

Annual Integrated Report 2023



DREAM **BIG** Work Together
For a better sustainable world





DREAM **BIG** Work
Together
For a better sustainable world

Banks operate at the center of people's relationships with their money, offering an opportunity to foster optimism, clarity, and confidence in pursuing their dreams. Bank Asia focuses on a comprehensive approach to understanding customer needs and providing tailored services. Bangladesh is benefiting from its demographic advantage, with a predominantly young population. Additionally, the country is reaping the benefits of significant infrastructure developments over the past decade. As a co-partner in this development, Bank Asia has set goals and strategies centered on Digital Transformation, Financial Inclusion, Sustainable Banking, Regional Expansion, Customer-Centric Approach, Talent Development, and Community Engagement. Driven by a clear vision, Bank Asia is committed to reaching every citizen with banking services. The bank believes in dreaming big, as big dreams lead to big and significant outcomes.

 **Bank Asia**

MILESTONE

Over the years

Bank Asia has dedicated itself to ensure sustainable growth of the economy and its customers through innovative services and products to meet the financial needs of the current times for a better tomorrow.

Obtained Certificate of Incorporation and Certificate of Commencement of business

Obtained Banking License

Inauguration of Bank Asia

1999

Acquisition of Bangladesh operation of Nova Scotia of Canada

2001

Acquisition of Bangladesh operation of Muslim Commercial Bank (MCB) of Pakistan

2002

Started Online Banking Operations

2003

Awarded as the first Bangladeshi Bank with GRI certification

Started Agent Banking Operation

2013

Started CTSU to facilitate Non-AD branches foreign trade operations

Started operation of BA Exchange Company (UK) Ltd. In London

2011

Started operation of the 2nd overseas company in USA, BA Express USA Inc. at NY, USA

Obtained registration of Bank Asia Foundation

2014

Country's first School Banking service started through Agent Banking outlet

2015

2008

Started Islamic Banking Operation

2004

Listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE)

Unveiled the construction work of Bank Asia's own Building
Introduced TAB based DIGANTA OCAS
Inaugurated Bank Asia's own Training Institute
Introduced A-Card to get agri-loan

2016

1st prize winner by ICAB & SAFA for Corporate Governance disclosures

Launched Digital Nano Loan

2023

Launched RMG Digital Banking Booth for garment workers through the digital channel

Awarded 1st prize for Best Presented Annual Report 2017 in ICAB National Award

2018

Bank Asia has been awarded as Overall Winner among the private sector banks in Bangladesh by ICAB and also awarded the 1st prize in all categories of banking sector

2022

Bank Asia has been awarded 1st prize by SAFA and ICAB for Annual Integrated Report 2018

Certified with ISO/IEC 27001:2013 for ensuring appropriate management of IT

2019

2020

1st prize Winner among all Private Banks in South Asia for Best Presented Annual Report 2019 by SAFA

2021

For the first time, Bank Asia has been awarded as Overall winner among the SAARC countries by SAFA for BPAR 2020 & Corporate Governance category

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Sustainable Development Goals & Impacts

Bank Asia is committed to aligning its operational decisions with the Sustainable Development Goals (SDGs) to create a better future for all. The bank aims to support the underprivileged communities, provide exceptional value to its stakeholders, and ensure sustainable growth while working towards the SDGs. Through its initiatives, strategies, and targets, Bank Asia is determined to play its part in building a more sustainable and equitable world.



Prelude

Economic stability and GDP growth depend on a healthy banking industry, and Bank Asia effectively allocates financial resources while encouraging innovation and entrepreneurship. Promoting sustainable development and resilience in the banking industry requires striking a balance between stability and growth. Bank Asia leads by embracing innovation, satisfying changing customer needs and addressing industry challenges. The bank is dedicated to using technology and working with fintech partners in order to positively impact the banking industry and ultimately contribute in its expansion and modernization.

Under the theme “Dream Big,” Bank Asia focuses on empowering its customers to achieve their aspirations through contemporary and ingenious financial products and services. We offer tailored investment options for ambitious ventures, support for education and entrepreneurship, and personalized financial planning. We are pioneers in promoting financial inclusion by expanding our agent banking network to over 5,000 outlets and leveraging technology to reach underserved populations, enabling more people to access banking services. Currently, over 5 million customers across the country benefit from our banking services.

Bank Asia is set to acquire the Bangladeshi operations of Bank Alfalah, a Pakistani bank - we are pending approval from regulators. If successful, it will mark Bank Asia’s third acquisition of a foreign bank within Bangladesh. In 2001, Bank Asia acquired the Dhaka operations of Canada’s Bank of Nova Scotia; a first in the banking history of Bangladesh. Later that year, Bank Asia took over the Bangladesh operations of the renowned Pakistani Muslim Commercial Bank.

While currently one of Bangladesh’s leading banks, Bank Asia aspires to be the very best in the sector. The bank embraces the concept of co-partnering and finances various government development projects to support the Government’s vision of ‘Smart Bangladesh.’ Bank Asia consistently focuses on sustainable value creation for its stakeholders. Committed to this goal, we have fostered a culture of strong corporate governance, ethical conduct, internal control, integrity, value proposition, respect, and interpersonal skill development, since our inception.

Bank Asia has always prioritized communicating with our stakeholders. Our ongoing effort is to provide an accurate, true, and fair representation of the bank’s activities across all areas of functioning, based on forward-looking approaches. We offer detailed disclosures on related party transactions, financial statements, major policies, and explanatory notes to meet the needs of stakeholders, researchers, regulatory bodies, international financiers, and others. As part of our integrated report, a summary of the Sustainability Report is included to highlight the bank’s impacts on economic, environmental, governance, and social aspects.

This report aims to provide you with information and the necessary tools for conducting research and analysis to support your investment decisions and other needs.

