Pohela Boishakh celebration organized by the Human Resource Division of Bank Asia PLC, the Managing Director addressed employees, emphasizing unity, cultural values and organizational spirit.

RESEARCH & STRATEGY

In 2025, Bank Asia's Research and Strategy Division (R&SD) remained active in providing management with data-driven insights and strategic direction. The division concentrated on studying economic trends, measuring service quality, fortifying corporate strategy and finding opportunities for sustainable growth, building on the basis laid since its establishment in October 2015. The studies carried out during the year were intended to support management in making strategic decisions, enhance operational effectiveness and match the bank's operations with its long-term goals. The major research projects completed in 2025 are as follows:

SL	Project Name
1	Service Quality Benchmark Study
2	Business Plan for Restructuring CMSE Business for 2025
3	Monthly Review on Major Economic Trends & Bank Asia Performance
4	Service Quality (SQ) Assessment of 5 Critical Branches of Bank Asia
5	Report on Bangladesh Economy: Outlook & Macroeconomic Perspectives
6	Suggestions to Improve Investment of Mutual Funds to Capital market
7	Branch Environment Audit of Five Strategically Important Branches
8	Development of an SQ Audio Visual (AV)
9	Handbook on Import Trade Regulations
10	Branch & Sub-Branch Expansion Plan: 2026 for 44 Proposed Locations

The Service Quality Benchmark Study compared Bank Asia's service standards with leading banks to identify gaps in customer service delivery and operational efficiency, providing recommendations to enhance customer experience and service processes. R&SD also conducted a Service Quality (SQ) Assessment of Five Critical Branches to evaluate operational performance, customer handling and compliance with service standards, helping management take targeted improvement measures.

To strengthen the bank's CMSE segment, the Business Plan for Restructuring CMSE Business for 2025 reviewed the existing business structure, products and risk management practices and proposed strategic initiatives to improve portfolio quality, expand CMSE outreach and ensure efficient resource utilization.

The Monthly Review on Major Economic Trends & Bank Asia Performance provided regular updates on key macroeconomic indicators such as deposits, advance, remittance, inflation, interest rates, foreign exchange, trade, credit growth, etc. along with Bank Asia's comparative performance within the banking sector.

R&SD also conducted Branch Environment Audits at Five Strategically Important Branches to assess infrastructure, safety measures, operational processes and staff readiness, ensuring compliance with operational standards. The division further developed an Audio-Visual (AV) material on Service Quality to promote service excellence and strengthen employee awareness of service standards.

Other important studies included Suggestions to Improve Investment of Mutual Funds in the Capital Market, which examined challenges faced by mutual funds and proposed policy recommendations to strengthen capital market participation and Feedback on Import Trade Regulations, which reviewed regulatory changes and operational issues to facilitate smoother trade operations.

Finally, the Branch & Sub-Branch Expansion Plan for 2026 assessed the feasibility of establishing branches and sub-branches at 44 proposed locations by analyzing market potential, competition, and economic activity to support the bank's future expansion strategy.

Through these initiatives, R&SD continued to provide valuable insights to support informed decision-making and sustainable growth for Bank Asia.

LOGISTICS AND SUPPORT SERVICES

Bank Asia PLC stands as a leading institution in the banking industry. To strengthen its business network, upgrade service points with modern technology, and achieve its strategic goals, the Logistics and Support Services Division (LSSD) plays a vital role.

In today's dynamic banking environment, integrated logistics support services function as a key management component, encompassing planning, design and operational support. This includes infrastructure development, procurement, inventory control, warehouse management, transportation and customer support services, ensuring smooth and efficient business operations across the organization.

Key Achievements of LSSD

Renovation: For improvement of premises look & feel and efficient space utilization, 15 Branches, 2 ATM Booths, 10 Islamic window and different Office spaces have been renovated ensuring all compliance.

Relocation: After detail analysis, a premises has been selected for relocation of Oxygen Moor Branch.

