

Corporate Governance Report

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Corporate Governance

Corporate Governance refers to the relations between the management of a company and its Board of Directors, shareholders and other stakeholders. Corporate Governance also provides a framework for setting out a company's objectives and the means for achieving these and for tracking its performance.

Source: OECD

Report on the Activities of the Audit Committee



Report on the Activities of the Audit Committee

Audit Committee (the 'Committee') is the prime sub-committee of the Board of Directors (the 'Board') of Bank Asia PLC. The purpose of the committee is to assist the Board in fulfilling its oversight responsibilities relating to

- (i) the integrity of the Bank's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting);
- (ii) the performance of the internal audit function;
- (iii) the annual independent audit of the Bank's financial statements, engagement of independent auditors and evaluation of the independent auditors' qualifications, independence and performance;
- (iv) the compliance by the Bank with regards to legal and regulatory requirements; (v) the implementation and effectiveness of the Bank's disclosure controls and procedures;
- (v) the evaluation of enterprise risk issues and
- (vi) the fulfillment of the other responsibilities set out by the regulators and the Board.

Composition of Audit Committee

The Audit Committee of the Board of Directors of Bank Asia Limited was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives.

The present Audit Committee of the Board is comprised of five Members of the Board of Directors including three Independent Directors having one Independent Director as Chairman in accordance with the Notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023.

The present Audit Committee was reconstituted by the Board in its 494th meeting held on April 30, 2023 consisting of the following members:

Names	Status with the Board	Status with the Audit Committee
Mr. Dilwar H Choudhury	Independent Director	Chairman
Mr. Mohd. Safwan Choudhury	Vice Chairman	Member
Mr. Ashrafal Haq Chowdhury	Independent Director	Member
Mr. M. A. Baqui Khalily	Director	Member
Mr. Nafees Khundker	Independent Director	Member

The Company Secretary acts as Secretary of the Committee. The Head of Audit, although being a part of Internal Control & Compliance administratively, reports directly to the Chairman, Audit Committee of the Board (ACB) and is responsible to the ACB. The Head of Internal Control & Compliance (ICC) of the Bank reports to the Managing Director of the Bank.

Access to the Committee

On any matter within the Committee's Charter, the Head of of Audit have direct access to the Audit Committee.

Roles & Responsibility of Board Audit Committee

The roles and responsibilities of Audit Committee have been defined in line with the relevant provisions of Corporate Governance Guidelines/ Notification issued by Bangladesh Bank and BSEC, two paramount regulators for the Bank, and other best practices of governance. The following functions are common recurring activities for the Audit Committee of the Bank in carrying out its responsibilities in addition to any other responsibilities which may be assigned from time to time by the Board:

a) Internal Control

- (i) Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- (ii) Review the management's actions in computerization of the Bank and its applications and Management Information System (MIS).
- (iii) Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- (iv) Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been embraced by the management.
- (v) With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor and control risk.
- (vi) Review Management Letters issued by the statutory auditors.

b) Financial Reporting

- (i) The Audit Committee checks whether the financial statements reflect complete and accurate information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Bangladesh Bank;
- (ii) Discuss with the management and external auditors to review the financial statements before finalization.
- (iii) Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- (iv) Review statements of significant related party transactions submitted by the management.
- (v) Review the management's discussion and analysis before disclosing in the annual report.

Report on the Activities of the Audit Committee

c) Internal Audit

- (i) Monitor/evaluate whether internal audit functions are truly independent.
- (ii) Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- (iii) Review and assess the annual internal audit plan.
- (iv) Review the efficiency and effectiveness of internal audit function.
- (v) Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

d) External Audit

- (i) Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the bank's external auditors.
- (ii) Oversee the relationship with the external auditors including:
 - Approval of their remuneration, i.e. fees for audit or non-audit services.
 - Assessing annually their independence and objectivity taking into account relevant professional and regulatory recommendations.
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business).
- (iii) Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their views and any issues arising from the audit.
- (iv) Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.

e) Ethical & Legal Compliance

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other regulatory bodies) and internal regulations approved by the Board have been duly complied with. The Board Audit Committee also promotes the ethical behavior to the stakeholders of the Bank.

- f) Other responsibilities
 - (i) Submit a comprehensive compliance report to the Board on a quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
 - (ii) External and internal auditors shall submit their related assessment report, if the committee solicits;
 - (iii) Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Reporting to the Board

The Audit Committee regularly reports its activities to the Board of Directors following each meeting. The Audit Committee report immediately to the Board of Directors in case of any of the following findings are observed:

- (i) Report on conflict of interests;

- (ii) Suspected or presumed fraud or irregularity or material defect in the Bank's internal control system;
- (iii) Suspected infringement of laws, including securities related laws, rules and regulations;
- (iv) Any other matter which shall be disclosed to Board immediately.

Reporting to the Authorities

Report anything which has material impact on the financial condition and results of operation.

Meetings of the Audit Committee

A total of 09 (Nine) Audit Committee Meetings were held during the year 2023 against minimum 04 (Four) meetings as per regulatory requirement. Meeting dates are as follows:

Sl. No.	Meeting	Date of Meeting
1	231 st Audit Committee Meeting	12 January, 2023
2	232 nd Audit Committee Meeting	18 March, 2023
3	233 rd Audit Committee Meeting	09 April, 2023
4	234 th Audit Committee Meeting	30 April, 2023
5	235 th Audit Committee Meeting	27 July, 2023
6	236 th Audit Committee Meeting	17 August, 2023
7	237 th Audit Committee Meeting	10 October, 2023
8	238 th Audit Committee Meeting	19 October, 2023
9	239 th Audit Committee Meeting	23 November, 2023

Major issues reviewed by the Audit Committee during 2023

In addition to regular concerns such as review of existing risks & mitigation measures, compliance culture of management, monitoring internal audit function and financial statements, Audit Committee gave special focus on timely return, findings and recommendations of External & Bangladesh Bank auditors etc. In the year 2023, the Audit Committee reviewed and discussed the following issues, amongst others:

- i. Approval of Internal Audit Charter for ensuring independence and objectivity of internal audit activities.
- ii. Restructuring Organogram of ICCD for ensuring good governance.
- iii. Annual financial statements of the Bank for the year ended 31 December 2022 as certified by the External Auditors before submission to the Board for consideration.
- iv. Summary of Audit and Inspection reports on the Branches, Divisions and Departments of the Bank.
- v. Functional audit on AML-CFT Issues of throughout the Bank.
- vi. Annual Risk Based Audit Plan.
- vii. Management Letter of the Bank submitted by the external auditor for the year ended 31 December 2022.
- viii. Un-audited quarterly and half-yearly financial statements of the Bank.
- ix. Bangladesh Bank comprehensive and Core risk inspection report and the recommendations made therein.
- x. Actions taken by the management with regard to issues raised by the Bangladesh Bank Inspection Team and the Internal Audit of the Bank.
- xi. Annual Integrated Health Report of the Bank.

- xii. Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance thereof.
- xiii. Irregularities/Lapses found in the Loan Documentation Checklist (LDCL), Quarterly Operation Report (QOR) and DCFCL and compliance there against.
- xiv. Half-yearly Self-Assessment of Anti-Fraud Internal Controls including implementation status.
- xv. Status of recovery of classified loans and necessary guidelines provided to the management to reduce Non-Performing Loan (NPL).
- xvi. Submission of Audit Committee's decision and implementation status on Audit Observations to the Board of Directors (BOD) of the Bank.
- xvii. Appointment of external Auditors.
- xviii. The overall effectiveness of Internal Control Policy, Practice and Procedure of the Bank.

Circulation of Observations & Recommendations

The minutes of the Audit Committee Meetings with observations and recommendations were circulated among the members of the committee and to the Board of Directors of the Bank for information.

The Audit Committee further affirmed that:

- i. The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board are duly complied with.
- ii. Adequate internal control system has been set by the Bank for proper Management Information System (MIS).
- iii. Development of compliance culture in the Bank.
- iv. Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.
- v. The Financial Statements of the Bank have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.
- vi. The good governance is in place throughout the Bank.

Focus in 2024

- i. Strengthening ICCD through restructuring organogram and engaging adequate manpower.
- ii. Enhancing transparency and accountability in financial reporting.
- iii. Implementation of Quality Assurance and Development Program.
- iv. Continuously monitoring compliance with regulatory requirements.
- v. Implementing advanced technologies for more efficient auditing processes.
- vi. Conducting regular evaluations of audit effectiveness and recommending improvements.
- vii. Providing guidance on emerging financial risks and industry trends.
- viii. Fostering a culture of ethical conduct and corporate governance within the bank.
- ix. Collaborating closely with external auditors for comprehensive audit coverage.
- x. Reviewing and updating audit policies and procedures to align with best practices.
- xi. Ensuring timely and accurate communication of audit findings to the board and management.
- xii. Development of Terms of Reference (ToR) for internal audit of Branch, Division, Subsidiaries and other auditable units.
- xiii. Playing role for development and retention of qualified manpower to ensure value addition of the Bank
- xiv. Promoting strict adherence with the regulatory instructions.

Acknowledgement

The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee. The Committee is also grateful to both Bangladesh Bank and to the Bangladesh Securities and Exchange Commission for the direction and guidance, which facilitated due discharge of its duties and responsibilities.

On behalf of the Audit Committee,



Dilwar H Choudhury

Chairman
Audit Committee of the Board

Statements of Directors' responsibility to establish appropriate System of Internal Control

In order to achieve short-term business objectives and long-term sustainability, strengthening and streamlining internal controls is crucial. The year 2023 was marked by geopolitical tension, volatility in financial sector, soaring inflation, and, most importantly, an increased challenge in ensuring effective internal audits and control systems.

Board members are cautious about bank internal controls in order to achieve and maintain satisfactory credit and investment standards. The board reviews quarterly the reports submitted by its audit committee regarding compliance with recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

The Board of Directors acknowledge their overall responsibility for the Bank's systems of internal control to ensure efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations. Every year, they review the qualifications, expertise, and resources of the external auditors as well as the effectiveness of the audit process and recommend reappointment.

The Board of Directors confirm that the Board, through its committees, has reviewed the effectiveness of the bank's systems of internal control for the year ended 31 December 2023. This process involved confirmation that a system of internal control in accordance with appropriate financial reporting practice was in place throughout the financial year. This was up to the date of the signing of these financial statements. It also involved an assessment of the ongoing process for the identification, evaluation, and management of individual risks. In addition, it assessed the role of the various committees and banks' risk management functions and the extent to which various significant challenges are understood and are being addressed.

On Behalf of the Board of Directors,



Romo Rouf Chowdhury
Chairman

Statement of Directors' on Adequacy of the System of Internal Control

The Board of Directors follows some definite rules and regulations as stated in the 'Banking Companies Act 1991 (amended up to 2023)'. Therefore, the directors tried hard to maintain sound corporate governance and performed their responsibilities. A broad business strategy, significant policies for internal control system and risk management have been taken properly and a risk-based internal audit has been accomplished as per 'section 15 Kha & 15 Ga of the Banking Companies Act 1991 (amended up to 2023)' for ensuring that the bank is appropriately and effectively managed and controlled.

In addition to overseeing policies and various parts of the business, the Board has also developed an effective internal control system. This is essential for sustainable growth and efficient operations. They have also reviewed the adequacy and completeness of accounting records, fair presentation of financial information, and efficient management of risk, strengthening bank assets, and the overall internal control process.

The Board of Directors monitors the effectiveness and functionality of internal control systems through an audit committee. All the conditions depicted in the Banking Companies Act 1991 (amended up to 2023), guidelines issued by Bangladesh Bank, and corporate governance guidelines issued by Bangladesh Securities and Exchange Commission have been properly maintained at the time of establishment of the Audit Committee. The principal activity of the audit committee was to review the internal control system as well as manage the core risk of the bank. The Bank's process for monitoring compliance with laws and regulations and codes of business ethics has been properly reviewed by the committee.

The Audit Committee has observed managerial arrangements for increasing the internal control features of the prevalent management information system (MIS). They have also reviewed the corrective initiatives undertaken by management in response to fraud-forgery and deficiencies in internal control published last year. All compliance reports have been properly presented before the Board of Directors and regulators in a timely manner. In addition, all other regulatory functions of the internal control system of the bank have been executed explicitly.