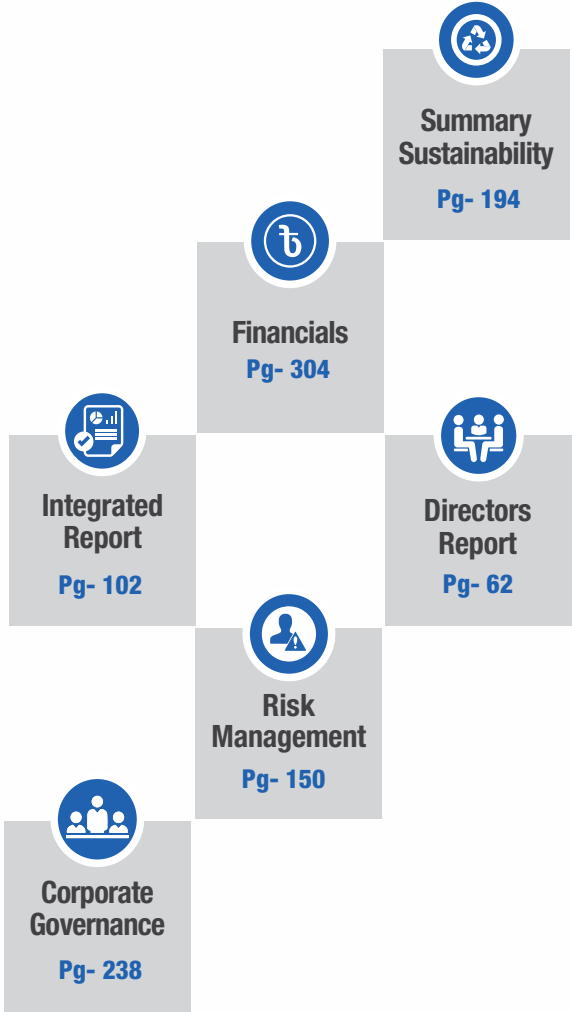


Sohail R K Hussain
Managing Director

How to read Annual Integrated Report

Our Annual Integrated Report 2023 has been divided into 5 distinct segments. The first 4 major segments can be categorized into non-financial categories i.e. Directors Report, Risk Management Report, Summary Sustainability Report, Corporate Governance Report and the last portion consisting of our financial performance. Besides these, the beginning of the integrated report contains Bank Asia's summarized performance for the year followed by a letter from our honorable chairman addressing the shareholders followed by a letter from the Managing Director detailing our performance and future plans.

The first major segment includes the **Director's report** detailing the global and country's macroeconomic performance as well detailing the banking industry of the country and how Bank Asia performed in comparison. The next portion is the **Risk management** portion addressed by our Chief Risk Officer detailing how the bank takes necessary precaution against mitigating risks arising from the mounting Non Performing Loan issue inherent in the banking sector of Bangladesh and Basel III compliance disclosure. The following segment is our **Summarized Sustainability Report** which has been our primary focus segment this year to work towards a more sustainable Bangladesh that our future generation can be proud of to call home. After this comes our **Corporate Governance Report** including a Report on the activities by the chairman of the Audit Committee of the Board. Our Annual Integrated Report also included a letter from our Chief Financial Officer analyzing our business performance and future strategies. The final portion consisting of the Bank's **Audited Financial Report** for the year ended December 31, 2023 including detailed notes associated with each financial performance figure.



Disclosures We follow

To prepare the Annual Integrated Report 2023, we've followed a number of guidelines, frameworks & checklists of various organizations.



South Asian Federation of Accountants



ICMAB

THE INSTITUTE OF COST AND MANAGEMENT
ACCOUNTANTS OF BANGLADESH



Awards and Recognition



Ms. Romana Rouf Chowdhury, Director of Bank Asia and Mr. Mohammad Ibrahim Khalil FCA, CFO of the Bank received the Gold award for Annual Integrated Report 2022 by SAFA



Mr. Shafiuzzaman and Mr. ANM Mahfuz, Additional Managing Directors along with Mr. Mohammad Ibrahim Khalil, FCA, Chief Financial Officer of the bank are received the Gold award for Annual Integrated Report 2022 by ICAB



Handing over of Sustainability award to the Honorable Board members of Bank Asia PLC.

2023

SAFA (South Asian Federation of Accountants) awarded

- **Gold Award** for Corporate Governance
- **Silver Award** for private sector banks

ICAB (Institute of Chartered Accountants of Bangladesh)

- **1st position** under Corporate Governance Disclosures category
- **1st position** under Private Sector Banks category

NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia granted

- **'Silver Rank'** in Asia Sustainability Reporting Rating (ASRRAT) 2023 by NCCR and ICSP for Sustainability Report 2022



2022

SAFA (South Asian Federation of Accountants) awarded

- **Gold Award** for Private Sector Banks
- **Gold Award** for Corporate Governance
- **Gold Award** for Integrated Reporting
- **Overall Excellence Award** in Corporate Reporting among the SAARC countries

ICAB (Institute of Chartered Accountants of Bangladesh)

- **Overall Winner** for the year 2021
- **1st position** under Corporate Governance Disclosures category
- **1st position** under Private Sector Banks category
- **1st prize** under Integrated Reporting Category

NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia granted

- **'Gold Rank'** in Asia Sustainability Reporting Rating 2022 by NCSR and ICSP for Sustainability Report 2021



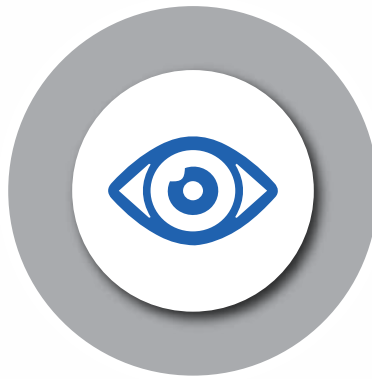


Mission

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

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

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



Vision

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



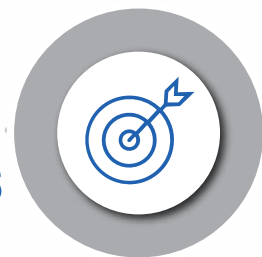
Core Values

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



Code of Conduct

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



Goals

Sustainable Growth

Synergies between new knowledge and human capital for sustainable economic growth

Capital Stewardship

Preservation and enlargement of multiple forms of capital; "like intellectual, natural, financial, organizational, social; all of which contribute to long term value creation.

Accelerating Financial Inclusion

Accelerate progress towards financial inclusion with technology like ATM, mobile phone, smart card based banking services and renewable energy generation projects especially in rural areas.

Differentiating Value Added Services

Strong focus on extremely cost-efficient and green services through internet banking, electronic fund transfer, automated cheques clearing, e-bank statement, SMS alert etc.

Going Green

Quantification of in-house facilities and energy consumption to promote paperless office and enhance energy efficiency. Greater emphasis on green banking projects.