Upgradation of Security: Most of the Branches CCTV system upgraded with new technology.

Enhancement of customer satisfaction: Newley introduced Queue Management System at 20 Branches, Centralized printing solution at Head Office for ensuring smooth service to the customer.

Enhancement of Hygiene: Specialized cleaning service has been introduced in Head Office premises and RO water filter has been installed most of the branches instead of conventional water filter.

Cost Savings: Following the execution of various initiatives, including rationalization of security guards and messengers, optimization of printing solutions, auction of pool vehicles, and consolidation of insurance policies, LSSD has achieved a total annual saving of BDT 9 Crore.

AML & CFT

Bank Asia PLC continuously focused on strengthening the Bank's Anti-Money Laundering and Counter Terrorist Financing (AML & CFT) framework as an integral part of its governance, risk management, and compliance structure. The Bank's AML & CFT framework remained closely aligned with the regulatory guidance and directives of the Bangladesh Financial Intelligence Unit (BFIU), as well as with applicable laws, regulations, and international standards.

The growing use of digital platforms-including digital hundi mechanisms, online gaming and betting activities, forex and cryptocurrency-related transactions-as well as the misuse of shell and front companies, concealment of beneficial ownership, invoice manipulation, and abuse of digital channels, continued to heighten financial crime risks. Accordingly, the Bank strengthened its customer due diligence, transaction monitoring, sanctions screening, and regulatory reporting processes in compliance with BFIU guidelines. Based on transaction monitoring, trade transaction reviews, non-performing loan trend analysis, and overall customer activity assessments, the Bank submitted 1,038 STR/SARs during the year, reflecting a robust and proactive monitoring framework.

To strengthen institutional knowledge and awareness on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT), Bank Asia organized the AML & CFT Conference 2025, conducted dedicated awareness programs for the Board of Directors and Senior Management, and delivered day-long training sessions for BAMLCOs and Customer Service Managers. In addition, the Bank participated in and facilitated various workshops, seminars, and training programs for employees and relevant stakeholders. Furthermore, BFIU and Bank Asia jointly organized seminars on Trade-Based Money Laundering (TBML) and the Early Alert System in Jashore.

AML & CFT Conference 2025

Looking ahead to 2026, the Bank will continue to strengthen its AML & CFT framework in line with evolving regulatory expectations and emerging financial crime risks. Key priority areas include further enhancement of transaction monitoring, Trade-Based Money Laundering (TBML), Credit-Backed Money Laundering (CBML), and Early Alert systems through the expanded use of technology and data analytics; refinement of AML & CFT risk assessment methodologies; and continued coordination with the Bangladesh Financial Intelligence Unit (BFIU), other regulators, and relevant stakeholders.

Transaction Monitoring & STR –

This year 1,038 nos. of STR-SAR submitted to BFIU through:

- Transaction Monitoring,
- CTR Analysis,
- Adverse News Monitoring,
- NPL Analysis
- Trade Transaction Analysis

Collaboration with Regulatory Bodies and Law Enforcement Agency

Timely responded around 18,822 Queries from different regulatory authorities like:

- BFIU
- DUDOK
- CID
- NBR
- SEC
- Drug Administration
- Department of Environment

Training Program

3,844 Participants

Trade Based Transaction Monitoring Partnerships

Considering the significance of TBML we have developed the tools to mitigate the TBML risk

- Uniform template for Price Verification
- Price Verification Alert
- Trade Transaction Profile
- Trade Customer Risk Assessment

AML & CFT Conference & Awareness Program

Bank Asia PLC Organized annual conference and awareness program for:

- All Employees of the Bank
- BAMLCO's of Bank
- Senior Management Team
- Honorable Board of Directors.