On Behalf of the Board of Directors,



Romo Rouf Chowdhury
Chairman

RESPONSIBILITY STATEMENT OF MD AND CFO

Name of the company: **Bank Asia PLC.**

Declaration by Managing Director and CFO

April 24, 2024

The Board of Directors

Bank Asia Tower

32 & 34, Kazi Nazrul Islam Avenue

Kawran Bazar, Dhaka-1215

Subject: Declaration on Financial Statements for the year ended on December 31, 2023

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bank Asia PLC. for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

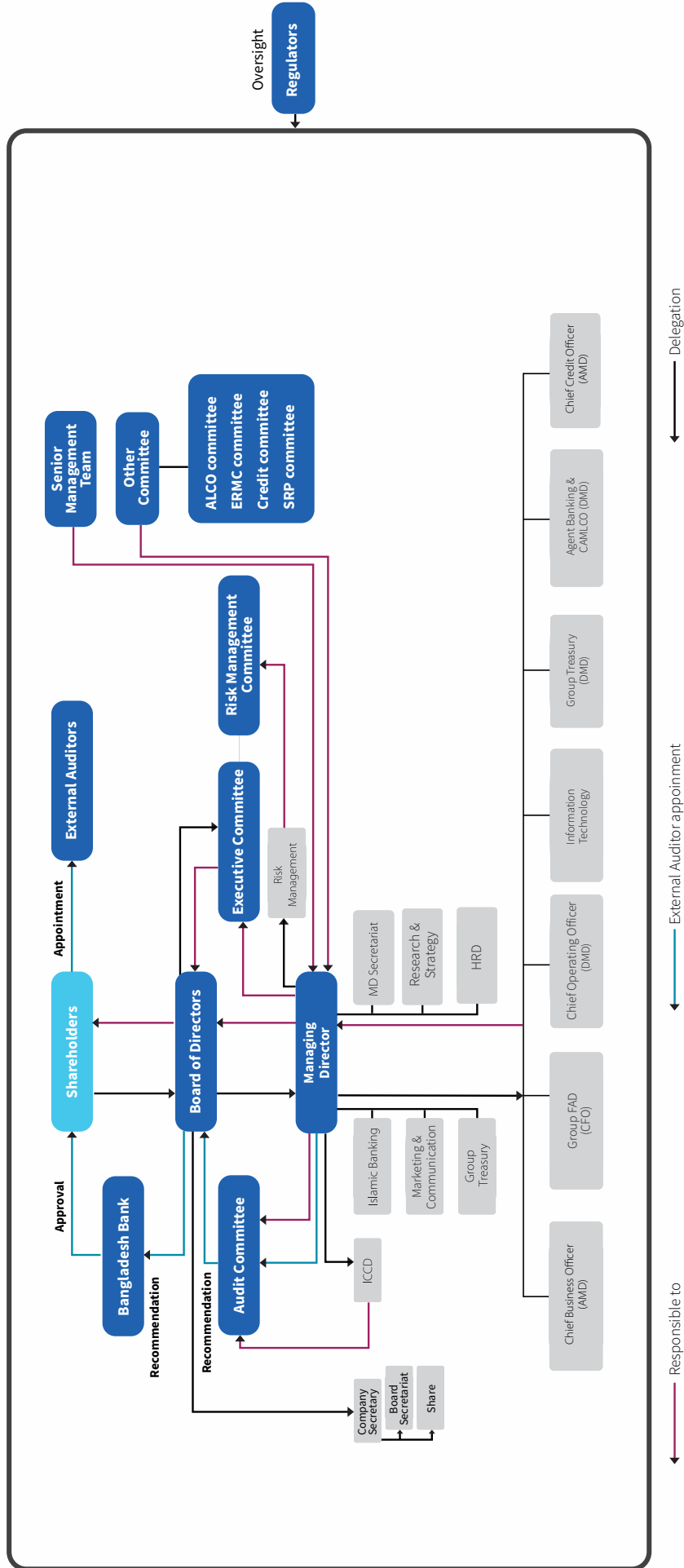


Sohail R K Hussain
Managing Director



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer

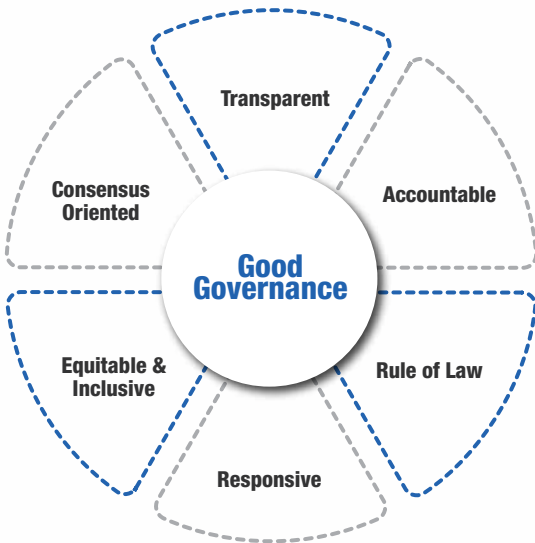
Banking Governance Structure of Bank Asia



Bank Asia PLC. places significant emphasis on the role of its Board of Directors in conjunction with the support of Board Committees and Management Committees. Together, they are entrusted with overseeing the implementation of the bank's governance framework, aimed at upholding rigorous ethical standards. Bank Asia regards this framework as indispensable for fostering sound and responsible decision-making processes, ultimately aiding the bank in realizing its objectives and strategic goals.

CORPORATE GOVERNANCE FRAMEWORK IN BANK ASIA

Bank Asia is dedicated to upholding exemplary standards of corporate governance across all facets of its business operations, systems, procedures, and practices. To bolster the Board's pursuit of attaining enduring and sustainable value, the bank has instituted a meticulously crafted Corporate Governance framework. This framework is designed to underpin the bank's objectives while fostering a culture that esteems ethical conduct, integrity, and deference, thus safeguarding the interests of shareholders and other stakeholders. Given the imperative nature of maintaining preminent governance practices within the heavily regulated industry in which it operates, Bank



Asia recognizes that its long-term viability hinges upon this commitment.

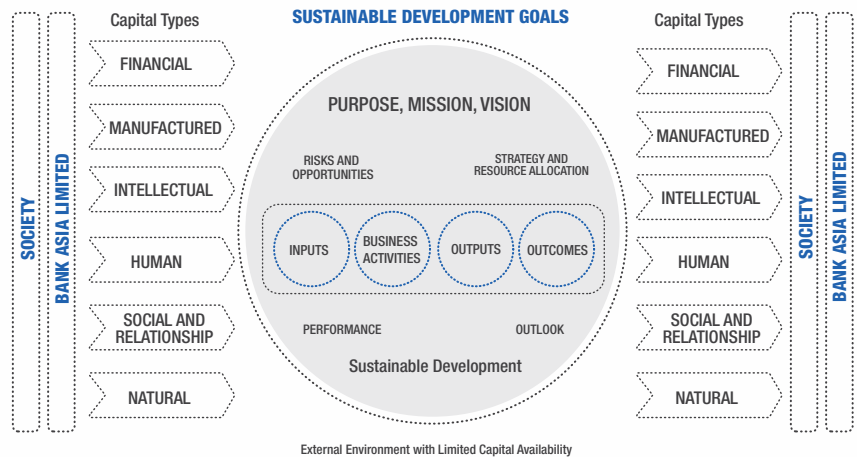
To fortify the Board's efficacy in discharging its governance obligations, Board Committees are enlisted to lend support and expertise in this endeavor.

Bank Asia believes that governance as a whole has the greatest impact on the efficiency, effectiveness, as well as value-creation capability of deployed strategies and approaches. Therefore, the Bank intends to make governance an integral part of the organizational culture, making it a part of the structure, policies, and processes of management.

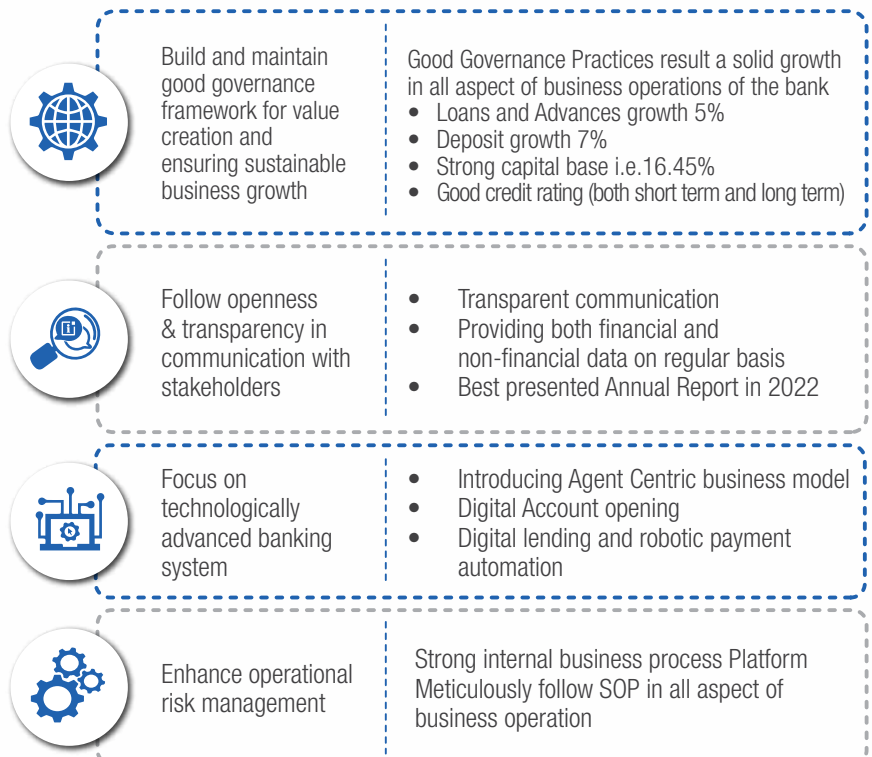
As a compliant entity, Bank Asia always gives its utmost efforts to comply corporate governance practices with all the aspects of the revised Corporate Governance Code (CGC) BSEC/ CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), listing regulations and directives of DSE and CSE and all aspects of Bangladesh Banks directives.

VALUE CREATION BY PRACTICING CORPORATE GOVERNANCE

In addition to providing comfort to investors, strong corporate governance builds trust and predictability in the organization. A company's ability to gain shareholder confidence and unleash shareholder value is strongly influenced by the ability to apply the principles of corporate governance. Throughout its history, Bank Asia has practiced sound corporate governance practices in an effort to maximize the value of its stakeholders by maximizing the value of the company.



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

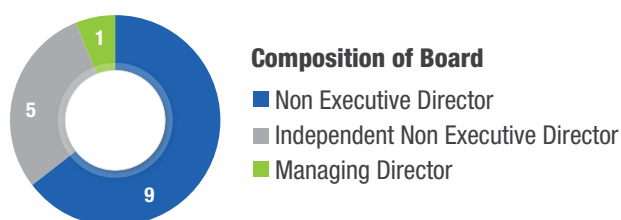


CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS, CHAIRMAN AND CEO:

There is a primary responsibility on the part of the Board in ensuring the long-term success of the Bank and in creating sustainable shareholder value for shareholders. Ultimately, it is the Board of Directors who are responsible for the management, direction, governance, and performance of the Bank, and who lead and oversee the Bank's business operations. There is no doubt that the Board plays a significant role in ensuring that the tone for the Bank's culture and values is set from the very top of the organization. It is also the Board's responsibility to ensure there are the appropriate resources in place in order to achieve the strategy and deliver sustainable performance to the organization. The Board, by means of its Committees, directs and oversees the operation of the Bank within an agreed framework of controls, enabling risks to be assessed and managed within parameters that have been agreed upon in advance. In order to conduct proper business and ensure the Bank's success, the Board is collectively responsible to the Bank's shareholders and shareholders as a whole.

The Board of Bank Asia comprises of 15 (Fifteen) Directors as of December 31, 2023 including the Managing Director.



The Composition of the Board of Directors is as follows:

- Nine Non - Executive Director;
- Five Independent Non-Executive Director
- One Executive Director i.e. Managing Director

The present size and composition remains well-balanced and it's made up with professionals with a wide range of knowledge and experience in business, operations and finance to set direction of a large and expanding bank. The profiles of all Board members, comprising of their qualification, experience are disclosed in [Page no. 20-31](#) of this Annual Integrated Report 2023.

1.1 Bank Asia's policy on appointment of Directors

Bank Asia complied with pertinent guidelines and different circulars of Bangladesh Bank, rules and regulations of the Companies Act 1994 (amended up to 2020), Bank Companies Act 1991 (amended up to 2023), Bangladesh Securities and Exchange Commission (BSEC) Notifications, and Memorandum & Articles of Association of the Bank.

Bank Asia appoints new Directors based on a mix of knowledge, skills, experience and perception. In addition to being elected by the shareholders at the Annual General Meeting, all appointments of the Board are subject to the approval of the Bangladesh Bank. Bank Asia's Board is always committed to ensuring diversity and inclusiveness in its composition and deliberations. This is because it embraces the proposition that having a diverse Board would have a positive, value and relevant impact on the Bank. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background.

Bank Asia follows all relevant rules and regulations in the case of nomination, removal, causal vacancy, and appointment of alternate directors in accordance with all applicable laws and regulations. The non-executive directors of the Bank are independent of the management and are not involved in the day-to-day running of the Bank on a day-to-day basis. The Board of Directors is responsible for the performance of the Bank as well as the governance of the Bank to its shareholders.

1.1.1 Roles and responsibilities of Board of Directors

The Board is accountable to shareholders for the performance of the Bank. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the Company, shareholders and other stakeholders. The Board's role includes guiding the Company's strategic direction and culture, driving its performance and overseeing and evaluating the activities of management and the operation of the Company. Summaries of key responsibilities of the Bank are

Strategic Decisions and financial performance evaluation

- Provide leadership and direction for the development and approval of the bank's corporate strategy, investment, and performance objectives;
- Analyzing, approving, and monitoring the bank's strategic, investment, financial plans and objectives on a regular basis;
- Evaluate, approve and monitor the annual budgets and business plan
- Finalize the Bank's dividend policy and other related guidelines of dividend disbursement
- Assess, approve, and monitor major capital expenditures, capital management, and all aspects of a capital project
- Approve all accounting policies, financial reports and material reporting by the Bank;
- Appoint the Chair of the Board and, where appropriate, any deputy chair or independent director;
- Engage in strategic planning including establish goals for management of the Bank and monitor the achievement of those goals;

Performance of Management

- Appoint, monitor and evaluate the Managing Director;
- Appoint, monitor and manage the performance of the Bank's management personnel;
- Place a succession planning for the key management positions of the Bank as identified from time to time
- Oversee senior management's implementation of the Bank's strategic objectives;
- Reviewing management's implementation of agreed strategies, business performance and culture;

Audit and Risk Management

- Appoint the external auditor and determine its remuneration and terms of appointment; with the recommendation of the Audit and Risk Management Committee;
- Monitor the Bank's operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- Approve and oversee the integrity of the accounting, financial and other corporate reporting systems and monitor the operation of these systems;

Size and membership of Board Committees as of December 31, 2023

		Board Executive Committee	Board Audit Committee	Board Risk Management Committee
Committee Composition*			Minimum three members and maximum 5 members	
		Maximum Seven members	All members are Non-executive Directors	Maximum Five members
		All members are Non - executive Directors	Majority of members are Independent Directors	All members are Non - executive Directors
		Chair determined by the Board	Chair is Independent Director, who is not the Board Chairman	Chair determined by the Board
Mr. Romo Rouf Chowdhury	Chairman of the BOD, Non-Executive Director	✓		
Mr. Mohd. Safwan Choudhury	First Vice Chairman, Non-executive Director		✓	
Ms. Zakia Rouf Chowdhury	Second Vice Chairman, Non-Executive Director			
Mr. Rumees A Hossain	Non-executive Director	Chair ✓		✓
Mr. M. A. Baqui Khalily	Non-Executive Independent Director		✓	Chair ✓
Ms. Hosneara Sinha	Non-executive Director			
Ms. Romana Rouf Chowdhury	Non-executive Director	✓		✓
Mr. Ashrafal Haq Chowdhury	Non-executive, Independent Director		✓	
Mr. Dilwar H Choudhury	Non-Executive Independent Director		Chair ✓	
Mr. Enam Chowdhury	Non-executive Director	✓		✓
Ms. Farhana Haq	Non-executive Director			
Mr. Md. Abul Quasem	Non-executive, Independent Director	✓		
Mr. Helal Ahmed Chowdhury	Non-executive Independent Director	✓		
Mr. Nafees Khundker	Non-executive Director		✓	✓
Mr. Sohail R K Hussain	Managing Director, Ex - Officio			

* Composition requirements for each Committee are set out in the relevant Committee Charter.