Leader in Business

Create new dimension in the syndication and structured financing. Grow with export. Well diversified portfolio.

Bank Asia at a Glance

Dream Comes True

Bank Asia started its journey on November 27, 1999 with a view to providing the best quality technology driven services in banking sector. Since inception it has been able to cover major parts of the country by extending and expanding its network by opening of branches, agent banking outlets etc. The Bank started its Islamic banking operation in 2008. It established the 1st subsidiary company 'Bank Asia Securities Limited' on March 16, 2011, then 'BA Exchange Company (UK) Limited' in London, United Kingdom on May, 2011 and 'BA Express USA Inc.' in Jamaica, New York, USA on June 01, 2014. At present Bank Asia has 135 Branches including 4 SME/Agri branches, 14 sub branches, 5 Islamic Windows, 4 SME Service Centers, 1 Off-shore Banking Unit and 3 Subsidiaries. The Bank has implemented 5,051 agent banking outlets in 64 districts to provide banking services to geographically dispersed rural poor segment of the society. Under the Post Office network, we've provided services through 1,097 digital post offices spread across the nation to provide banking facility.

Faithful and Efficient Workforce

Bank Asia has the right blending of talented youth and experienced senior workforce which is truly efficient and dynamic. Mr. Sohail R K Hussain who has more than 33 (thirty three) years' of multifarious experience in banking profession leads the team from the forefront as Managing Director. At the end of 2023, the bank has 2,751 employees including 456 executives and 2,295 officers to serve its clients across the country. Bank Asia provides a work friendly elegant environment to its employees. Its unique reward and performance appraisal system encourage employees to give their best to serve the Bank and its stakeholders.

Giving Back to the Underprivileged & Concern to Ecology

Bank Asia always tries to make a better society by working and donating in different sectors such as education, health, disaster management, sports and some other sectors including the free eye camp and ophthalmological operation facility. The Bank is also providing services to senior citizen, widow, and disabled beneficiaries through the government's project of Social Safety Net Program.

In addition, it streamlines green banking initiatives in its in-house management and investing in environment friendly projects and participating in environment protecting activities. As a Bank, we play an intermediary role between economic development and conservation of the environment.

Eagerness for High-Tech Solution

Bank Asia always welcomes the innovation for the operation of the banking activities as well as reporting systems. Bank Asia has associated Islamic banking, Offshore banking, CMSE financing, Agent Banking & Social Safety Net program, Remittance channeling, Micro Merchant Post office banking & many more specialized services with its core banking activities. To excel in this new era of technological triumph, Bank Asia has successfully introduced utility & remittance payment and fees collection through Online, cutting edge ICT, state of the art network solution, 24/7 ATM service & many other e-products. Bank Asia has also started the incorporation of Artificial Intelligence into its business operations.

Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) awarded Bank Asia Limited 'AA1' in the Long Term and 'ST-1' rating in the Short Term based on the financials of 2023 will remain valid upto June 30, 2024. We have successfully maintained this stable rating which reflects the sustainable growth of the Bank.

Accolades & Recognition

Bank Asia has been awarded Gold Award for Corporate Governance as well as awarding us with Silver Award for private sector banking institutions category by SAFA (South Asian Federation of Accountants).

Alongside these, ICAB (Institute of Chartered Accountants of Bangladesh) awarded Bank Asia with 1st position under Corporate Governance Disclosures category and 1st position under Private Sector Banks category.

NCCR (National Centre for Corporate Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia has awarded Bank Asia with "Silver Rank" in Asia Sustainability Reporting Rating 2023 for our Sustainability Report 2022.

Business Ethics

Business Principle

Bank Asia goes beyond minimum legal requirements and reflects the Bank's long term commitment to building a business that is successful, honest and responsible.

Human Worth

Bank Asia supports the international human rights as outlined by the UN declaration and convention. No one in the Bank shall in any way cause or contribute to the violation or circumvention of human rights.

Human Capital

Bank Asia is devoted to human capital initiative connecting with milestone training, performance coaching & development, key talent management, balancing of work/ life choice and human capital reviews.

Health, Safety and Working Environment

Bank Asia is committed to establish effective arrangement to identify and eliminate or control all work related hazards and risks and promote health at work and continuous improvement of health, safety and working environment.

Confidentiality

Clear, honest and open communication is maintained in Bank Asia to ensure full accountability but subject to business confidentiality. The use of company confidential information before it is made public for personal gain is strictly prohibited and may constitute a criminal offense.

Protection of Personal Data

Bank Asia's processing of personal data shall be subject to care and awareness, which is required according to laws and regulation and relevant for information that might be sensitive, regardless of the data refer to customers, employees or others.

Intellectual Property

Intellectual property such as know-how, methodology, concepts and ideas are important to Bank Asia's successes in the market. Unless otherwise specified by law or orders from other public authorities, no employee shall make corporate secret or other information available to unauthorized persons.

Nature and the Environment

Bank Asia is very much aware regarding environmental protection, by minimizing environmental damages and by developing, promoting and utilizing environment friendly technology.

Information that may affect the Share Price

As a publicly listed company, Bank Asia is subject to strict rules concerning the handling the non-public information that may affect the market price of Bank Asia's shares or other financial instruments issued by the Bank.

Accounting

Bank Asia has the highest regard for truth, completeness and accuracy in the recording of business transactions in full compliance with applicable Bangladesh laws & regulation, financial reporting standards, good accounting practices as well as maintaining valid authorization and ensuring complete documentation. The annual accounts and interim accounts shall be in accordance with the law, BFRS and good accounting practices.

Competition

Bank Asia is committed to staying over and above the prevailing market competition through constant innovation of technology based products and efficiency enhancement; being responsive to the requirements of our customers and partners.

Corruption and Bribery

Bank Asia is firmly opposed to all forms of corruption. Bribery is fundamentally inconsistent with the Bank's values; any direct and indirect promise of payment to gain any perceived personal advantage is totally unacceptable.