Review of KYC & EDD for High Risk Customers

Regularly reviewed the KYC & EDD for:

- High-Risk Customer,
- Influential Person,
- Government Official
- Political leaders and
- Candidates Member of Parliament

Employee Training and Awareness

AML & CFT Division arranged vigorous and extensive training through physically and virtually for the employees which covers:

- Global & National initiatives for AML & CFT Framework
- Overview of AML & CFT
- Regulatory requirements for Banks on AML & CFT issues.
- Risk Based Transaction Monitoring & STR/SAR submission
- Trade Based & Credit Backed Money Laundering with Recent typologies and case studies.

AML/CFT framework & Key Initiatives

To implement Risk Based Supervision AML & CFT Division develop & Update

- ML & TF Risk Management Guideline
- TBML Guideline
- Customer Acceptance Policy
- SOP
- Instruction Circulars

SPECIAL ASSET MANAGEMENT

The Special Asset Management Division (SAMD) of Bank Asia remains the key unit responsible for managing problem loans and distressed assets. Its work goes beyond simple recovery tasks; the division focuses specifically on cases where borrowers have deliberately defaulted or shown questionable behavior. In such situations, the team takes a firm approach. However, this firmness is balanced with a genuine willingness to hear borrowers out when they raise valid points during discussions.

Over the past year, SAMD kept its focus on many long-pending overdue accounts. Resolving these cases often required taking legal steps against the collateral provided by borrowers and selling those assets—a process that is rarely simple and needs close attention at every step. Though difficult at times, these actions appear to have helped in slowly bringing down the bank's level of bad loans. The division also approved the recovery of money from accounts that had earlier been written off or placed under classified status, including interest that was held back and interest that remained unpaid. These recoveries not only help improve the bank's financial numbers but also show that the team follows through on older problem cases rather than leaving them unresolved.

However, there is more to the picture than just recovery numbers. By keeping consistent follow-up on defaulted NPL and Write off borrowers and closing cases through negotiation for settlements, SAMD helps maintain the overall health of the bank's loan portfolio. The positive impact of this work shows up in better asset quality numbers and in the bank's ability to book income from loans that were once considered unrecoverable.

CL Position	2025	2024
SS	4,740	2,303
DF	1,383	4,439
BL	18,582	26,736
CL Amount	**24,705**	**33,478**
CL Ratio (in %)	**8.38%**	**11.40%**

Cash Recovery 2025

Classified Loan Tk. **8,108** Mln

Written off Loan Tk. **236** Mln

Stressed Loan Tk. **771** Mln

Million Tk.

Performance of Legal Unit in 2025	No	Value
Total Artha Rin Suit as on 31.12.2024	646	62,870
Artha Rin Suit Filed in 2025	204	24,618
Total Artha Rin Suit as on 31.12.2025	850	87,488
Decree Obtained in 2025	50	1,815
Solenama submitted before the court in 2025	01	314
Total NI Act Cases as on 31.12.2024	720	38,001
NI Act Cases Filed in 2025	541	14,548
Judgment obtained	56	685
Total NI Act Cases as on 31.12.2025	1,165	53,949
Cash Recovery through Legal Process in 2025	-	5,616

Major activities in 2025

- Regular branch and account-level visits were carried out to evaluate recovery prospects and to obtain a clearer sense of how delinquent exposures are being managed in practice.
- Communication between SAMD and business unites and legal unit was reorganized through more structured channels. The intent seems to be reducing delays and avoiding fragmented correspondence, which in the past may have slowed down decision-making in sensitive recovery cases.
- A more case-specific approach was adopted in dealing with defaulted accounts, including negotiated settlements and revised repayment schedules where feasible.
- Legal recovery actions continued in parallel, including the filing of cases where negotiation had reached practical limits.
- Attention was also given to staff capability development through ongoing training initiatives. This focus on internal capacity building may indicate an understanding that recovery performance is not driven solely by policy direction, but also by how effectively field teams interpret and apply those policies in real situations.