CORPORATE GOVERNANCE

Corporate Governance and disclosure

- Evaluate the overall effectiveness of the Board, its committees and its corporate governance practices
- Oversee the affairs of the Bank, including its control and accountability systems
- Approve the appointment of directors to committees established by the Board and oversee the conduct of each committee;

1.1.2 Code of Conduct for the Board of Directors

The Board of Directors follows a code of conduct which was adopted to provide guidance to directors to perform their duty in an honest, responsible and business-like manner and within the scope of their authority, has said for in the laws of country as well as memorandum and articles of association of the Bank.

1.1.3 Retirement and Re-election of Directors

According to clause 128, and 129 of the Articles of Association of the Bank, 3 (three) directors retired before the 24th Annual General Meeting (AGM) held on April 30, 2023 and all of the retiring directors was eligible for re-election as director. In addition, one Independent Director re-appointment was also approved by shareholders in the 24th Annual General Meeting (AGM).

Sl.	Name of Directors	Mode of Change
1.	Ms. Naheed Akhter Sinha	Retired
2.	Ms. Farhana Haq	Retired and Re-elected
3.	Mr. Enam Chowdhury	Retired and Re-elected

In addition, some other changes in directorship recently were as follows:

Sl.	Name of Directors	Date of Change	Remarks
1.	Ms. Tania Nusrat Zaman (Nominated Director of Amiran Generations Limited)	04.04.2023	Amiran Generations Limited withdraw their nomination in favor of Ms. Tania Nusrat Zaman as a Nominated Director on 04.04.2023.
2.	Ms. Zakia Rouf Chowdhury (Nominated Director of Amiran Generations Limited)	20.06.2023	She was appointed by the Board as Nominated Director of Amiran Generations Ltd. & Bangladesh Bank approved the appointment on 20.06.2023.

1.1.4 Directors' Remuneration

Directors are not entitled to any remuneration other than attending the meeting of the Board and its committees. As per Bangladesh Bank guidelines, Director of Bank Asia is entitled to receive Tk. 8,000 for attending each meeting of Board and its committee.

1.2 Adequate representation of non – executive directors

As per guideline of Bangladesh Bank, Bank Asia maintain adequate representation of non-executive directors in the Board. The Managing Director is the only Executive Director in the Board of Directors of the Bank. All other Directors are non-executive directors.

1.3 Independence of independent directors and their adequate representation

Participation of independent opinion in the Board is considered as an important element of good governance. Independent Directors exert an independent view on the policies and decisions of the Board and

emphasize that the policies and decisions are for the best interest of the whole bank. Bank Asia complies with applicable requirements regarding independence of the Board according to laws and regulations as well as according to the Corporate Governance Code by BSEC. The Board considers all of the members elected by the shareholders, apart from independent director of the Bank according to the Code.

The Board of Bank Asia consist of 5 (five) Independent Directors in the Board. They are: Mr. Ashrafal Haq Chowdhury, Telecom & Corporate Leader, two renowned retired bankers - Mr. Helal Ahmed Chowdhury, Mr. Dilwar H Choudhury and Mr. Md. Abul Quasem, a retired central banker and Mr. M. A. Baqui Khalily, is a renowned academician of the country and professor of a university, The Independent Directors are also member of the sub-committees of the Board. Two of them are members of the Executive Committee and one of them is a member of the Risk Management Committee and three of them are members of the Audit Committee.

1.4 Different position of the Chairman and the Chief Executive Officer

The functional responsibilities of the Chairman of the Board and of the Managing Director are kept separate and independent of each other. The Chairman of the Bank is elected by the directors of the Bank and the President and Managing Director is being appointed by the Board of Directors subject to receiving permission from Bangladesh Bank.

1.5 Roles and responsibilities of the Chairman

The Board elects one of the Non-Executive Directors as Chairman. Our Chairman is Mr. Romo Rouf Chowdhury, who became Chairman on 25 August 2022.

Roles of the Chairman

- Managing and leading Board Meeting to ensure robust decision making
- Building a high performance Board
- Ensuring the Board's focus on key tasks
- Engaging the Board in assessing and improving its performance
- Overseeing board succession
- Supporting the Managing Director

Responsibilities of the Chairman

- Ensure that all Board Committees are properly structured, composed and operated
- Ensuring appropriate steps are taken to provide effective communication with stakeholders' views are communicated to the Board as a whole
- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance
- Being the public face by acting as a spokesperson for the Board

1.5.2 Independence of Independent Directors

Bank Asia complied with relevant guidelines of Bangladesh Bank circulars, rules and regulations of the Bank Companies Act, 1991 (amended up to 2023) and guidelines of Bangladesh Securities and Exchange Commission regarding composition of its board of directors. While appointing new directors Bank Asia emphasizes the mix of knowledge, skills, experience and perception. The directors are elected by the shareholders in AGM. In case of nomination, removal, causal vacancy and alternate directors, Bank Asia follows all relevant rules and regulations. The Bank's non-executive directors are independent of management and free from day to day business of the bank.

1.6 Annual Appraisal of Board performance

The Board acknowledges the critical role that the performance of both the Board and its Committees plays in the success of the Bank and in

safeguarding the interests of shareholders. To ensure effectiveness and accountability, the Board and its Committees conduct an annual review and assessment. This evaluation encompasses the performance, objectives, responsibilities, processes, and procedures of the Board, each Committee, and individual directors.

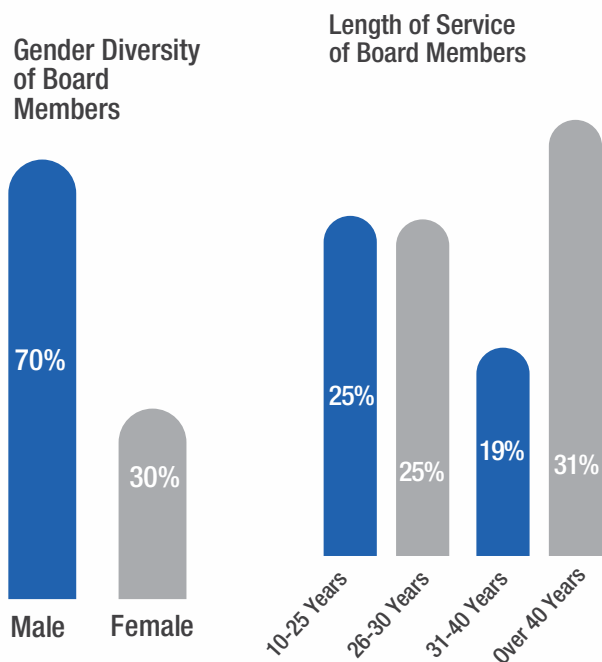
Led by the Chair, with assistance from the Company Secretary and Committee Chairs, the review process aims to comprehensively assess the governance structure's efficacy and identify areas for improvement. By undertaking this rigorous evaluation, the Board endeavors to uphold the highest standards of governance and enhance its contribution to the Bank's overall success and shareholder value.

1.7 Annual Evaluation of the CEO by the Board

While reappointing CEO, an evaluation report approved by the Board of Directors is submitted to Bangladesh Bank by the Chairman of the Board. Besides, the Board of Bank Asia annually evaluates Key Performance Indicators (KPIs) of CEO i.e. profitability, yearly budget achievement, dividend ratio, return on equity, return on assets, earnings per share, CAMELS ratings, credit rating, classified loan ratio, risk management etc. The performance of the CEO is also evaluated by the Board based on Bank's operational results mainly in the achievement of operational budgets.

1.8 Succession Plan

Bank Asia believes that the membership and composition of the Board should be reassessed from time to time so succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skillset of its members would be well suited to meet the demands of the ever-changing financial industry.



1.9 Directors' Training

A variety of training is provided to Directors of the bank on specific aspects of its business when requested and, on a regular basis, as part of their responsibilities. Directors are informed of current issues during meetings of the Board and Committees, for example, directors receive briefings on cyber risks, as well as relevant commercial, legal, and regulatory developments which may affect the company. Directors have full and timely access to relevant information ahead of each board meeting and can contact members of management if they need any additional information before the meeting. In accordance with industry practice, the Chairman considers and addresses the development needs of the Board as a whole, if any. He also ensures that each director updates their individual skills, knowledge and expertise.

1.10 Knowledge and expertise in Finance and Accounting

Bank Asia's Board of Directors comprises members who have wide knowledge and experience in the fields of finance, accounting, economics, management, marketing, and business administration. As a result, they are able to interpret the bank's management's decisions prudently.

1.11 Board meeting

A meeting of the Board will usually be convened by the Chair. All directors are expected to diligently prepare for, attend and participate in all Board meetings. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Bank's Constitution. The Board normally meets on a monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on adhoc basis to consider urgent matters. Bank Asia as per requirement of BSEC conduct Board Meetings and record the minutes of



CORPORATE GOVERNANCE

the meetings as well as keep the required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).

In addition, the Board reviews strategic matters of the Bank at every Board meeting. In addition, the Board conducts a half-year review of the Bank's strategy and approves the Bank's overall strategic direction on an annual basis. The Board also conducts workshops on specific subjects relevant to our business throughout the year. Board meetings are characterized by robust exchanges of views with Directors bringing their experience and independent judgment to bear on the issues and decisions at hand. Non-executive Directors regularly meet without management present, so that they can discuss issues appropriate to such a forum. In all other respects, senior executives are invited, where considered appropriate, to participate in Board meetings and are also available to be contacted by Directors between meetings.

1.11.1 Number of Board meeting

The Board had 28 (Twenty Eight) scheduled meetings for the financial year ended 31 December 2023. The number of meetings of the Board and its committees held during the accounting year and the attendance of the Directors at those meeting are disclosed in [page no. 266-267](#) of this Annual Integrated Report 2023.



1.11.2 Key Activities performed by Board in 2023

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

During FY 2023, the Board met twenty eight (28) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Bank's strategies. Among the topics and strategies that were reviewed, deliberated and approved by the Board during FY 2023 were as follows:



1.12 Directors Report on Financial Statement and Corporate Governance

Board of Directors of the Bank requires to prepare financial statements for accounting year. Moreover, the Board of the Bank need to include an additional statements or disclosures in the Directors' report prepared under section 184 of the Companies Act, 1994 (Act no. XVIII of 1994). A separate statement of Director Responsibility for financial reporting and corporate governance is given in [page no. 246](#) of this Annual Integrated Report 2023.

1.13 Board Committee

The Board has three standing committees (the Committees) to facilitate and assist the Board in fulfilling its responsibilities. Other committees may be established from time to time with specific responsibilities as delegated by the Board. The composition of the Committees as at, and throughout the financial year ended, 31 December 2023 was as follows:

1.13.1 Audit Committee

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

As per recent circular of the Bangladesh Bank, the maximum size of the Audit Committee of the Board will be 5 members including at least 2 Independent Directors. A Chairman of the Audit Committee shall be elected from amongst the Individual Directors. The tenure of the Chairman of the Audit Committee shall be 3 years. No independent director shall serve as Chairman of the Audit Committee for two consecutive terms. Audit Committee members can be nominated for every 3 years.

Bank Asia's Audit Committee consists of 5 (five) members. All of them are non-executive directors from whom 3 of them are Independent Directors and the Company Secretary of the bank is the secretary of the Audit Committee. Mr. M. A. Baqui Khalily, the Chairman of the audit committee is an Independent Director and all the members are knowledgeable in financial industry and have long experience in banking industry. More information about members of Audit Committee is available in the Director's [page no. 20-31](#) of this AIR 2023.

Committee	Members	Independent	Non-Executive
Executive Committee	Mr. Rumea A Hossain		✓
	Mr. Romo Rouf Chowdhury		✓
	Ms. Romana Rouf Chowdhury		✓
	Mr. Enam Chowdhury		✓
	Mr. Md. Abul Quasem	✓	✓
	Mr. Helal Ahmed Chowdhury	✓	✓
	Mr. Dilwar H Choudhury	✓	✓
Audit Committee	Mr. Mohd. Safwan Choudhury		✓
	Mr. Ashrafal Haq Chowdhury	✓	✓
	Mr. Nafees Khundker		✓
	Mr. M. A. Baqui Khalily	✓	✓
	Mr. M. A. Baqui Khalily	✓	✓
Risk Management Committee	Mr. Rumea A Hossain		✓
	Ms. Romana Rouf Chowdhury		✓
	Mr. Enam Chowdhury		✓
	Mr. Nafees Khundker		✓

1.13.2 Executive Committee

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

1.13.3 Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee supervises whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, measured and adequate systems are in place to minimize such risks. Currently 5 (five) members are in the Risk Management Committee. They set risk appetite; formulate risk identification & control policy, recommend changes to the risk management framework. They also monitor the internal capital adequacy assessment process along with the effectiveness of the risk management framework, policies and standards. The Risk Management Committee assists the Board in relation to the oversight of risk including the risk appetite and risk management strategy.

1.13.4 Management Committee

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

- Senior Management Team (SMT)
- Supervisory Review Process (SRP) Committee
- Asset Liability Committee (ALCO)
- Credit Committee
- Policy Review Committee

1.14 CEO & Roles and Responsibilities of CEO

Bank's CEO is Mr. Sohail R K Hussain. The detail information of CEO is given in separate part of director's information under [page no. 31](#) of this AIR 2023.

The CEO is responsible for implementation of Board policies and overall Management of the Bank. He discharges his duties under the delegation of financial, business and administrative authority given to him by the Board.