Money Laundering

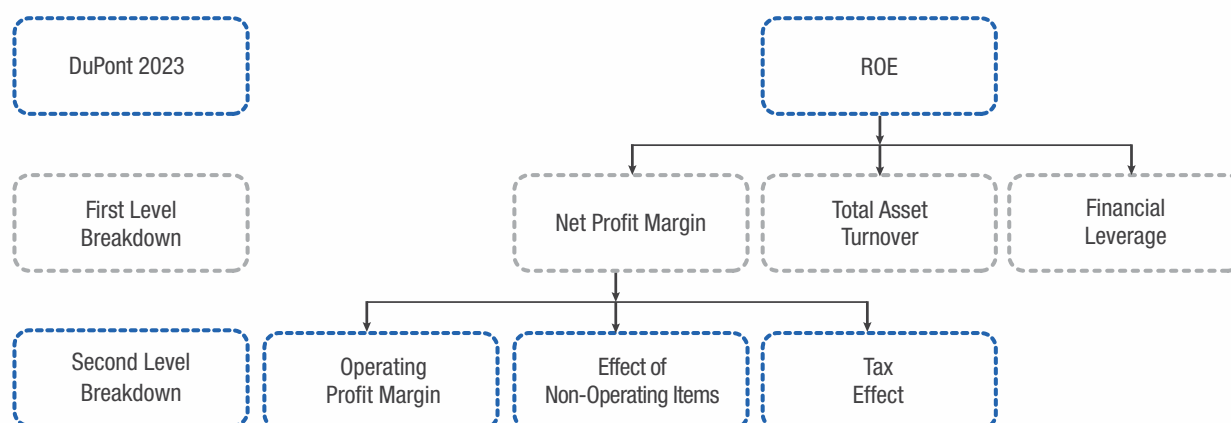
Bank Asia is firmly opposed to all forms of money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

Political Activity

Bank Asia does not give support to political parties, either in the form of direct financial support or paid working time. Employees may exercise their right to take part in politics as long as there is no conflict of interest situation with Bank Asia.

DuPont Analysis 5 Factors Model

DuPont analysis is an approach to decomposing return on equity for better understanding about which factor contributed to the ROE most and which factor caused the ROE to move. For broader analysis, we used 5 factors model that covers net profit margin, total asset turnover and financial leverage. Net profit margin is further broken down to operating profit margin, effect of non-operating items and tax effects.



Particulars	2023	2022	2021
ROE	8.24%	10.88%	9.89%
Net Profit Margin	6.30%	8.67%	9.21%
Total Asset Turnover	0.0807	0.0775	0.0694
Financial Leverage	16.2076	16.1919	15.4740
Operating Profit Margin	30.32%	30.43%	31.27%
Effect of Non-operating Items	0.4072	0.6121	0.4794
Tax Effect	0.5102	0.4653	0.6142

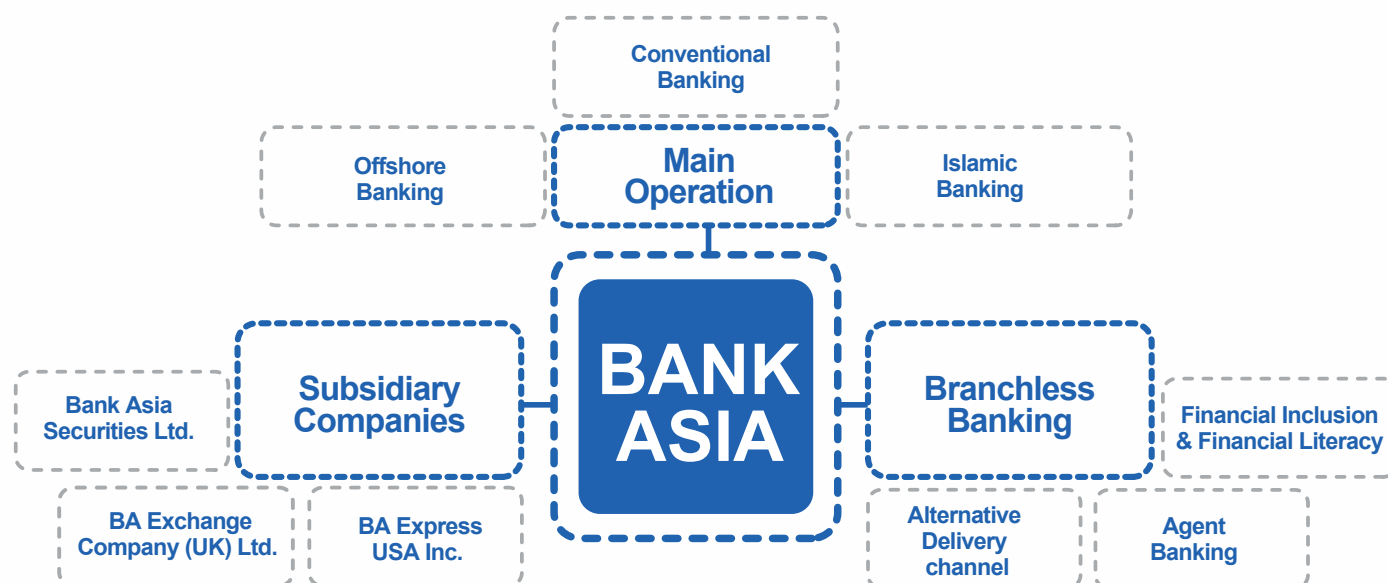
The higher the value of all components of DuPont, the higher the positive impact on Return on Equity. Net profit margin consists of three important components namely operating profit margin, effects on non-operating items and tax effects as mentioned in second level break down. Operating profit margin of 2023 slightly decreased to 30.32% compared to that of 30.43% in 2022.

Effects on non-operating items include loan loss and other provision which decreased to 0.4072 from 0.6121 for the

increase of provision by 65% to Tk.6,835 million from Tk. 4,149 million. Tax effect increased to 0.5102 from 0.4653. The combined effects of these three components (decrease of operating profit margin, decrease of effect of non-operating items and increase of tax effect) resulted in decrease of Return on Equity (ROE) to 8.24% in 2023 from 10.88% of last year.

Efficiency of utilization of assets as implied by average total assets turnover which was higher than previous year. Bank Asia's financial leverage increased to 16.2076 from last year's 16.1919.