Strategies for NPL Management & Recovery Process

- Customer engagement is being maintained through periodic visits to borrowers, business premises, and collateral locations. These interactions help ground recovery discussions in actual asset conditions rather than assumptions drawn from files alone.
- Negotiation practices have taken a more situational form, with discussions focusing on achievable repayment adjustments, rescheduling where appropriate, and settlement options that try to reflect both repayment capacity and institutional constraints. The outcomes, however, tend to vary depending on borrower responsiveness.
- Legal action is pursued against defaulting customers when recovery discussions reach a practical limit. This step is not treated as automatic, but rather as part of a broader escalation path intended to recover dues and protect the bank's financial position, though legal timelines often remain unpredictable.
- Recovery approaches are increasingly shaped around borrower-specific realities rather than uniform templates. This shift may suggest an attempt to make recovery efforts more adaptable, although its effectiveness depends on how consistently it is applied at field level.
- A prioritization approach, introduced earlier, continues to guide recovery focus toward classified (CL) and written-off (WO) accounts. The intention is to concentrate effort where exposure is already impaired, even if recoveries from such accounts tend to be uneven and slower to materialize.
- Coordination between SAMD, branches, and the legal function has been strengthened through more structured information sharing. While this has improved alignment to some extent, the overall efficiency still depends on timely inputs and how quickly decisions are translated into action on the ground.

CAPITAL STRENGTHENING

Bank Asia is always keen to maintain sufficient capital base to support healthy growth of business and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap. Bank's CRAR (Capital to Risk weighted Asset Ratio) reached to 15.32% as on December 31, 2025 against required 12.50% (including buffer@2.50%). To support the good business growth, Bank Asia PLC is also going to take decision for issuing another green sustainable subordinated bond of Tk. 10,000 million at the end of 2026. The purpose of the bond is to strengthen the bank's capital base as well as enhancing the sustainability rating.

Risk Based Capital Adequacy

The Bank has formed a strong capital base by way of various capital enhancement initiatives with a view to promote more integrated management of market and counter party credit risk and also operational risks. As per Pillar-3 revised RBCA (Risk Based Capital Adequacy) guidelines of Bangladesh Bank, all scheduled banks have to publish their capital adequacy disclosure framework for market participants i.e. stakeholders as a key information about the bank's Minimum Capital Requirement (MCR) under pillar I of Basel III and exposure to various risks related to capital adequacy to meet probable loss of assets. Details of required disclosures both in qualitative and quantitative form are laid out in a separate segment under **page no 159-179**.

Corporate Governance

In essence, corporate governance is a system ensuring a company's accountability to its stakeholders. It is achieved through internal controls and procedures that are implemented throughout the company's life cycle. Bank Asia prioritizes fairness, transparency, accountability, and responsibility in its corporate governance approach. Our disclosures on compliance with BSEC and Bangladesh Bank guidelines demonstrate the strong compliance culture of the Bank. The details of corporate governance practice of Bank Asia are discussed in a separate segment 'Corporate Governance' under **page no 224-279**.

Corporate Social Responsibilities

Bank Asia has always been an inclusive organization working towards maximizing social welfare. We are aware of the impact of our Corporate Social Responsibility (CSR) activities to ensure that we are perceived as a bank with a conscience and a catalyst for change. To contribute to a better quality of life for society at large, Bank Asia is perpetually working to become a socially responsible corporate entity. In 2025, Bank Asia spent Tk. 42.49 million on corporate social responsibility. This was disbursed to facilitate sectors such as education, health, environment and climate change mitigation, and disaster management all attributing towards the betterment of the country and the people. In depth CSR activities of the bank are available in Corporate Social Responsibility (CSR) segment under **page no. 214-218**.