The main responsibilities and authorities of the Managing Director are as follows:

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- Undertakes the financial, business and administrative authorities when vested on him by the board and remains accountable for achievement of financial and other business targets by means of business plan, efficient implementation and prudent administrative and financial management.
- Ensures compliance of the Bank Company Act, 1991(amended up to 2023) and other relevant laws and regulations in performing routine functions of the bank; and remains accountable to report to Bangladesh Bank if any violation occurs.
- At the time of presenting any memorandum by the management in the Board Meeting or Board Committee Meeting, the CEO points out if there is any deviation from the Bank Company Act, 1991 (amended up to 2023) and other relevant laws and regulations.
- Recruitment and promotion of all staff of the bank except those in the two tiers below him rest on the CEO. He acts in such cases in accordance with the approved service rules of the Bank.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him that he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he nominates officers for training etc.

1.15 Role of Company Secretary

An integral member of the governance team, the company secretary is responsible for ensuring that the Bank complies with all applicable laws, and ensuring that specific statutory registers are kept up to date, and filing required documents with the registrar of companies on a regular basis.

In addition, Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each director can communicate directly with the Company Secretary and vice versa. Main job role of Company Secretary include: develop and implement process to support good corporate governance, provide impartial advise to all board members and act diligently in the bank's interest and support the board and its committees in fulfilling their responsibilities and following best practices.

1.16 Role of Chief Financial Officer (CFO)

Chief Financial Officer (CFO) oversee all the financial operations of the organization, including accounting, financial reporting, tax, business control. CFO manage all aspects of financial matters and decision making. Basically, the Chief

Financial Officer directs a company's financial goals, objectives and budgets. He also advises the Board of Directors on the kind of actions to be adopted in upholding the high levels of financial control and reporting. Key responsibility and overall financial health of the Bank is separately disclosed in CFO's statement in [page no. 298-303](#) of Annual Integrated Report 2023.

1.17 Role of Head of Internal Audit and Compliance

The Head of Internal Audit and Compliance (HIAC) is responsible for Bank's strategic risk-based internal audit plan and managing the internal audit function in accordance with Bank's internal audit charter. Responsibilities include providing reasonable assurance of the effectiveness of the organization's risk management and the strength of its controls. The position assesses organization-wide compliance with the Bank's own policies and procedures, laws and regulations, and contractual terms and conditions. The Head of Internal Audit reports directly to the Audit Committee of the Bank's Board of Directors.

1.18 Attendance of CEO, CFO, CS & HIAC in Board Meeting

The CEO, CS, CFO and HIAC of the Bank attend the meetings of Board of Directors. It is also provided that they are not attending the meeting which involve consideration of an agenda item relating to their personal matters. In addition, they are not entitled for any remuneration for attending such meetings of the Board of Directors.

1.19 Governance of Board of Directors of Subsidiary Company

In group concept, Bank Asia PLC. is parent company with having following three subsidiary companies

- Bank Asia Securities Limited, incorporated in Bangladesh : 99.99% owned
- BA Exchange Company (UK) Limited, incorporated in United Kingdom : 100% owned
- BA Express USA Inc., incorporated in United States of America (USA) : 100% owned

The board of the parent company is aware of the material risks and issues that might affect both the bank as a whole and its subsidiaries. It exercises adequate oversight over subsidiaries while respecting the independent legal and governance responsibilities that might apply to its subsidiary boards.

Composition of the Board of Directors of Three Subsidiaries of Bank Asia

Sl	Name and Designation	Bank Asia Securities Limited (BASL)	BA Exchange Company (UK) Limited	BA Express USA Inc.
1.	Ms. Romana Rouf Chowdhury, Chairman of BASL	✓		
2.	Mr. Md. Abul Quasem, Chairman of BA Exchange (UK)		✓	
3.	Mr. Enam Chowdhury, Director		✓	
4.	Mr. Helal Ahmed Chowdhury, Chairman of BA Express USA			✓
5.	Mr. Rumees A Hossain, Director			✓
6.	Mr. Ashraful Haq Chowdhury, Director			✓
7.	Mr. Nafees Khundker, Director	✓		
8.	Mr. Md. Abul Quasem, Director	✓		
9.	Mr. Sohail R K Hussain, Director		✓	✓
10.	Mr. Kazi Sanaul Haq, Director	✓		
11.	Mr. Md. Sazzad Hossain, Director	✓		
12.	Mr. Sheikh Mohammad Anisuzzaman	✓		
13.	Mr. Mohammad Ibrahim Khalil, Director	✓		
14.	Mr. ABM Kamrul Huda Azad, CEO		✓	
15.	Mr. Md. Ataur Rahman, CEO			✓

*The Board of Directors of all the subsidiaries conducted their roles & responsibility in line with all relevant regulatory act or guidance

2. VISION/MISSION & STRATEGY

2.1 Vision/Mission Statement of Bank Asia PLC.

The Board of Directors are approved bank's vision/mission statements and disclosed in Annual Report. The Board of Directors defined the Bank's vision, mission, and strategic objectives and strictly adhere to it. Strongly believing in the vision and mission, Bank Asia tries to uphold and embrace it in every possible business context.

Vision

To build a society where highest human dignity and human rights received the highest consideration along with reduction of poverty.

Mission

Bank Asia is committed to establish high quality service, high standard of integrity with technology driven innovative service.

Core Values

Bank Asia plays an intermediary role between economic development and conservation of the environment.

Bank's vision, mission, strategic objective depicted on [page no. 12](#) of this Annual Integrated Report 2023.

2.2 Business Objectives and areas of Business Focus

The Board of Directors of Bank Asia always set business objectives and areas for focus in consistent with market demand. Detail business objectives and areas of business focus depicted on [page no. 130](#) of this Annual Integrated Report.

2.3 Description of strategies to achieve the company's business objectives

Bank Asia always formulate strategies and different action plan in the beginning of the year which are clearly aligned with banks mission, vision and business objectives. Detail strategies to achieve the bank's business objectives depicted on [page no. 128-133](#) of this Annual Integrated Report.

3. AUDIT COMMITTEES

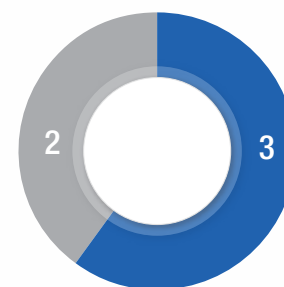
Bank Asia PLC. has established an Audit Committee as a sub-committee of the Board of Directors in accordance with Bangladesh Bank BRPD Circular no. 11 dated Oct. 27, 2013, as well as related notifications and corporate governance codes from the Bangladesh Securities and Exchange Commission.

3.1 Appointment and Composition of Audit Committee

The audit committee of the Board of Bank Asia was established in January 2003 with the objectives of generating a platform for a compliant and secured banking. As per the

BSEC notification no BSEC/ CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, Audit Committee must consists of at least 3 (three) members with 1 (one) Independent Director. All the members of Audit Committee should be selected from Directors and the Chairman must be an Independent Director.

Bank Asia's Audit Committee consists of 5 (five) members. All of them are non-executive directors from whom 3 of them are Independent Directors and the Company Secretary of the bank is the secretary of the Audit Committee. Mr. Dilwar H Choudhury, the Chairman of the audit committee is an Independent Director and all the members are knowledgeable in financial industry and have long experience in banking industry. More information about members of Audit Committee is available in the Director's Profile Page.



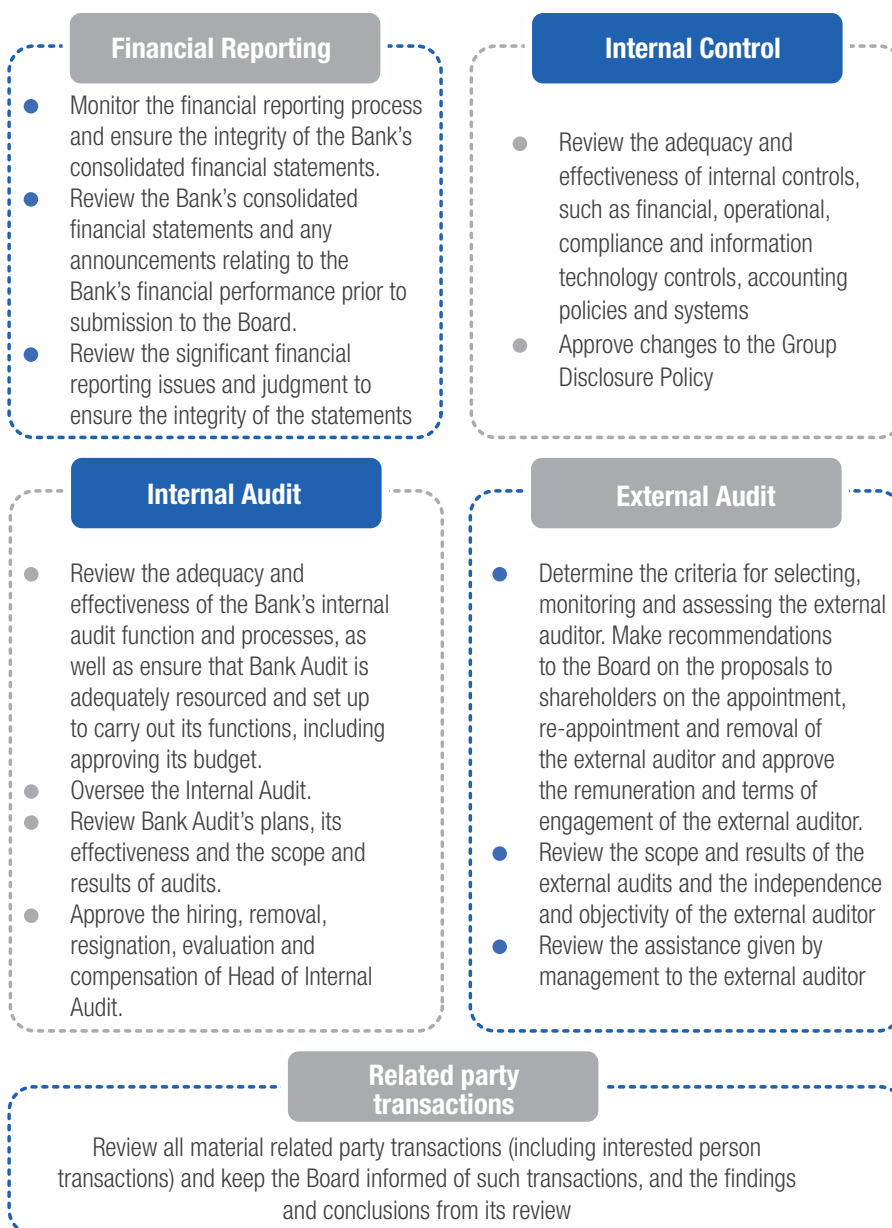
Composition of Audit Committee

- Total No. of Non Executive Independent Directors
- Total No. of Non Executive Directors

3.1.1 Chairman of the Audit Committee – an Independent Director

Mr. Dilwar H Choudhury, the Chairman of the Audit Committee is an Independent Non – Executive Director. He is a renowned banker and former Managing Director of IFIC Bank with having 4 decades of banking experience. More information about him is available in the Director's Profile [Page no. 29](#) in Annual Integrated Report 2023.

3.1.2 Terms of Reference – Audit Committee



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The Audit Committee has authority to investigate any matter within its terms of reference and has the full cooperation of and access to Management. It also has direct access to the internal and external auditors, who separately meet with the Audit Committee in the absence of Management at least once in every year. Besides formal meetings, the Audit Committee members meet among themselves and with the Finance team and the internal and external auditors as often as appropriate to be apprised of matters which are under review. Audit reports, findings and recommendations of the internal and external auditors are sent directly to the Audit Committee, independent of Management.

The Audit Committee reviews the quarterly and annual financial statements before recommending them to the Board for approval. In reviewing the financial statements, the Audit Committee assesses the accounting policies and practices applied and any judgment made that may have a significant impact on the financial statements.

3.1.3 Audit Committee comprises of Non-Executive Directors

All the members of the Audit Committee are Non – Executive Directors. No executive of Bank Asia is eligible to become a member of Audit Committee.

3.1.4 All members are suitably qualified and expertise in Finance and Accounting

All members of the audit committee are suitably qualified and all of them have expert knowledge of finance and accounting. All members of Audit Committee are very competent and come from a variety of educational backgrounds which brings a diversity and uniqueness in the committee.

3.1.5 Accessibility of Head of Internal Audit to the meeting of the Audit Committee

The Head of Internal Control and Compliance of Bank Asia PLC. has direct access to the Audit Committee and he can raise any concern whenever required to Audit Committee.

3.1.6 Audit Committee meeting

The Audit Committee conducted 9 (Nine) meetings during the Year 2023. The attendance status of the meeting is given in [page no. 266](#) of the Annual Integrated Report 2023.

The number of Directors required to constitute a quorum is two. Of them one shall be Independent Director and Company Secretary shall act as the secretary of the committee.

3.2 Objectives and Activities of Audit Committee

Audit Committee of the Board has following objectives:

- Integrity of the financial statements and financial reporting systems and matters relating risks;
- External audit engagement, including the external auditor's qualifications, performance, independence and fees;
- Performance of the internal audit function;
- Financial reporting and compliance with prudential regulatory reporting. With reference to the Board Risk & Compliance Committee, this includes an oversight of regulatory and statutory reporting requirements; and
- Procedures for the receipt, retention and treatment of financial complaints, including accounting, internal controls or auditing matters, and the confidential reporting by employees of concerns regarding accounting or auditing matters.

3.2.1 Internal controls are well conceived, properly administered and satisfactorily monitored

The effectiveness of internal controls is continuously reviewed by the Audit Committee to ensure that they are working adequately and effectively. Audit Committee regularly evaluates the adequacy and effectiveness of the Bank's internal control systems by reviewing the actions taken on lapses/ deficiencies identified in reports prepared by Internal Control and Compliance Division. The Audit Committee also reviews ICCD's recommendations and management responses to these recommendations to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

3.2.2 Role to ensure compliance with laws, regulation

Bank Asia puts its best effort to remain compliant according to all banking laws and regulations including the regulatory reporting in due course. Being compliant, Bank Asia focuses to ensure sustainable business in the banking industry.

3.2.3 Audit Committee's involvement in the review of external audit function

Based on the proposal of the Audit Committee, the board of directors recommended MABS & J Partners, Chartered Accountants, a Chartered Accountant firm in Bangladesh to the shareholders in 24th AGM to appoint them as statutory external auditors of the company for 2023. As per BRPD circular, the external auditors have provided their written assurance to the Bank in respect of their independence for FY 2023. In respect of fees, the details of the statutory audit and audit fees incurred for FY 2023 are set out under [Note 42](#) on [page 378](#) of the Annual Report 2023. To ensure full disclosure of matters, the external auditors are regularly invited to attend the Audit Committee meetings as well as general meetings of the Bank.