Corporate Structure



Million Taka

	2023 (Consolidated)	2023 (Solo)
Income Statement Matrix		
Operating Profit	11,720	11,531
Profit Before Tax	4,830	4,696
Profit After Tax	2,479	2,396
Balance Sheet Matrix		
Total Shareholders' Equity	29,403	29,520
Deposits	361,801	361,617
Loans and Advances	294,072	291,325
Investments	115,801	114,760
Fixed Assets	5,957	5,878
Total Assets	476,633	474,229
Capital Measure		
Capital to Risk Weighted Asset Ratio Basel-III	16.30%	16.45%
Share Information Matrix		
Earnings Per Share (Taka)	1.79	1.72
Net Asset Value Per Share (Taka)	25.22	25.32
Credit Quality Ratios		
Classified Loans	6.63%	6.70%
Profitability Ratio		
Return on Equity	8.57%	8.24%
Return on Assets	0.52%	0.51%

Corporate Information

Letter of intent received	24/02/1999
First meeting of promoters.....	15/04/1999
Certificate of incorporation received.....	28/09/1999
Certificate of commencement of business.....	28/09/1999
First meeting of board of directors held.....	01/10/1999
Banking license received.....	06/10/1999
First branch license received.....	31/10/1999
Inauguration of Bank.....	27/11/1999
Date of publication of prospectus.....	29/06/2003
Date of IPO subscription.....	23/09/2003, 24/09/2003
Date of first Share trading in bourse.....	08/01/2004
Date of agreement with CDBL.....	20/12/2005
Date of first scripless trading.....	30/01/2006
Number of promoters.....	22
Number of directors.....	15
Number of branches.....	135
Number of Sub-Branches.....	15
Number of SME centers.....	4
Number of Islamic windows.....	5

Auditors
MABS & J Partners
Chartered Accountant
SMC Tower (7th Floor)
33, Banani Commercial Area
Dhaka -1213

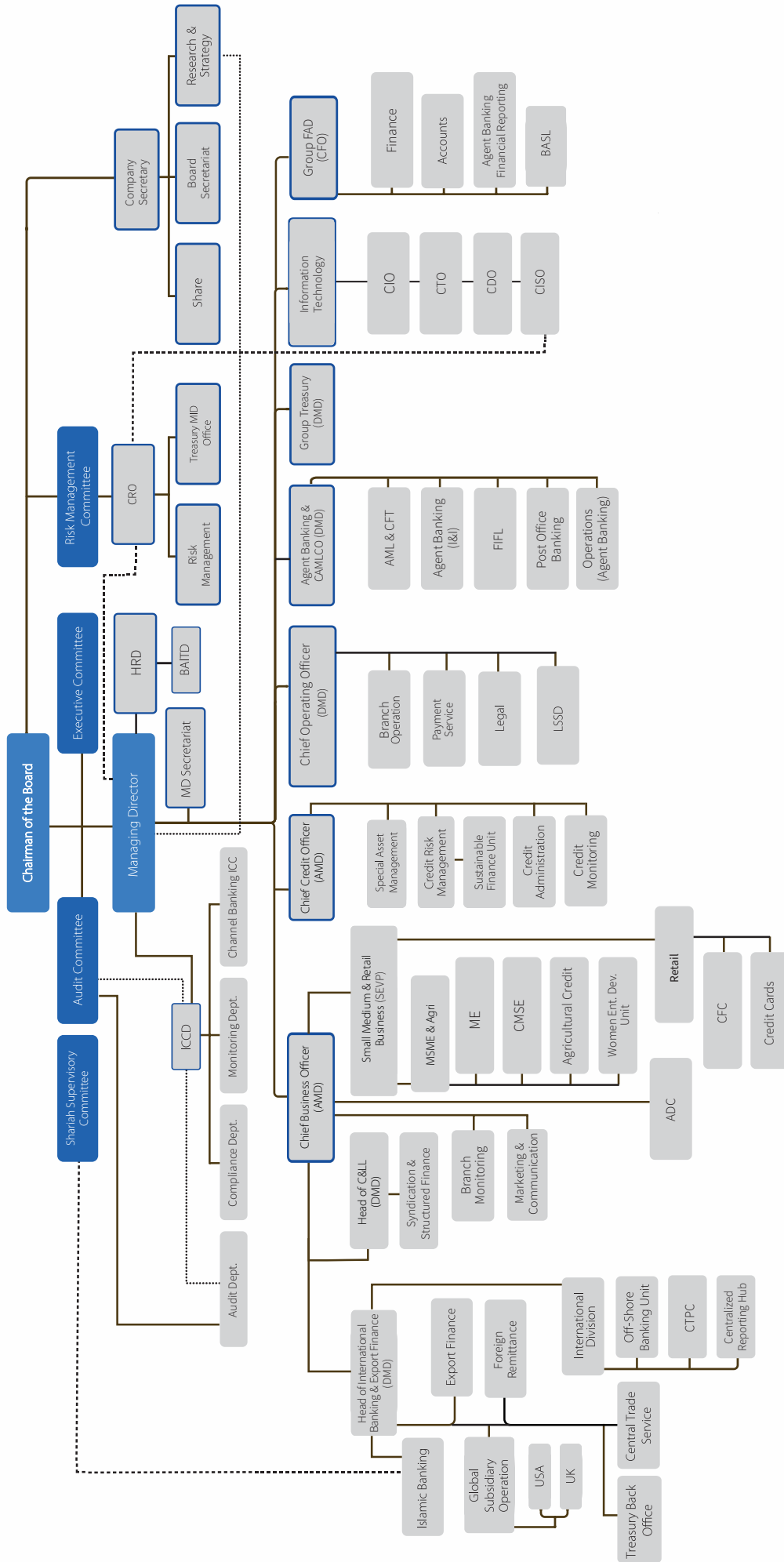
Tax Advisors
S.F Ahmed & Co.(SFACO)
Chartered Accountant and tax &
Management Consultants
House # 51 (3rd floor)
Road # 9, Block- F
Banani, Dhaka-1213

Legal Retainer/ Advisors

Mr. Syed Afzal Hasan Uddin Barrister-at-Law Advocate, Supreme Court of Bangladesh & Managing Partner, 'Syed Ishtiaq Ahmed & Associates' Concord Ovalash (1st floor), House No. 62, Road No. 11A, Dhanmondi, Dhaka-1209.	Mr. Ahsanul Karim Senior Advocate Supreme Court of Bangladesh Head of Chamber Law Valley Saiham Sky View Tower, Suite No. 11A & 11B 195 Shahid Syed Nazrul Islam Sarani (45 Bijoyagar), Dhaka-1000.
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Registered Office
Bank Asia Tower
32 & 34, Kazi Nazrul Islam Avenue
Karwan Bazar
Dhaka- 1215