Green Banking

Green banking or Sustainable finance refers to any form of financial service integrating environmental, social and governance criteria into the business or investment decisions for the lasting benefit of both clients and society at large. We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations. We therefore have an opportunity to make a positive contribution to environmental and social concerns by enacting policies designed so that our business operations do not degrade the environment or cause social harm. Such policies not only indicate positive environmental responsibility, but also present business opportunities such as innovative financial products and investments in sustainable forestry and renewable energy. This will help us better manage our risks, develop expertise and provide clients with solutions to evolving exposures. During day to day business Bank Asia heavily contributes towards the carbon emission in terms of use of paper, electricity, stationary, lighting, air conditioning, electronic equipment etc. even though this is moderate compared to other carbon sensitive industries like steel, oil and gas etc. In the case of banks, the direct interface with the environment has considerably increased due to rapid growth of the banking industry. Energy consumption is the only way to describe our living, but excessive use is called waste. Prime focus of Bank Asia is utilization of solar power, Reduction of Energy & Resource Consumption; control the consumption of water, waste management, emission of greenhouse gas etc. Under Green and Sustainable Finance scheme, Bank Asia has disbursed Tk. 109,364 million to different segments like renewable energy, liquid waste management, recycling & manufacturing recyclable goods & others. We managed to secure Net profit from environmental savings worth Tk. 10.48 million in 2025. Bank Asia has disbursed Tk. 120.00 million for Liquid waste management. Green banking of the bank are available in Environment performance segment under **page no. 200-203**.

BANK ASIA SECURITIES LIMITED (BASL)

The year 2025 continued to be a challenging period for equity investors in Bangladesh, as the benchmark index of the Dhaka Stock Exchange (DSE) experienced a further decline of 6.7 percent, extending the bear phase from the previous year. The broad index of the Dhaka bourse (DSEX) fell by 351.1 points, ending the year at 4,865.3 points compared to 5,216.4 points at the end of 2024.

This year, the DSE's average daily turnover saw a substantial contraction, dropping to BDT 5.2 billion-a decrease of 17.5 percent from the BDT 6.3 billion recorded in 2024-reflecting anemic trading activity and weakened investor sentiment. Furthermore, the total market capitalization decreased by approximately 9.9 percent, closing the year at BDT 6,782 billion. The overall price-earnings (P/E) ratio tightened significantly to 8.60 by the end of 2025, down from 10.50 a year earlier, as valuations adjusted amid macroeconomic pressures and banking sector reforms.

The year 2025 began amid several significant policy developments that influenced investor sentiment. Reports of stricter loan classification requirements for the banking sector, proposed tightening of margin loan regulations by the capital market taskforce, the continuation of a tight monetary policy stance by the central bank, and internal unrest within the stock market regulator created an atmosphere of uncertainty. As a result, investors adopted a cautious and risk-averse approach across the trading floor.

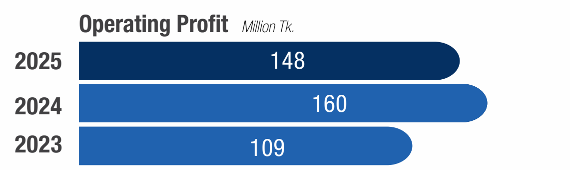
Consequently, the market entered a prolonged downtrend during the early part of the year. Persistent macroeconomic uncertainties further intensified the situation. Investor concerns were heightened by fears surrounding potential U.S. reciprocal tariffs, ongoing negotiations with the IMF regarding the remaining loan tranches, and expectations of possible tax increases discussed during the pre-budget period. Additionally, foreign investors reduced their exposure due to expectations of further depreciation of the Bangladeshi Taka (BDT) following the transition to a fully market-driven exchange rate regime.

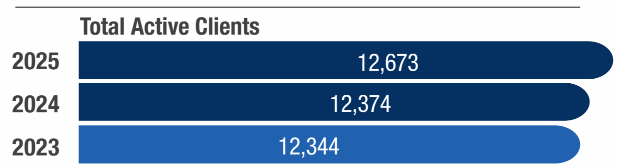
However, market sentiment gradually improved toward the latter part of the first half of 2025 (H1'25). This improvement was supported by positive macroeconomic developments, particularly the strengthening of foreign exchange reserves and the disbursement of the IMF's fourth and fifth loan tranches. The capital market maintained its recovery momentum during the early phase of the second half of 2025 (H2'25). Declining treasury yields, stable foreign exchange reserves, resilient export growth, and steady remittance inflows collectively improved investor participation in the market. Overall, the Bangladesh capital market experienced a challenging year in 2025, marked by declining indices, reduced market turnover, and weak investor confidence.