3.2.4 Selection of appropriate accounting policies

The Board is also assisted by the Audit Committee in overseeing the financial reporting process and the quality of the Bank's financial statements to ensure that the Board dispenses with its fiduciary responsibility to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Bank's financial position, financial performance, and prospects. The Audit Committee is also tasked to review the appropriateness of the accounting policies applied by the Bank as well as the changes in these policies. Based on the Audit Committee's recommendations, the Board also ensures that the Bank's financial statements prepared for each financial year sets out a true and fair view in accordance with Bangladesh Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1994 (amended up to 2020) and Bank Company Act 1991 (amended up to 2023).

3.2.5 Audit Committee involvement in interim financial statements

To comply BSEC Corporate Governance Code dated June 3, 2018, Audit Committee review along the management, the quarterly and half yearly financial statements before submission to the Board for approval.

3.2.6 Review of reliability of the management information used for such computation

The Audit Committee expressed its opinion to the Board on the reliability of management information used to prepare Financial Statements. The Audit Committee reviews the reliability of information used to prepare such computations based on the Internal Audit Function and the Observations of the Statutory Auditor.

4. INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors of Bank Asia believes that internal controls are in place throughout the Bank to ensure compliance with all relevant laws, regulations, and policies, as well as to provide confidence to the public. The Board of Bank Asia is responsible for overseeing that the internal control system and the risk management practices of the Bank are regularly reviewed. This is to ensure that they can meet the changing and challenging environment in which the Bank operates.

4.1 Statement of director’s responsibility to establish appropriate system of Internal Controls

Strong internal control systems can ensure long-term profitability and bank goals and objectives. Additionally, it contributes to compliance with rules, regulations, and policies as well as minimizing financial and reputational losses.

In order to ensure efficiency, effectiveness, reliability, timeliness, completeness, and compliance with applicable laws and regulations, the Board of Directors recognizes their responsibility for the Bank’s internal control systems. Bank Asia follows the Bank Company Act, 1991 (amended to 2023) Section 15 (kha) & (ga) that provides for the Board of Directors to establish policies for the bank company, as well as for the management of risk, internal controls, and compliance to ensure that these policies are implemented.

4.2 Key features of Internal Control system and the monitoring techniques

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:



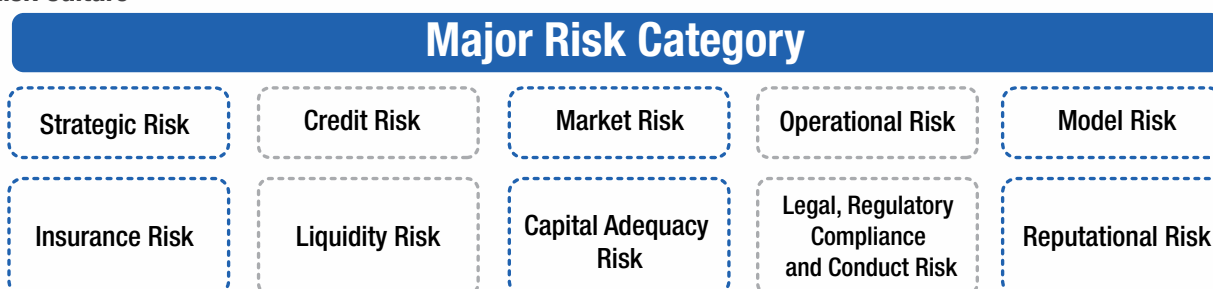
4.3 Directors have reviewed the adequacy of the system of internal controls

Based on the internal controls established and maintained by the Bank, work performed by internal and external auditors, reviews performed by management and various Board Committees as well as with CEO and CFO assurance, the Board, with the concurrence of the Audit Committee, is of the opinion that the Bank’s internal controls adequate and effective as at 31 December 2023 to address financial, operational, compliance risks and information technology risks which the Bank considers relevant and material to its operations. Details are in [page no 246](#).

4.4 Identification of key risk Bank is exposed to both internally and externally

The Bank’s Risk Inventory sets out the Bank’s major risk categories and related subcategories to which the Bank’s businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification and is the starting point in developing risk management strategies and processes. The Bank’s major risk categories are: Strategic Risk; Credit Risk; Market Risk; Operational Risk; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Legal, Regulatory Compliance and Conduct Risk; and Reputational Risk.

4.4.1 Risk Culture



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Risk culture at the Bank is based on the firm commitments of its Board of Directors, Chief Executive Officer (CEO), and Senior Management Team (SMT), as well as its vision, purpose, and shared commitments, which establish a “tone at the top”. During the implementation of these governing objectives, the Bank seeks to foster the behaviors of its employees, so that a culture is developed where the only risks taken by employees are those that can be understood and managed by them. It is the Bank’s risk culture that promotes accountability, and learning from past experiences. In addition, it promotes open communication and transparency about the Bank’s risk-taking practices on all levels.

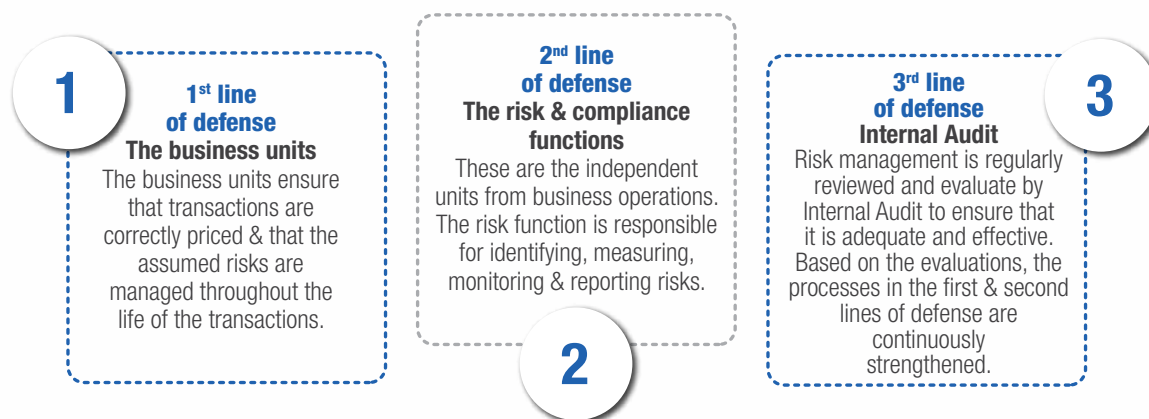
4.4.2 Risk Governance

There is a Risk Management Committee which is the highest decision-making body in terms of risk management in the organization. In order to manage the risks inherent in the operations level, this department is responsible for establishing, approving, and managing risk policies as well as master risk management plans.

In order to manage all possible risks comprehensively and systemically, the company has put in place and operates an advanced control system. It is the responsibility of the Board of Directors (BoD) of Bank Asia PLC. to develop and implement the appropriate environment and systems for managing risks as part of the company’s business strategy, as well as delegate some of its risk management authority and responsibilities to the Risk Management Committee.

4.4.3 Risk Management

The Risk Management function, headed by the Chief Risk Officer (CRO), provides independent oversight of enterprise-wide risk management, risk governance, and control including the setting of risk strategy and policy to manage risk in alignment with the Bank’s risk appetite and business strategy. Risk Management’s primary objective is to support a comprehensive and proactive approach to risk management that promotes a strong



risk culture. Risk Management works with the business segments and other corporate oversight functions to establish policies, standards, and limits that align with the Bank’s risk appetite and monitors and reports on existing and emerging risks and compliance with the Bank’s risk appetite.

4.4.4 Cyber and Information Risk

Cyber and information risks are increasing in pace with rapid technological development and the increased use of data in the banking industry. These risks involve not only technology but people, processes, systems, culture and physical surroundings and their complex nature means they are more challenging to assess and mitigate than traditional operational risks. The bank invests continuously in its security, and regular technical security updates and upgrades of systems and platforms are prioritized in order to strengthen resilience. During the year focus was on further strengthening governance and the framework for cyber and information security risk management.

4.4.5 IT Governance

Information Technology Governance forms an integral part of the Bank Asia Corporate Governance. It deals primarily with optimizing the linkage between Strategic Direction and Information Systems Management of the Bank. In this regard, implementation of the organizational structure with well-defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for our shareholders while mitigating the risks associated with incorrect deployment and use of Information Technology.

4.5 Strategies adopted by Bank Asia to manage and mitigate the risks

Bank Asia always pursues the industry’s highest asset soundness level. To achieve this, Bank Asia always focuses on strengthening its crisis management ability in preparation for any spike of uncertainty in global financial markets and economic downside risks. Bank Asia plans to bolster weaknesses in certain sectors, while preemptively responding to the toughening of different regulations and other changes in the business environments at home and abroad. Bank Asia is able to manage the growth of loan assets up to a level where stable capital adequacy can be maintained. We also pursue an adequate degree of profitability based on risk tolerance level and manage exposures by size, industry, and product, in order to reduce credit concentration risks and balance our loan portfolio. Asset soundness is managed through the continued improvement of credit evaluation systems and loan screening processes. In particular, high-risk loans are managed through the identification of borrowers at potential risk based on a systematic credit risk assessment employing early-warning systems and regular or irregular auditing of borrowers’ credit standing. However, details of the risk management strategies are described in [page no. 150-163](#) of this Annual Integrated Report 2023.

5. ETHICS AND COMPLIANCE

In order to build trust between Bank Asia and different stakeholders, corporate integrity, ethical conduct, and accountability are fundamental requirements. The corporate culture of Bank Asia is embedded in its commitment to maintaining and upholding the highest standards of corporate governance, integrity, and ethical conduct, which is an integral part of the Bank’s corporate governance processes.

5.1 Disclosure of statement of Ethics and values

Our Code provides a set of guiding principles to assist us in making the right decisions, ensuring as a Financial Institution we uphold the reputation of our institution as a compliant institution. Bank Asia's employees are committed to creating greater accountability, transparency, and trust with customers and the broader community. All employees of the Bank are committed to complying with the Code, which is fully supported by the Board and Senior Management. The complete Code of Conduct is available on [page no. 13 & 15](#) of the Annual Integrated Report 2023. It is designed to ensure that the Bank maintains high standards of corporate governance, integrity, and ethical conduct, which are integral to its corporate governance practices.

5.2 Dissemination of the statement of ethics and Business Practice

Bank Asia, as a custodian of public funds, has a responsibility to safeguard its integrity and credibility. Therefore, Bank Asia sets out clearly the code of ethics and conduct for its employees. The code stipulates the sound principles that will guide all employees in discharging their duties. It sets out the standards of good banking practice. For any new conduct related issues, Human Resources Division time to time circulate it to the employees of Bank Asia.

5.2.1 Board's commitment to establishing high level of ethics and compliance

Bank Asia's Board of Directors has always been committed to establishing a high level of ethics and compliance among all employees of the Bank. The Board of Directors always encourages management so that every employee maintains a high ethical standard. The Board of Bank Asia also acknowledges its responsibility for ensuring that the bank's business activities are conducted in accordance with the highest standard of ethics and compliance.

5.2.2 Business Ethics and Practices for Employees

Bank Asia's employees have always been committed to uphold the highest standard of ethics and compliance according to the Bank's policy.

5.3 Board's commitment to establishing high level of ethics and compliance

Bank Asia's Board of Directors has always been committed to establishing a high level of ethics and compliance among all employees of the Bank. Board of Directors always encouraged management so that every employee maintains a high ethical standard. The Board of Bank Asia also acknowledge its responsibility for ensuring that the bank's business activities are conducted in accordance with the highest standard of ethics and compliance.

5.4 Establishment of Anti-Fraud program and whistle Banking Policy

5.4.1 Whistle- blowing policy

The Bank has in place a whistle-blowing policy which encourages all staff and members to raise genuine concerns or suspicions about possible improprieties in accounting, auditing, financial reporting or any other fraudulent activities. Procedures for handling of feedback/complaints received from customers and independent investigations to be conducted have been established.

5.4.2 Establishment of effective anti-fraud program and controls

The anti-fraud program helps Bank Asia to support its commitment to protecting revenue, reputation and other assets. Bank Asia established anti-fraud and anti-corruption program for the employee by conducting different trainings.

5.4.3 Accountability

The Board provides shareholders with quarterly and annual financial results. In presenting these statements, the Board aims to provide shareholders with a balanced and understandable assessment of the Bank's performance and position with a commentary at the date of announcement of the competitive conditions within the industry in which it operates. The Management provides all directors periodically with accounts and detailed reports on the Bank's financial performance and related matters prior to each Board meeting. The directors may at any time seek further information from and discuss with the Management on the Bank's operations and performance. Compliance Department with direct reporting line to the Risk Management Committee is set up to ensure compliance with legislative and regulatory requirements. The Board believes in conducting itself in ways that will deliver maximum sustainable value to all shareholders.

5.4.4 Avoiding conflict of interest

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

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

5.4.5 Related Party Transaction

The Bank has in place policies and procedures governing related party transactions. The Board approves all related party transactions and ensures that these transactions with the Company are undertaken on an arm's length basis. The Audit Committee reviewed all material related party transactions and kept the Board informed of such transactions. During the year, the Company had collected deposits from its Directors and their related parties. No preferential treatment had been extended to the Directors and their related parties for these deposits. Details are given in [page no. 378](#) of this AIR 2023

CORPORATE GOVERNANCE

5.4.6 Confidential Information

Bank Asia is committed to making information about its operation available to the public. Though there are some price sensitive information are related with the operation of the Bank. Until an announcement in relation to such information is made, directors and all employees of the Bank must ensure that such information is kept strictly confidential.

5.4.7 Insider Trading

Insider trading is the trading of a public company's stock or other securities (such as bonds or stock options) by individuals with access to nonpublic information about the company. The reason insider trading is illegal is because it gives the insider an unfair advantage in the market, puts the interests of the insider above those to whom he or she owes a fiduciary duty, and allows an insider to artificially influence the value of a company's stocks. The Board member shall also not pass such information to someone who buy or sell securities. Accordingly, Bank Asia's Board designed the Code of Conduct for all the members of the Board and abide by the code of integrity and good governance in line with the National Integrity Strategy of Bangladesh.