Corporate Organogram



Board of Directors



**Standing
from left**

Helal Ahmed Chowdhury

Md. Abul Quasem

**Sitting
from left**

Ashrafal Haq Chowdhury

Dilwar H Choudhury

Mohd. Safwan Choudhury



Sohail R K Hussain

Enam Chowdhury

M.A. Baqui Khalily

Romo Rouf Chowdhury

Zakia Rouf Chowdhury

Rumee A Hossain

PS: Some of our hon'ble Directors are not seen in the picture, their names and profile can be seen in the Director's Profile section

Bank Asia Foundation Governing Body



**Standing
from left**

Romana Rouf Chowdhury

Sheikh Mohammad Anisuzzaman

**Sitting
from left**

Enam Chowdhury

Rumee A Hossain

Mohd. Safwan Choudhury



FOUNDATION
Bank Asia Foundation



Ashrafal Haq Chowdhury

Mohammad Ibrahim Khalil, FCA

Zakia Rouf Chowdhury

Farhana Karim

Dilwar H Choudhury

DIRECTORS' PROFILE



Romo Rouf Chowdhury

Chairman

Mr. Romo Rouf Chowdhury was elected as Chairman of the Board of Directors of Bank Asia PLC. on 25th August 2022. Mr. Chowdhury is one of the Sponsor Directors of Bank Asia PLC.. He is a graduate in Engineering from Durham University, United Kingdom. He has more than 32 years of experience as an industrialist. He is one of the successful young entrepreneurs of the country. He holds directorship of various sister concerns of Rangs Group and Sea Fishers Group. Currently, Mr. Chowdhury holds the position of Chairman of Rancon Group. Rancon Group has more than 30 subsidiaries, a few of which are Rancon Motorbikes Ltd., Rancon Motors Ltd., Rangs Ltd., Rangs Properties Ltd., Rancon Automobiles Ltd., Rancon Oceana Ltd., Rancon Sea Fishing Ltd. and Rancon Electronics Ltd.



Mr. Mohd. Safwan Choudhury is a nominated Sponsor Director of Bank Asia PLC. from Phulbari Tea Estates Limited. He did his Masters from the University of Dhaka. He has an impressive professional experience and has business interest in tea manufacturing, textile and cold storage. His flagship company M. Ahmed Tea & Lands Co. Limited is a 4th generation tea producing company which has been doing business since the British India. He is the former Chairman of Bangladesh Tea Association which represents 126 tea plantations belonging to both Bangladeshi and foreign companies. Mr. Choudhury is also involved in social development. He is the President of FIVDB, an NGO providing primary education to the underprivileged children. He is also the past President of Sylhet Chamber of Commerce & Industry. Mr. Choudhury is the Nominated Director of Phulbari Tea Estates Limited in the Board of Bank Asia PLC.

Mohd. Safwan Choudhury
First Vice Chairman



Ms. Zakia Rouf Chowdhury is one of the Directors of Bank Asia PLC. She has an illustrative business career for more than 25 years in the private sector of Bangladesh. She is holding the leadership position at a number of affiliates of Rangs Group, one of the large business groups in Bangladesh. Ms. Zakia Rouf Chowdhury has been involved with the organizations since its inception. She is currently the Chairperson of Sea Resources Group and Zhen Natural Limited, Managing Director of Rangs Real Estate Limited and Rangs Food and Beverage Limited. She is one of the Directors of Rangs Limited, Rangs Motors Limited, Rangs Properties Limited, Rancon Autos Limited, Rangs Interior Limited, Rangs Appliance Limited, Rangs Construction Limited and a few other Rangs Affiliates. Ms Chowdhury is the Nominated Director of Amiran Generations Limited in the Board of Bank Asia PLC.

Zakia Rouf Chowdhury
Second Vice Chairman

DIRECTORS' PROFILE



Mr. Rume A Hossain is one of the Sponsor Directors of Bank Asia PLC. He is a graduate in Mechanical Engineering and an MBA in International Business Management. He has more than 29 years of business experience in several industries such as Electronics, Telecom, Pharmaceuticals, IT, Publishing and construction. He is the Managing Director of Rangs Industries Limited (Distributor of Toshiba and Samsung) and Romask Limited. Currently, he is the Chairman of Executive Committee of the Board of Bank Asia PLC.

Rume A Hossain

Director and Chairman of the Executive Committee



Ms. Farhana Haq is one of the Sponsor Shareholders of Bank Asia PLC. She obtained her Masters in International Relations from the University of Dhaka. She holds directorship of various renowned business concerns such as DHS Motors Limited, Platform Solutions Limited, Ali Estates Limited, DHS Automobiles Limited and FAR Limited.

Farhana Haq

Director



Ms. Romana Rouf Chowdhury is one of the Directors of Bank Asia PLC. She has an MBA from Florida Institute of Technology and completed her graduation from BRAC University. She has also received executive education from Harvard Business School and Columbia Business School. She has more than 26 years' experience as an industrialist and founded multiple ventures in different fields, such as food, retail, and architecture. Currently, she holds the position of Managing Director in Sea Natural Food Limited, Sea Fishers Limited, Sea Resources Group etc. She is a Director of various sister concerns of Rangs Group as well. She is the Nominated Director of Maya Limited in the Board of Bank Asia PLC.

Romana Rouf Chowdhury
Director



Mr. Enam Chowdhury a graduate in Electrical and Electronic Engineering from Ohio, USA, has more than 36 years of experience in Information Technology field in banking and financial industry. After working with global financial and technology firms for several years in Australia, Japan and the USA, he is permanently residing in Bangladesh since 2018. His experience includes working in Deutsche Bank AG, PricewaterhouseCoopers, Dell Technologies, Compass Group, DXC Technology and EDS Japan. He is the Managing Director of Deep Sea Fishers Limited, Fishers Shipyard Limited and Seamums Cold Storage and an Executive Committee member of Bangladesh Marine Fishers Association. He is also the Chairman Tiger Digital Ventures Limited and Nesbitt Technology Ltd. He is the Nominated Director of Zest Polymers Limited in the Board of Bank Asia PLC.

Enam Chowdhury
Director

DIRECTORS' PROFILE



Ms. Hosneara Sinha is one of the Sponsor Shareholders of Bank Asia PLC. She is involved with different business houses and organizations under Sinha group. She is the Director of Pritha Fashions Limited, Sinha Auto Spinning Mills Limited and Sattar Jute Mills Limited.