Despite of bearish movements of market, BASL has retained its position to 8 out of DSE's Top - 20 in consideration of daily turnover throughout the year of 2025. Total Operating profit of Bank Asia Securities Limited (Basl) stood at BDT 148 million in 2025.

Number of total active clients reached at 12,673 in the end of 2025, which was 12,374 in December 2024. Margin loan outstanding stood BDT 3,967 million on December 31, 2025, which was BDT 4,215 million on December 31, 2024.

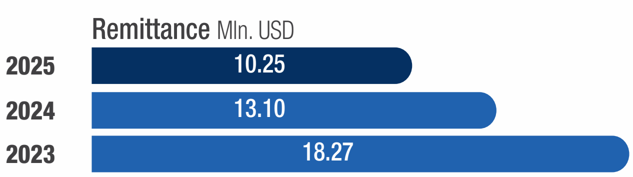
The current number of outlets are ten, of which two are Digital Booth. The location of the mentioned booths is at Rajshahi and Bagura. The number of employees reached to 71 at the end of the year.

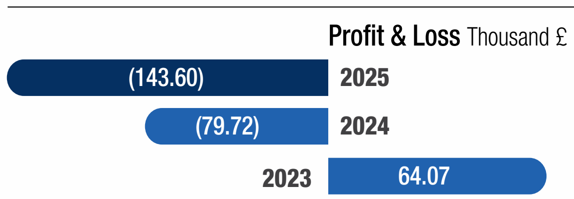




BA EXCHANGE COMPANY (UK) LIMITED

During 2025, BA Exchange UK remitted USD 10.25 million. Market conditions in the UK remittance sector remain competitive, especially within the NRB segment, reflecting stable immigration patterns, a constrained customer base, and heightened competition from larger providers offering commission-free transfers.





Agent Business Model

To support business expansion and revenue diversification, the Company has developed an Agent Operation model. This model enables efficient collaboration with agents, improves service delivery, and expands market presence while maintaining regulatory compliance. Leveraging technology and strategic partnerships, the initiative enhances operational effectiveness and customer trust. The Agent Operation is planned for launch on 26 March 2026.

Meet & Greet Service – Dhaka Airport

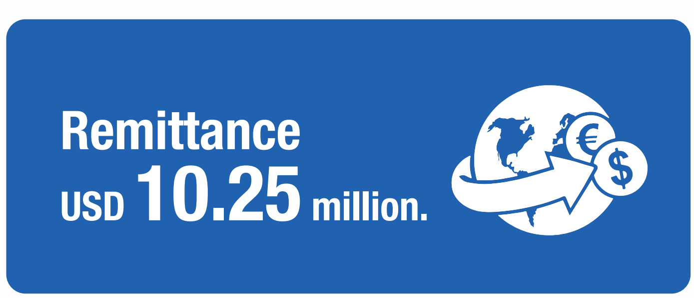
BA Exchange has introduced a Meet & Greet service at Dhaka Airport to provide a personalized and seamless arrival experience for customers. The service is designed to enhance customer convenience and comfort, supporting stronger client relationships and improved service satisfaction.

Pre-Paid Travel Card

In line with evolving customer needs, BA Exchange has launched a Pre-Paid Travel Card for use in Bangladesh. This secure and flexible payment solution enhances customer convenience during travel and reflects the Company's commitment to product innovation and market-led solutions.

Customer Service Excellence

Delivering consistently high-quality customer service remains a core focus of the Company. Continued investment in staff training, technology, and process improvements supports customer trust, loyalty, and the ongoing strengthening of the BA Exchange brand.