5.5 Code of Conduct for Employees

Bank Asia believes in working and growing together to deliver utmost satisfaction to customers in terms of service by inducing fellow feeling in the workplace and upholding ethics and compliance. The detailed code of conduct of employees is illustrated in [page no. 13](#) of Integrated Annual Report 2023.

6. REMUNERATION COMMITTEE

6.1 Charter of Remuneration Committee

As per Bangladesh Bank BRPD Circular no. 11 dated October 27, 2013, every bank has to form three committees in addition to the Board of Directors i.e. 1 (one) executive committee, 1(one) audit committee and 1(one) risk management committee. The mentioned circular is also restricted to form any other permanent, temporary or sub- committee except the above mentioned three committees. As such, the Bank did not form any remuneration committee or other board committee on a permanent basis. Board has approved a policy for yearly remuneration increase for its staff and acknowledgement of performing employees. Accordingly, management has placed policy before the board on a regular basis.

6.2 Composition of Remuneration Committee

At the management level, the Managing Director, Head of the Human Resources Division, and Chief Financial Officer are charged with governance of compensation and remuneration. In most cases, they make a proposal to the Board that is reviewed and validated by a special policy committee of the Board. After incorporating their recommendations, compensation/remuneration decisions are approved by the Board. The main work includes presenting recommendations to the Board regarding remuneration, Management compensation packages, incentive schemes, and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance-based compensation by ensuring effective remuneration policies; procedures and practices aligned with the Banks' strategy and applied consistently for all employee levels. On a need basis, the Managing Director, Senior Management, Head of the Human Resources Division, and Chief Financial Officer meet to oversee the remuneration policy.

6.3 Key policies with regard to remuneration of directors, senior management and employees

6.3.1 Key policies with regard to remuneration of directors

With reference from Bangladesh Bank Circular directors are only entitled to the remuneration for attending the meeting of the board and its sub-committee. For attending the Board Meeting, Audit Committee Meeting, Executive Committee Meeting and Risk Management Committee Meeting, the Directors receive an honorarium. Details of remuneration of directors are included in [page No. 373](#) of AIR 2023.

6.3.2 Key policies with regard to remuneration of senior management and employees

The remuneration of senior management is market oriented in order to attract and motivate skilled employees. The total remuneration package to senior management includes basic pay, allowance, retirement benefits(Gratuity and Provident Fund) and other benefits as per bank's policy. Executives are also paid a yearly performance bonus determined based on the performance of the company and executive's personal area of responsibility and yearly established target.

6.4 Number of meeting of Remuneration Committee

For finalization of the salary and increment several meetings of the HR committee were held in 2023.

6.5 Remuneration of directors, chairman, chief executives and senior executives

6.5.1 Chairman and directors

During 2023, the expenditures incurred related to directors were Tk. 3,776,000 for Directors' honorarium. Details are in [page no. 373](#).

6.5.2 Managing Director

Total remuneration to Managing Director for the year 2023 is Tk. 13,510,000 and in the year 2022 it was Tk. 18,854,125. Details are in [page no. 373](#).

6.5.3 Remuneration of Senior Executives

Bank Asia set remuneration policy and always update it accordingly. Remuneration for senior executives in market-based and competitive in order to attract, motivate and retain skilled and competent employees.

7. HUMAN CAPITAL

Training, development, health, and support are always regarded by Bank Asia as investments, not expenses. As a value-driven organization, Bank Asia views its employees as the most valuable capital that contributes to realizing the bank's mission, vision, goals, and objectives.

7.1 Human Resource Policy

The Human Resource policy of Bank Asia serves as a baseline with clarity on the philosophy and principles for Human Resource Management Policy and Development in Bank Asia. It incorporates key principles and philosophies that support Bank Asia's Mission and Vision. The Human Resource Policy consists of a set of policies and guidelines that governs all aspects of human resource management, from talent acquisition and development,

performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labor laws and employment regulations.

Detail of Human Resource related activities are included in [page no. 224-227](#) of this AIR 2023.

7.1.1 Talent Management

Bank Asia is a responsible employer that believes in the welfare of its employees and focuses on their career trajectory so it encourages its employees to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their roles effectively, including by participating in workshops held throughout the year, attending relevant site visits and undertaking relevant external education.

7.1.2 SUCCESSION PLANNING

For the recruitment and selection process of potential candidates, it is important to review Bank Asia's Talent Pool and secure the curricula vitae of prospective candidates discreetly from various internal and external sources to ensure that the Bank Asia always has a steady pool of talent for selection whenever there is a need to appoint employees. Relevant training and exposure is provided to its employees to prepare them for a higher role so that in-house employees are prioritized and included throughout the growth of the organization.

7.1.3 Performance Review

Bank Asia believes that the performance of its employees should be reassessed from time to time to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skillset of its employees would be well suited to meet the demands of the ever-changing financial industry. Some key metrics are in place to evaluate the performance of the employees which include: meeting financial target, increasing customer base, punctuality and presence etc.

7.2 Human Resource Accounting

Human Resource accounting is the process of recognizing the value of a company's investment to its employees and reporting the investments in the balance sheet which is currently accounted as a simple operational expense in the traditional accounting practices that dealt with only physical asset creation. Unlike this traditional concept, in HR accounting the investments made in human resources are viewed as a capital expenditure because of the benefits that can be enjoyed for a long period of time and measured in monetary terms. HR accounting provides valuable information to the investors who are interested to make long term investment in the company.

7.3 Organizational Chart

Bank Asia's organizational chart outlines the internal structure of the Company. It emphasizes on the roles, responsibilities and relationships between individuals within the Company. It is used to illustrate the structure of Bank Asia as a whole as well as the Company segregated by divisions and departments

The organizational chart is shown on [page no. 19](#) of this annual integrated report.

8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

Bank Asia always acknowledges the importance of an effective, transparent and regular communication with its stakeholders, institutional investors to provide a clear picture of the Bank's performance and position. Bank Asia is always committed in maintaining high standards in the dissemination of relevant and material information to its all stakeholders.

8.1 Strategy to facilitate effective communication with shareholder and other stakeholders

8.1.1 Communication through quarterly/annual report

Bank Asia's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with stakeholders. Quarterly unaudited financial results and the annual audited financial statements of the Bank are published in the newspaper and other electronic means to make communication with the stakeholders

8.1.2 Communication through AGM

Bank Asia treats all shareholders fairly and equitably and discloses all material information relating to the Bank in a timely manner. The Bank encourages and supports shareholder attendance at general meetings and participation in decisions concerning key corporate changes, such as any amendment to the Bank's Constitution and the authority to issue ordinary shares. A notice of a general meeting, related information and a proxy form are sent to shareholders within the statutory timeline of at least 21 days before the meeting. The notice of meeting is also advertised in two widely-read newspapers. In addition, the notice and the proxy form are published on the Bank Asia's website.

8.1.3 Communication through Digital Platform

Bank's corporate website <https://www.bankasia-bd.com/>, facebook page provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information of the Bank. Bank also ensure on time disclosures as required by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC).

8.1.4 Communication through newspaper & TV media

Bank Asia PLC. publishes its Price Sensitive Information (PSI), awareness campaigns, award giving ceremonies through newspaper and TV media.

8.2 Policy on ensuring participation of Shareholders in AGM

Bank Asia's AGM is another significant avenue of communication and dialogue with shareholders in general meeting. During AGM the Board as well as management present a comprehensive review of the bank's performance as well as current developments or update on the Bank.

The Bank strongly encourages and supports shareholder participation at its AGM. The Bank sends out the Notice at least 21 days before the AGM which provide ample time for shareholders to receive and review the Notice and reply with their attendance. The Bank holds the AGM at a central location with convenient access to public transportation. A registered shareholder who is unable to attend may choose to appoint one proxy to attend and vote on his behalf. As the authentication of shareholder identity information and the integrity of the information transmitted still remain a concern, the Bank has decided, for the time being, not to implement voting in absentia by mail, email or fax. Shareholders are allowed to speak in the AGM freely to give their valuable suggestions.

CORPORATE GOVERNANCE

8.2.1 Uphold Shareholder Right

Bank Asia advocates fair and equitable treatment to all shareholders. All price-sensitive information is timely disclosed publicly. Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders and they are informed of the rules, including voting rights and procedure that governs such general meetings of shareholders. Shareholders are entitled to attend and vote at the AGM by person or proxy.

8.2.2 Redressed of Shareholders Complaints

Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, and dividend timely and other share related matter is resolved lawfully in time. Details are included in [page no. 238-239](#) of this AIR 2023.

9. ENVIRONMENT AND SOCIAL OBLIGATION

9.1 Policies and practices relating to social and environmental responsibility of Bank Asia PLC.

As part of Bank Asia's responsibility to give back to society, it is always committed to advocating the practice of good environmental practices. As part of its CSR program, Bank Asia carefully planned activities to support the varying social needs of the community and to stimulate the involvement of employees in the program. General description of Bank's policies and practices relating to social and environmental responsibility of Bank Asia PLC. are described in [page no. 214-217, 228-233](#).

9.1.1 Policies and Practices relating to Social Responsibility of Bank Asia PLC.

The importance of doing things for the betterment of society has always been one of the foundations of what we do as responsible corporate citizens. BANK ASIA places a high priority on social values that will benefit the citizens of the country in the long run. As part of the program, it supports healthcare, education, arts, and culture for disadvantaged segments of the population.

9.1.2 Policies and Practices relating to Environmental Responsibility of Bank Asia PLC.

For a safe, resilient, and sustainable environment for the people of the country in times of adversity and disaster, as well as to support the people of the country in rebuilding their lives and livelihoods, Bank Asia provides support to the society under disaster management and infrastructure development programs.

9.2 Bank Asia's Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices

Bank Asia as a socially committed organization has taken several initiatives related with social and environmental responsibilities. It plays an active role in making a sustainable and green economy. Bank Asia as a socially committed organization has taken several initiatives related with social and environmental responsibilities which are described in [page no. 230-233](#) of this AIR 2023.

9.2.1 Activities Undertaken on Social Responsibility

As a responsible corporate citizen we understand the need to invest in the society we operate in for bringing about challenges that impact lives in positive ways. Keeping this thing in mind, Bank Asia spent an overall Tk. 326 million. Bank Asia donated-

- Tk.226 million in health sector
- Tk.40 million on environment & climate change
- Tk.32 million on disaster management
- Tk.15.89 million on education sector
- Tk.10 million on Sports & cultural sector

9.2.2 Activities Undertaken on Environmental Responsibility

Bank Asia's Sustainable Finance Unit has restructured and expanded in order to promote green initiatives within the institution and to make Bank Asia a greener bank. Over the last few years, the company has been working to improve energy efficiency throughout its network of banking centers, reducing costs as well as reducing emissions, consumption, and waste in the process, which are described in [page no. 228-233](#) of this AIR 2023.

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

9.3 Sustainability Reporting

Bank Asia is the first Bank in Bangladesh which has the pride to publish GRI Certified Sustainability Report. Since 2012 Bank Asia has been publishing Sustainability Report as per GRI standard content index. Sustainability Reporting discloses how business impacts are the social, environmental and economic aspect of the surroundings. It also includes the aspect of Corporate Governance with importance.

Like the previous year, Bank Asia has published Sustainability Report and awarded 'Silver Rank' in Asia Sustainability Reporting Rating 2022 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for sustainability report 2021.

In 2023, Bank Asia published sustainability report 2022 by addressing a serious issue 'Air Pollution'. Details of this report are available in Bank's website.



CERTIFICATE AND COMPLIANCE CHECKLIST

Certificate on compliance of Corporate Governance Certificate from professional accountant on compliance of corporate governance is exhibited in [page no. 107](#) of the Annual Integrated Report 2023.

BSEC compliance for Chief Executive Officer and Chief Financial Officer's Statements of Responsibilities

Chief Executive Officers and Chief Financial Officer Statement in line with BSEC notification is given in [page no. 247](#).

Status of compliance in line with Bangladesh Securities and Exchange Commission (BSEC) regulation

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 and notification no. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969: (Report under Condition No. 7.00) is exhibited in a separate segment [page no. 273-282](#).

Status of compliance in line with Bangladesh Bank regulation

Status of compliance in line with Bangladesh Bank regulation is given in [page no. 285-295](#).



Bank Asia PLC. in association with Bangladesh Financial Intelligence Unit (BFIU) has arranged an awareness program on 'Prevention of Money Laundering & Terrorist Financing' for the Board of Directors and the Senior Management Team

CORPORATE GOVERNANCE

Committee Meeting

Board meeting held in 2023

Statement of Board meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023 : 28

SI No.	Name	Total Board meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. Romo Rouf Chowdhury	28	28	0	
2.	Mr. Mohd. Safwan Choudhury	28	11	17	
3.	Ms. Zakia Rouf Chowdhury	17	13	4	She was appointed on 20.06.23
4.	Mr. A. Rouf Chowdhury	28	0	1	He died on 18.02.2023
5.	Mr. Rume A Hossain	28	27	1	
6.	Mr. M. A. Baqui Khalily	28	21	7	
7.	Ms. Hosneara Sinha	28	0	28	
8.	Ms. Naheed Akhter Sinha	7	0	7	Upto 30.04.2023
9.	Ms. Romana Rouf Chowdhury	28	20	8	
10.	Mr. Ashraful Haq Chowdhury	28	23	5	
11.	Mr. Dilwar H Choudhury	28	26	2	
12.	Ms. Tania Nusrat Zaman	5	5	0	The directorship was ceased on 04.04.2023.
13.	Mr. Enam Chowdhury	28	27	1	
14.	Ms. Farhana Haq	28	3	25	
15.	Mr. Md. Abul Quasem	28	27	1	
16.	Mr. Helal Ahmed Chowdhury	28	27	1	
17.	Mr. Nafees Khundker	28	19	9	

The Board has granted leave of absence against the absentee directors of the meeting.