Hosneara Sinha
Director



Mr. Nafees Khundker is one of the Sponsor Directors of the bank. He worked for Standard Chartered Bank and Deutsche Bank in Bangladesh, UAE and Singapore for more than 20 years. His last assignment was as Managing Director, Transaction Banking, ASEAN. His expertise is in Corporate & Financial Institutions client coverage, Transaction Banking & Strategic Partnerships. Mr. Khundker is currently engaged in setting up a Venture Capital Fund for investments into South and South East Asia. He has investments and board oversight in various businesses in retail, distribution, finance, media, information technology and logistics. He also has a special interest in sustainability initiatives and works with small non-profit organizations.

Nafees Khundker
Director



Mr. Dilwar H Choudhury had been a career banker with 36 (thirty six) years of work experience in eight different countries. This is spread over a multicultural situation in Asia, Africa and Europe. In the last lag of the career, he was the Managing Director (CC) of City Bank PLC. His most significant career exposure transpired while managing and operating three full-fledged banking operations as Chief Executive Officer in Turkey, Pakistan and Bangladesh. He was also a Banking consultant for KPMG Dhaka during 2004-2005. Currently, he pursues a freelance career in M&A, organization development and Credit Portfolio Audit of banks.

Dilwar H Choudhury

Independent Director and Chairman of the Audit Committee (Retd. as on 21 April 2024)



Mr. Ashrafal Haq Chowdhury served country's largest mobile phone operators like Grameen Telecom, Telekom Malaysia Bangladesh, Warid Telecom Bangladesh and Bharti Airtel for 21 years in the top management position. He was also the Trade Adviser for the Commonwealth Secretariat, London, & Ministry of Trade, Industry & Tourism of the Caribbean Countries in addition to serving in the Export Promotion Bureau and BIDS at the initial stage of his career. His most recent assignment was as Chief Corporate Affairs Officer of Airtel Bangladesh - a subsidiary of Bharti Airtel, the 3rd largest mobile phone operator in the World with 303 million customers in 22 countries. Mr. Chowdhury obtained Honors & Masters degrees in Economics from Chittagong University. He then obtained a Post Graduate Degree in International Development Studies from the University of Stockholm, Sweden. He was also a Research Fellow at the University of Toronto, Canada, and the University of Stockholm, Sweden. He is currently the Chief Advisor of the RHS Group of Companies and the Managing Director of Star Infrastructure Development Consortium Limited. He is also a Member of the Board of Trustee and Country Representative, European Economic Development Council (EEDC). Mr. Chowdhury is also the Secretary of D-8 Chambers of Commerce & Industry and Indian Ocean Rim Business Forum (IORBF).

Ashrafal Haq Chowdhury

Independent Director

DIRECTORS' PROFILE



Mr. M. A. Baqui Khalily joined as a faculty member at the Department of Finance of the University of Dhaka in 1975 after completing his B.Com. (Hons) and M.Com. in Finance from the same institution. He also obtained his M.Sc. and Ph.D. degrees with major in Finance and Development in 1987 and 1991 respectively from Ohio State University, USA. After a successful teaching career of 37 years, Mr. Khalily retired from the University of Dhaka in 2012. He is a renowned academician of the country, an eminent economist and finance scholar of national and international repute. Other than having a prominent teaching career, Mr. Khalily also held many important administrative positions like Executive Director of Institute of Microfinance, Acting Vice-Chancellor & Pro Vice-Chancellor of Presidency University, Chairman of Department of Finance, University of Dhaka, Director of Dhaka Stock Exchange Limited, only to name a few. Mr. Khalily is currently involved with University of Asia Pacific as Professor and Dean of School of Business of the same.

M.A. Baqui Khalily

Independent Director and Chairman of the Audit Committee & Risk Management Committee



Mr. Md. Abul Quasem completed completed his B.S.S. (Hons.) and M.S.S. in Economics in 1973 and 1974 respectively from the University of Dhaka. He started his career with Bangladesh Bank, the Central Bank of Bangladesh, as Assistant Director in 1976 and concluded the same as Deputy Governor in 2016. During his about 40 years' tenure with Bangladesh Bank, he performed responsibilities in many departments like Currency Management & Payment System, Accounts & Budgeting, Debt Management, Human Resources, SME & Special Programs, Agricultural Credit, Communications & Printing, Common Services, Investment Promotion & Financing Facility (a World Bank Project), Research, Statistics, Central Bank Strengthening Project (CBSP), Bangladesh Financial Intelligence Unit (BFIU), etc. Besides being a career central banker, Mr. Quasem held many important administrative positions like Observer in the board of City Bank PLC. & Pubali Bank PLC., Chairman of the Executive Committee of Bangladesh Institute of Bank Management (BIBM), Director of Dhaka Stock Exchange Limited, Director of SME Foundation and Director of Security Printing Corporation (BD) Limited. While working in Bangladesh Bank, he attended many domestic/foreign training programs and seminars organized by different international organizations including IMF in various countries around the globe.

Md. Abul Quasem

Independent Director



Helal Ahmed Chowdhury
Independent Director

Mr. Helal Ahmed Chowdhury is a veteran banker with around four and half decades of banking experience. He started his career at Pubali Bank PLC. in 1977 as a Class-I Officer through Superior Service Examination and was promoted in course to MD & CEO (2006-2014) in the same bank which is a rare event and record. Under his dynamic leadership, Pubali bank got transformed into an institutional role model of government turned private commercial bank and won the prestigious award “Best Financial Institution” of the country given by DHL and the Daily Star in 2009. He is an M.A. and a Diplomaed Associate of IBB. He participated in different training, seminars, short and long courses both at home and abroad including Oxford and Cambridge Universities of UK and UC Berkeley and Columbia University of USA. Mr. Chowdhury currently is a member of Bangladesh ICC Banking Commission and General Body member of PKSF (Palli Karma Shansthan Foundation). Mr Chowdhury was also a Supernumerary Professor of BIBM (Bangladesh Institute of Bank Management), an Independent Director of Islami Bank Bangladesh Limited, a Board Member and Vice Chairman of Association of Bankers, Bangladesh (ABB) and a Board Member of BIBM. He is engaged with a number of social organizations and trade bodies at different capacities and working as a resource person in different training/seminars



Sohail R K Hussain
Managing Director

Mr. Sohail R K Hussain is the Managing Director of Bank Asia PLC, a leading private commercial bank in Bangladesh. Prior to joining Bank Asia PLC, Mr. Hussain led two other private commercial banks, namely, City Bank PLC (2013-2019) and Meghna Bank PLC (2020-2024) as Managing Director & CEO. Under his leadership, the banks received numerous national and international awards, including DHL – The Daily Star Bangladesh Business Award, CMAB Best Corporate Award, Finance Asia Best Bank Award and Global Finance World’s Best Digital Bank awards.