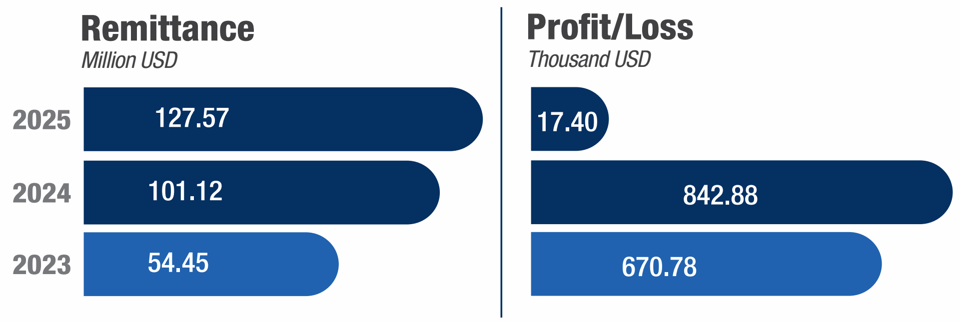


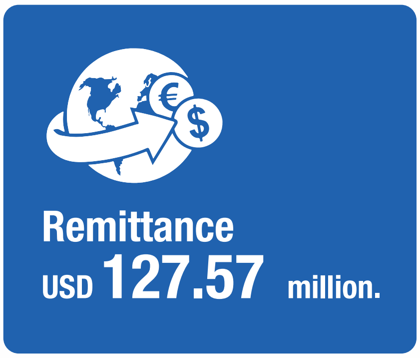
BA EXPRESS USA INC.

BA Express USA Inc commenced money transmitting business in New York on April 11, 2014 (with license from New York State Department of Financial Services), a solely owned subsidiary of Bank Asia Plc. At that time, total six Bangladeshi bank owned subsidiary money transmitting companies were operating in New York. Three of them are still in operation, of which BA Express USA Inc is one. BA Express currently operates through its own four branch offices and nine agents in New York City. BA Express is continuously exploring avenues of expanding business within purview of regulatory issues, own risk tolerance and cost benefit aspects.

This year, BA Express achieved a record of high remittance volume of $127.57 million and earned a profit of $17,402. However, the business's growth is subject to the competitive rates offered by large multinational companies in the USA and the market rates in Bangladesh.

Business growth may be seen in diagram below:





Evaluation of Quarterly Reports

The Board of the Directors evaluates the quarterly reports every year. The Management prepares the financials and submits to the Board for approval. The Board examines the financials with due diligence in order to ensure the financial statements are fairly stated. Thereafter the Board approves the financials with recommendation in various aspects such as reducing non-performing loan, increase of profitability and other key issues for improvement of financial performance.

Additional Statements

Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (amended up to 2020) (Act No. XVIII of 1994) is described in a separate segment (**page no. 267-268**) where different issues such as detailed discussion on related party transactions, explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements, remuneration paid to the directors including independent directors, statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, explanation of significant deviations from the last year's operating results (if any), 5 (five) years summarized performance etc. are discussed.

Our Gratitude and Thanks

We want to continue on doing the best and ensure prolonged development in the economy, society, lifestyle and thus every sphere of our country in line with our vision. Our sustainable banking operation is attributed to our prudent Board of Directors, effective Management, enthusiastic and skillful employees and trust bestowed upon us by our valuable clients and shareholders. We would like to convey our earnest gratitude to the Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR) and other concerned authorities for their guidance, valuable suggestion and continuous support. Our Board of Directors, Management and staffs of the bank are devoted to achieve the priceless goals of the bank and to maximize shareholders value through combined efforts and strengths.

On behalf of the Board of Directors

Romana Rouf Chowdhury *Director*	**Enam Chowdhury** *Director*	**Farzana Khan** *Independent Director*