Executive Committee (EC) meeting held in 2023

Statement of Executive Committee (EC) meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 41

SI No.	Name	Total EC meeting held	No. of meeting Attended	No. of meeting absent	Remarks
1.	Mr. Rume A Hossain	41	41	0	
2.	Mr. A Rouf Chowdhury	6	0	6	He died on 18.02.2023
3.	Mr. Romo Rouf Chowdhury	41	1	40	
4.	Ms. Romana Rouf Chowdhury	41	32	9	
5.	Mr. Enam Chowdhury	41	36	5	
6.	Mr. Md. Abul Quasem	41	40	1	
7.	Mr. Helal Ahmed Chowdhury	41	39	2	

The EC has granted leave of absence against the absentee directors of the meeting.

Audit Committee (AC) meeting held in 2023

Statement of Audit Committee meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 9

SI No.	Name	Total Audit meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. Dilwar H Choudhury	9	8	1	
2.	Mr. Mohd. Safwan Choudhury	9	8	1	
3.	Mr. Ashraful Haq Chowdhury	9	9	0	
4.	Mr. Nafees Khundker	6	4	2	
5.	Mr. M. A. Baqui Khalily	9	8	1	
6.	Ms. Tania Nusrat Zaman	2	2	0	The directorship was ceased on 04.04.2023.

The Audit Committee has granted leave of absence against the absentee directors of the meeting.

Risk Management Committee meeting held in 2023

Statement of Risk Management Committee meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 6

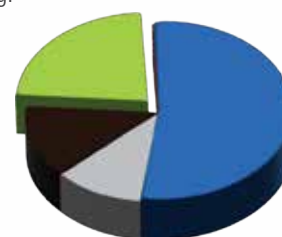
SI No.	Name	Total Board meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. M. A. Baqui Khalily	6	6	0	
2.	Mr. Rume A Hossain	6	6	0	
3.	Ms. Romana Rouf Chowdhury	6	5	1	
4.	Mr. Enam Chowdhury	6	4	2	
5.	Mr. Nafees Khundker	3	2	1	From 30.04.2023
6	Ms. Tania Nusrat Zaman	3	3	0	The directorship was ceased on 04.04.2023.

The Risk Management Committee has granted leave of absence against the absentee directors of the meeting.

Shareholding Structure

At the end of the year 2023, the shareholding structure of Bank Asia PLC. was as follows:

Category	No. of shareholders as on 31-12-2023	" Total No. of shares as on 31-12-2023 "	"% of total holdings as on 31-12-2023"
Sponsors & Directors	26	621,477,148	53.30
General Public	6,804	123,148,457	10.56
Foreign Investments	1	1,873,927	0.16
Investment Companies	68	148,291,676	12.72
Institutions	161	270,404,806	23.19
Non Resident Bangladeshi	45	710,846	0.06
Total	7,105	1,165,906,860	100.00



Share Holding Structure

Sponsor & Director **53%**
 General Public **11%**
 Foreign Investments **0.16%**
 Investment Companies **13%**
 Institutions **23%**
 Non Resident Bangladeshi **0.06%**

Classification of shareholders by holding as on 31.12.2023

Holding	"No. of shareholders as on 31-12-2023"	" % of total holdings as on 31-12-2023 "	Shares
less than 5000	5,506	0.50	5,866,187
5000 to 50000	1,282	1.54	17,926,249
50001 to 100000	93	0.58	6,729,711
100001 to 200000	46	0.56	6,550,608
200001 to 300000	17	0.36	4,233,061
300001 to 400000	17	0.51	5,967,537
400001 to 500000	7	0.27	3,164,015
500001 to 1000000	34	2.06	23,968,578
1000001 to 10000000	75	23.41	272,942,836
over 10000000	28	70.21	818,558,078
TOTAL	7,105	100.00	1,165,906,860

Pattern of Shareholding

Breakup of shareholding pattern as per clause 1.5 (xxi) of Bangladesh Securities and Exchange Commission notification no. SEC/CMRRC/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969, is as follows:

a) Parent/Subsidiary/Associated companies and other related parties (name wise details):

SI No.	Name of the Company	Shareholding Structure
1	Bank Asia Securities Limited	99.997% owned by Bank Asia
2	BA Exchange Company (UK) Limited	100% owned by Bank Asia
3	BA Express USA Inc.	100% owned by Bank Asia

CORPORATE GOVERNANCE

b) Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and their spouse and minor children (name wise details):

SI. No.	Name of The Directors	NO. OF SHARES HELD AS ON 31-12-2023
1	MR. ROMO ROUF CHOWDHURY	23,323,746
2	"MR.MOHD.SAFWAN CHOUDHURY (REPRESENTING PHULBARI TEA ESTATES LTD.)"	45,666,246
3	"MS. ZAKIA ROUF CHOWDHURY (REPRESENTING AMIRAN GENERATIONS LIMITED)"	47,558,630
4	MR. RUMEE A. HOSSAIN	36,216,554
5	MS. HOSNEARA SINHA AND HER SPOUSE	61,981,738
6	"MS. ROMANA ROUF CHOWDHURY (REPRESENTING MAYA LIMITED)"	41,679,196
7	MS. FARHANA HAQ	58,230,519
8	"MR.ENAM CHOWDHURY (REPRESENTING ZEST POLYMERS LIMITED)"	25,959,122
9	MR. NAFEEES KHUNDKER AND HIS SPOUSE	48,103,618
10	"MR. DILWAR H CHOUDHURY (INDEPENDENT DIRECTOR)"	NIL
11	"MR. ASHRAFUL HAQ CHOWDHURY (INDEPENDENT DIRECTOR)"	NIL
12	"MR. MD. ABUL QUASEM (INDEPENDENT DIRECTOR)"	NIL
13	"MR. M. A. BAQUI KHALILY (INDEPENDENT DIRECTOR)"	NIL
14	"MR. HELAL AHMED CHOWDHURY (INDEPENDENT DIRECTOR)"	NIL
Total		388,719,369

b.1) Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and their spouse

1	CHIEF EXECUTIVE OFFICER	NIL
2	COMPANY SECRETARY	NIL
3	CHIEF FINANCIAL OFFICER	NIL
4	HEAD OF ICCD	NIL

c) Executives

1	MR. SHAFIUZZAMAN	NIL
2	MR. ABU NAYEEM MOHAMMAD MAHFUZ	NIL
3	MR. MD. SAZZAD HOSSAIN	25,000
4	MR. ALAMGIR HOSSAIN AND HIS SPOUSE	26,327
5	MR. AREQUL AREFEEN	NIL

Shareholders holding ten percent (10%) or more voting interest in the company: Nil

BANK ASIA DIVIDEND DISTRIBUTION POLICY

Bank Asia PLC. has formulated a dividend distribution policy in line with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

DISTRIBUTION TIME

Bank Asia PLC. shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval. Provided that interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

CASH DIVIDEND

Cash dividend shall be distributed in the following manner and procedures, namely:-

i) Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Bank Asia PLC., dedicated for this purpose;

ii) Bank Asia PLC. shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that Bank Asia PLC. may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

iii) Bank Asia PLC., upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to Bank Asia PLC. for such claim;

iv) Bank Asia PLC., in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;

v) Bank Asia PLC. shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

vi) Bank Asia PLC., immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;

vii) Bank Asia PLC. shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that Bank Asia PLC. shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of Bank Asia PLC. as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

STOCK DIVIDEND

Bank Asia PLC. shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

Bank Asia PLC., the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares:

Provided that Bank Asia PLC. shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

a) Bank Asia PLC. shall send at least 3 (three) reminders to the entitled shareholder;

b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to Bank Asia PLC.:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

c) Bank Asia PLC. shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);

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- d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

COMPLIANCE REPORT REGARDING DIVIDEND DISTRIBUTION

Bank Asia PLC. shall submit a compliance report to the BSEC and the exchange(s) in a specified format at Annexure-A within 7 (seven) working days of completion of dividend distribution:

Provided that Bank Asia PLC. shall publish the compliance report in its website.

FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

Bank Asia PLC. shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED CASH DIVIDEND

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by Bank Asia PLC. to the Fund as directed or prescribed by the BSEC:

Provided that Bank Asia PLC. shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, Bank Asia PLC. shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED STOCK DIVIDEND

If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned above:

Provided that Bank Asia PLC. shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, Bank Asia PLC. shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

MAINTAINING DETAIL INFORMATION OF THE SHAREHOLDER FOR THE PURPOSE OF PROPER DISTRIBUTION OF CASH DIVIDEND OR STOCK DIVIDEND

Bank Asia PLC., by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that Bank Asia PLC. or its agent or the CDBL or its DP shall keep confidentiality of information:

Provided further that Bank Asia PLC. shall collect detailed updated information on BO account, bank account, mobile number, email address and contact address of shareholder from the CDBL from time to time when needed for the purpose of proper distribution cash dividend or stock dividend and other compliances:

In case of holding paper shares, Bank Asia PLC. shall update the information at least once in a year.

DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report and official website.

Statement of Unclaimed Dividend & Right Shares

as on Dec. 31, 2023

Cash Dividend

SL. No.	Year	Amount in Tk.
1	CASH DIVIDEND FOR THE YEAR 2005	528,594.30
2	CASH DIVIDEND FOR THE YEAR 2014	1,632,195.10
3	CASH DIVIDEND FOR THE YEAR 2015	3,512,889.41
4	CASH DIVIDEND FOR THE YEAR 2018	2,923,830.73
5	CASH DIVIDEND FOR THE YEAR 2019	5,785,211.70
6	CASH DIVIDEND FOR THE YEAR 2020	10,895,798.60
7	CASH DIVIDEND FOR THE YEAR 2021	13,383,703.19
8	CASH DIVIDEND FOR THE YEAR 2022	14,351,356.37
TOTAL		53,013,579.40

Stock Dividend

SL. No	Year	No. of Shares
1	Bank Asia PLC. BONUS-2006	139,170
2	Bank Asia PLC. BONUS-2007	117,650
3	Bank Asia PLC. BONUS-2008	234,350
4	Bank Asia PLC. BONUS-2009	500,860
5	Bank Asia PLC. BONUS-2010	675,970
6	Bank Asia PLC. BONUS-2011	496,182
7	Bank Asia PLC. BONUS-2012	315,547
8	Bank Asia PLC. BONUS-2013	325,782
9	Bank Asia PLC. BONUS-2014	360,522
10	Bank Asia PLC. BONUS-2015	198,514
11	Bank Asia PLC. BONUS-2016	500,752
12	Bank Asia PLC. BONUS-2017	636,073
13	Bank Asia PLC. BONUS-2018	270,969
14	Bank Asia PLC. RIGHT-2011	56,010
TOTAL		4,828,351

Dividend Distribution Compliance Report

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021
Annexure-A

1	Name of the Issuer/Securities/Mutual Fund			
2	Particulars of Issuer DP			
3	Type of Dividend (Annual /Interim)	a) Annual <input type="checkbox"/> b) Interim <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
4	Whether audited or not for Interim Dividend	a) Audited <input type="checkbox"/> b) Unaudited <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
5	Date of recommendation of Dividend by the Board of Directors/Trustee: (Enclose copy of PSI)			
6	Whether Dividend recommended other than directors or sponsors or any other classes	a) Yes <input type="checkbox"/>	b) No <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)			
7	Record date for entitlement			
8	Rate of Dividend recommended by the Board of Directors/Trustee			
9	Dividend recommended-Type	a) Cash <input type="checkbox"/> b) Stock <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
10	Securities/mutual fund traded under which categories	(a) A <input type="checkbox"/> (b) B <input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL			
12	Date of approval of Dividend at AGM			
13	Rate of Dividend approved at ACM- details at Annexure, (if any change)			
14	Date of commencement of disbursement of Cash and Stock Dividend			
15	Mode of disbursement of Cash Dividend	a) BEFTN <input type="checkbox"/> b) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)	d) Dividend Warrant <input type="checkbox"/> e) Any other mode <input type="checkbox"/>		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]			
17	Paid-up-capital of the issuer-before corporate action/entitlement	TK-	<input type="checkbox"/>	<input type="checkbox"/>
18	Numbers of securities/shares outstanding-before corporate action/entitlement:			
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration			
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock.(nos)	Annexures

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	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)			
23	Total unpaid/undistributed Dividend/accrued as on 1st day of Accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	e) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	1) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:			
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/ Nos			
27	Grand Total of unpaid/undistributed Dividend (22+26)			
	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance			
	More than 4 years; balance			
28	More than 5 years & above; balance			
	Total of unpaid/undistributed Dividend for previous years			
	(Supporting bank statements and balances of securities with the Depository)			
Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts				
with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation

For the year ended 31st December 2023

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 and subsequent amendment Notification No. BSEC/ CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1	Board of Directors.			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	✓		The Board of Bank Asia is comprised of 15 Directors including Managing Director.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		05 out of 14 directors are appointed as Independent Director
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		Does not hold any share of the Company
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		The Independent Directors have declared their compliances.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		-
1(2)(c)	The independent director(s) shall be appointed by the board and approved by the shareholders in the Annual General Meeting (AGM);	✓		-

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		-
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		-
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association;	-	-	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or bussiness or law;	✓		-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓		-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such deviation occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such event arose
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		-
1(5)(ii)	The Segment-wise or product-wise performance;	✓		-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such event arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓		-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc;			No such event arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		-

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Company has declared 15% Cash dividend.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		-
1(5)(xxiii)(c)	Executives;	✓		-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓		-
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓		-
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			N/A
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company			N/A
2	Governance of Board of Directors of Subsidiary Company,-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		-
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		-
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		-
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		-

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or in violation of the code of conduct for the company's Board or its member;	✓		-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-
4.	Board of Director's Committee.-For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee.			N/A
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		-
5(1)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		-
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		-
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten) years of such experience;	✓		-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		-
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓		-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		-
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	✓		-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		-
5(5)(b)	Monitor choice of accounting policies and principles;	✓		-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		-
5(5)(d)	Oversee hiring and performance of external auditors.	✓		-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		-
5(5)(h)	Review the adequacy of internal audit function;	✓		-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering (RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	-	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		-

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		-
6.	Nomination and remuneration Committee(NRC)-	Bangladesh Bank has issued Circular No. BRPD (R-1) 717 / 2021-5064 dated June 16, 2021 to resolve this.		
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			As per Bangladesh Bank Circular No. BRPD (R-1) 717 / 2021-5064 dated June 16, 2021, for a bank company it is not required to form this. .
6(2)(b)	All member of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of chairperson of the NRC, any member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder,s queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the ceiteria for determining qualifications, positive atteibutes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity,educational background and nationality;			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the ceiteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7.	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	√		-
7 (1) (ii)	Financial information system design and implementation;	√		-
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	√		-
7 (1) (iv)	Broker –dealer services;	√		-
7 (1) (v)	Actuarial services;	√		-
7 (1) (vi)	Internal audit services or special audit services;	√		-
7 (1) (vii)	Any services that the Audit Committee determines;	√		-
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		-
7 (1) (ix)	Any other service that creates conflict of interest	√		-
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold ant shares in the said company:	√		-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		-
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	√		-
8(2)	The company shall keep the website functional from the date of listing.	√		-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	√		-
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		Required certification has been obtained from "M/s. Suraiya Parveen & Associates" Chartered Secretaries for the year ended 31st December 2023.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	-	√	Board recommended the Professional for due appointment by the Shareholders in Upcoming AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		-

Compliance Checklist In Line With the Companies Act, 1994 (amended upto 2020)

The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-

Industry outlook and possible future developments in the industry	a	Discussed in the Directors' report page no. 60-99.
Segment-wise or product-wise performance	b	Discussed in the Directors' report
Risks and concerns	c	"Discussed in a disclosure on Risk Based Capital under Pillar-3 of Basel- III, CRO's report and Risk Management Report."
A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	d	Discussed in Chief Financial Officer's report page no. 296-301.
Discussion on continuity of any Extra-Ordinary Gain or loss	e	The Bank did not make any extra-ordinary Gain or loss in 2023.
Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	f	Given in notes to the financial statements page no. 377
Utilization of proceeds from public issues, rights issues and/or through any others instruments	g	In 2023, the bank did not go for any public issues and right issues
An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	h	"The financial results of the bank was not deteriorated after the company went for Rights Offer."
If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	i	No significant variance occurred between quarterly financial performance and annual financial statements
Remuneration to directors including independent directors	j	Discussed in the Corporate Governance Report page no. 238-293
The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its Operations, cash flows and changes in equity	k	Discussed in Chief Executive Officer and Chief Financial Officer's statement of Responsibilities
Proper books of account of the issuer company have been maintained.	l	"Discussed in Chief Executive Officer and Chief Financial Officer's statement of responsibilities. page no. 245"
Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	m	Discussed in notes to the financial statements page no. 321-377.
International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	n	Discussed in notes to the financial statements page no. 321-377.
The system of internal control is sound in design and has been effectively implemented and monitored	o	The system of internal control is sound in design and has been effectively implemented and monitored. A detailed discussion is given under internal control and compliance part of Directors report.
There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	p	"There are no significant doubts on the Bank's ability to continue as a going concern"

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<p>Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained</p>	<p>q In 2023, the bank achieved an operating profit of Tk. 11,530 million, marking an 8% growth. This upsurge in profitability was underpinned by several factors: notably, a substantial increase in investment income driven by the upward trend in interest rates on Treasury bills and bonds, as well as the optimization of operating expenses. Interest income exhibited a notable growth of 14%, reaching Tk. 23,287 million from Tk. 20,423 million, attributable to the implementation of SMART. However, the escalation in inflationary pressures led to a corresponding rise in interest expenses, amounting to Tk. 17,053 million from Tk. 14,916 million, consequently increasing liability costs. Through efficient fund management practices, the bank successfully augmented the spread to 3.63% in 2023 from 3.27% in 2022.</p> <p>The bank has maintained provisions to strengthen its overall health and mitigate potential future risks, thereby affecting the net profit, which amounted to Tk. 2,395 million, representing a negative growth.</p>
<p>Key operating and financial data of at least preceding 5 (five) years shall be summarized</p>	<p>r Given in separate statements</p>
<p>If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given</p>	<p>s The Bank has been declaring dividend every year.</p>
<p>The number of Board meetings held during the year and attendance by each director shall be disclosed</p>	<p>t "Discussed in the Corporate Governance report and notes to the financial statements"</p>
<p>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-</p> <p>a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives;</p> <p>d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)</p>	<p>u "Discussed in the Corporate Governance page no. 238-293. Report and notes to the financial statements page no. 321-377"</p>
<p>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-</p> <p>a) a brief resume of the director; b) nature of his/her expertise in specific functional areas;</p> <p>c) names of companies in which the person also holds the directorship and the membership of committees of the board</p>	<p>v Discussed in notes to the financial statements and Directors' Profile.</p>

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD)

circular no. 11 dated 27.10.2013)

SI No.	Particulars	Compliance Status
1	<p>FORMATION OF BOARD OF DIRECTORS</p> <p>The newly amended Section 15 of the Bank Company Act, 1991 (Amended upto 2013) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc.</p>	Complied
1.1	<p>Appointment of New directors:</p> <p>Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:</p> <p>a) Personal information of the nominated person (Appendix-ka);</p> <p>b) Nominated person's declaration(Appendix-kha);</p> <p>c) 'Declaration for confidentiality' by the nominated person(Appendix-ga);</p> <p>d) In case of Independent director, the approval letter from Security and Exchange commission;</p> <p>e) In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga);</p> <p>f) CIB report of the nominated person;</p> <p>g) Updated list of the directors.</p>	Complied
1.2	<p>Vacation of office of Director:</p> <p>a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated.</p> <p>b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.</p> <p>c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.</p>	Complied

CORPORATE GOVERNANCE

SI No.	Particulars	Compliance Status
1.3	<p>Removal of Directors from office: According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	N/A
1.4	<p>Appointment of Alternate Director Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p> <ol style="list-style-type: none"> Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank. The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return. Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director. As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board. While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director. 	N/A
2.	<p>DEPOSITOR DIRECTOR As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	N/A
3.	<p>INFORMATION REGARDING DIRECTORS Banks are advised to take the following steps regarding director information: Every bank should keep an updated list of bank directors,</p> <ol style="list-style-type: none"> Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director. Banks should display a list of directors in the website and update it on a regular basis. 	Complied
4.	<p>RESPONSIBILITIES OF THE BOARD OF DIRECTORS</p>	
4.1	<p>Responsibilities and authorities of the board of directors:</p> <p>(a) Work-planning and strategic Management:</p> <ol style="list-style-type: none"> shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans. The board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times. 	Complied

SI No.	Particulars	Compliance Status
	<p>(b) Credit and risk management</p> <p>i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.</p> <p>ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.</p>	Complied
	<p>(c) Internal control management</p> <p>The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	Complied
	<p>(d) Human resources management and development</p> <p>i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p> <p>ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programmes incorporated in its annual work plan.</p> <p>iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.</p>	Complied
	<p>(e) Financial management</p> <p>i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</p> <p>ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.</p> <p>iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied

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SI No.	Particulars	Compliance Status
	<p>(f) Appointment of Chief Executive Officer (CEO) In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.</p>	Complied
	<p>(g) Other responsibilities of the Board The board should follow and comply with the responsibilities assigned by Bangladesh Bank.</p>	Complied
4.2	<p>Meeting of Board Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.</p>	Complied
4.3	<p>Responsibilities of the chairman of the board of directors</p> <p>a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.</p> <p>b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.</p> <p>c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.</p>	Complied
5.	<p>FORMATION OF COMMITTEES FROM THE BOARD OF DIRECTORS The adviser, whatever name called, shall advise the board of directors or the CEO on such issues only for which he is engaged in terms of the conditions of his appointment. He shall neither have access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the bank including financial, administrative or operational affairs.</p>	Complied
5.1	<p>Executive committee Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.</p>	Complied
	<p>a) Organizational structure:</p> <p>i) Members of the committee will be nominated by the board of directors from themselves;</p> <p>ii) The executive committee will comprise of maximum 07 (seven) members;</p> <p>iii) Members may be appointed for a 03 (three)-year term of office;</p> <p>iv) Chairman of the Board of Directors can be the chairman of executive committee;</p> <p>v) Company secretary of the bank will be the secretary of the executive committee.</p>	Complied
	<p>b) Qualifications of the Members:</p> <p>i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</p> <p>ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee;</p> <p>iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.</p>	Complied

SI No.	Particulars	Compliance Status
	<p>c) Roles and Responsibilities of the Executive Committee:</p> <ul style="list-style-type: none"> i) The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations. ii) The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors. iii) All decisions taken in the executive committee should be ratified in the next board meeting. 	Complied
	<p>d) Meetings</p> <ul style="list-style-type: none"> i) The executive committee can sit any time as it may deem fit. ii) The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv) All decisions/observations of the committee should be noted in minutes. 	Complied
5.2	<p>Audit Committee</p> <p>The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.</p>	Complied
	<p>a) Organizational structure:</p> <ul style="list-style-type: none"> i) Members of the committee will be nominated by the board of directors from the directors; ii) The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director; iii) Audit committee will comprise with directors who are not executive committee members; iv) Members may be appointed for a 03 (three) year term of office; v) Company secretary of the bank will be the secretary of the audit committee. 	Complied
	<p>b) Qualifications of the Members:</p> <ul style="list-style-type: none"> i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ; ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. iv) Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee. 	Complied

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SI No.	Particulars	Compliance Status
	c) Roles and Responsibilities of the Audit Committee	
	<i>(i) Internal Control:</i>	
	<ol style="list-style-type: none"> Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management. 	Complied
	<i>(ii) Financial Reporting:</i>	
	<ol style="list-style-type: none"> Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; Discuss with management and the external auditors to review the financial statements before its finalization. 	Complied
	<i>(iii) Internal Audit:</i>	
	<ol style="list-style-type: none"> Audit committee will monitor whether internal audit working independently from the management. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; Examine the efficiency and effectiveness of internal audit function; Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not. 	Complied
	<i>(iv) External Audit:</i>	
	<ol style="list-style-type: none"> Review the performance of the external auditors and their audit reports; Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. Make recommendations to the board regarding the appointment of the external auditors. 	Complied
	<i>(v) Compliance with existing laws and Regulations:</i>	
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.	Complied
	<i>(vi) Other Responsibilities:</i>	
	<ol style="list-style-type: none"> Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; External and internal auditors will submit their related assessment report, if the committee solicit; Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis. 	Complied
	d) Meetings	
	<ol style="list-style-type: none"> The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied

SI No.	Particulars	Compliance Status
5.3	<p>Risk Management Committee To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.</p>	Complied
	<p>a) Organizational Structure</p> <ol style="list-style-type: none"> Members of the committee will be nominated by the board of directors from themselves; The Risk Management Committee will comprise of maximum 05 (five) members; Members may be appointed for a 03 (three) year term of office; Company secretary of the bank will be the secretary of the Risk Management Committee. 	Complied
	<p>b) Qualifications of the Members</p> <ol style="list-style-type: none"> Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
	c) Roles and Responsibilities of the Risk Management Committee	
	<p><i>i) Risk identification & control policy :</i> Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.</p>	Complied
	<p><i>ii) Construction of organizational structure:</i> The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.</p>	Complied
	<p><i>iii) Analysis and approval of Risk Management policy:</i> Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.</p>	Complied

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SI No.	Particulars	Compliance Status
	<p><i>iv) Storage of data & Reporting system:</i> Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.</p>	Complied
	<p><i>v) Monitoring the implementation of overall Risk Management Policy:</i> Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.</p>	Complied
	<p><i>vi) Other responsibilities:</i></p> <ol style="list-style-type: none"> 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee. 	Complied
	<p>d) Meetings</p> <ol style="list-style-type: none"> 1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes. 	Complied
6	<p>TRAINING FOR THE DIRECTORS The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.</p>	Complied
	Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 18 dated 27.10.2013)	
A.	Rules and regulations for appointing CEO	
	<ol style="list-style-type: none"> 1. Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,- <ol style="list-style-type: none"> a) He has not been convicted by any Criminal Court of Law; b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority; c) He was not associated with any such company/organization, registration or license of which has been cancelled. 	Complied
	<ol style="list-style-type: none"> 2. Experience and Suitability: <ol style="list-style-type: none"> a) For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank. b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company; e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive. 	Complied

SI No.	Particulars	Compliance Status
3.	<p>Transparency and Financial Integrity: Before appointment as chief executive, satisfaction should be ensured to the effects that:</p> <p>a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;</p> <p>b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;</p> <p>c) He is not a tax defaulter;</p> <p>d) He has never been adjudicated an insolvent.</p>	Complied
4.	Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5.	Tenure: The tenure of the chief executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.	Complied
6.	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:-</p> <p>a) In fixing the salary and allowances of the chief executive, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b) Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c) Without improving the bank's major economic indicator like- CAMELS annual salary increment will not be payable.</p> <p>d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive.</p> <p>e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.</p> <p>f) The bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.</p>	Complied
7.	Incentive Bonus: Subject to the payment of incentive bonuses to all staffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.	Complied
8.	Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	Complied
9.	Evaluation Report: While reappointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.	Complied
10.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended upto 2013). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.	Complied

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SI No.	Particulars	Compliance Status
11.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.	Complied
B.	<p>Responsibilities and authorities of the CEO</p> <p>The CEO of the bank, whatever name called, shall discharge the responsibilities and affect the authorities as follows:</p> <p>a) In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.</p> <p>b) The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank.</p> <p>c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.</p> <p>d) The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.</p> <p>e) The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.</p> <p>f) The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc.</p>	Complied
Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 19 dated 27.10.2013)		
A	<p>Appointment of Advisor</p> <p>1. Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:</p> <p>a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;</p> <p>b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;</p> <p>c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;</p> <p>d) A person who is working in any bank or financial institution or who has business interest in that bank will not be considered eligible for appointment to the post of advisor;</p> <p>e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court.</p>	N/A
	2. Responsibilities: The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.	N/A
	3. Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	N/A
	4. Remuneration and other facilities: The post of advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	N/A

SI No.	Particulars	Compliance Status
5.	Tenure: The tenure of the advisor shall be maximum 1(one) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A
6.	Appointment of Ex-officials: For good governance any former director, chief executive or any official will not be eligible to become an advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.	N/A
B	Appointment of Consultant	
1.	Terms of Reference: Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2.	Responsibilities: The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	Complied
3.	Appointment: Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	Complied
4.	Tenure: The tenure of consultant should be consistent with the terms of reference, but would not exceed 2 (two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.	Complied
5.	Remuneration/honorarium: The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	Complied
6.	Appointment of Ex-officials: For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.	Complied