Starting career at ANZ Grindlays Bank, Mr. Hussain worked in various leadership positions at Standard Chartered and Eastern Bank. His career spanning over 34 years includes experiences in structured finance, structured trade-transactions, re-engineering banks and executing strategies for growth in sustainable financing, green financing, SME, retail, Corporate, treasury and cards business.

Mr. Hussain holds an MBA from IBA, Dhaka University. He also served as the Vice President of the Association of Bankers, Bangladesh (ABB), director of IIDFC (Non-Bank Financial Institution), VIPBL (SME Equity funding Company), RSA Advisory Ltd (Investment Bank), member of Governing Council of Sajeda Foundation, Bangladesh Institute of Bank Management (BIBM) and Institute of Bankers’ Bangladesh (IBB).

Note: As per directives of Bangladesh Securities and Exchange Commission (BSEC) ref. no. BSEC/CMMCD/2009-193/09/Admin/117 dated March 22, 2021, details of directorship in other companies are mentioned in page no. 389-392

Competitive Edge



OUR SCALE OF OPERATIONS

- **Tk. 474,241 Mln**
+ total assets
- **Tk. 361,607 Mln**
+ customer deposits
- **Tk. 291,325 Mln**
+ loan book

Strong Asset & deposit Base with Quality Assets



CUSTOMER BASE

- **7,907,276**
+ Deposit A/C
- **65,295**
+ Loan A/C

Above 8 mln customer under Bank Asia coverage



NETWORK & DISTRIBUTION CHANNEL

- **135** branches
- **5,051** Agent Outlet
- **58,136+** Micro Marchant
- **217** Owned ATM Booth
- **10** Woman ATM Booth

Digital coverage of banking service across the country



COMMUNITY DRIVEN DEVELOPMENT

- **18,584** Number of loan ac through agent bank
- **5,825,557** Number of Rural Accounts
- **4,066,098** Number of Female Accounts

Pioneer in ensuring Financial inclusion



EMPLOYEE BASE

- **50%**
+ work force with over 10 years service and 21% Female

Young, Competent & dedicated human resource

- **68%**
of staff members are aged below 40 years signifying a young, dynamic and capable workforce



AWARD & RECOGNITION

- **3** National Awards
- **3** International Awards

Brand Image validated by reception of award for publication

Key Events 2023



As part of CSR, Bank Asia PLC. has donated blankets to the **Prime Minister's Relief Fund** for the underprivileged and cold-stricken people of the country



500th Board of Directors' meeting of Bank Asia PLC



With a motto of **Time for Transformation** Bank Asia organized **Managers' Meet 2023**



Celebration of **24th founding anniversary** with the theme *Partnering Progress of Bank Asia PLC*



As a part of Government's initiative to build Smart Bangladesh, Bank Asia has launched **NPSB Bangla QR Cashback Campaign** for its customers



Bank Asia PLC has organized a Discussion Meeting and Dua Mahfil on the occasion of the **15th anniversary of its Islamic Banking Services**

Key Events 2023



Bank Asia organized a day long **Agent Business Meet-2023** at Bangladesh Academy for Rural Development (BARD), Cumilla



Bank Asia PLC in association with Bangladesh Bank have organized a **certificate awarding ceremony** for 26 SME entrepreneurs in Cox's Bazar



Bank Asia PLC has organized a certificate awarding ceremony of the **60th Foundation Training Course** for its officers.

In Memoriam
A. Rouf Chowdhury
Founder Chairman of Bank Asia PLC.



May Your Soul Rest in Peace

A. Rouf Chowdhury

22 September 1937 - 18 February 2023

Our beloved Lead Sponsor and Founder, Mr. A Rouf Chowdhury, has passed away, leaving a remarkable legacy of invaluable contributions to the organization. A renowned industrialist and a visionary leader in Bangladesh's business world, he was also the Founding Chairman of Rangs, Rancon, and Sea Resources Group and Director of Mediaworld Ltd. Mr. A. Rouf Chowdhury founded many successful industrial enterprises, spanning a plethora of industries such as Automobiles, Pharmaceuticals, Real Estate, IT, Deep-Sea Fishing, Telecommunications, Electronics, Media, and Financial Institutions.

He leaves behind a rich legacy of innovation, entrepreneurship and leadership that will continue to inspire future generations of business leaders. We express our heartfelt sympathies to the bereaved family members during this difficult time and hope they will find strength and comfort from the Almighty to bear this irreparable loss.

People we have lost



Mr. Syed Anisul Huq

(1944 - 2024)

Length of Service in Bank Asia
Jul 07, 2000 - Jan 06, 2009

Syed Anisul Huq, former President and Managing Director of Bank Asia, was an influential figure in the banking industry. His departure leaves a void that is felt not only within our organization but across the entire financial community.

In recognition of his remarkable achievements in the banking sector and his efforts towards promoting peace and harmony, Syed Anisul Huq was awarded the Mahatma Gandhi Peace Award 2008.

During his period, Syed Anisul Huq championed transparency and accountability measures within the bank. Under his leadership, the bank also embraced corporate social responsibility, actively supporting the medical treatment of visually impaired children and awarding scholarships to outstanding students.

Starting his banking profession with Habib Bank Ltd. in 1966, he progressed to occupy pivotal positions at Agrani Bank, AB Bank, and Southeast Bank.



Md. Mashiur Rahman

Length of Service in Bank Asia
Jul 15, 2014 - Apr 29, 2023



Hasin Mahmud Khan

Length of Service in Bank Asia
Dec 12, 2010 - Jun 25, 2023



Md. Abu Jafar Siddique

Length of Service in Bank Asia
Feb 20, 2012 - Nov 10, 2023



Observance of National Mourning Day



Senior Management Team



Standing from left

Alkona Kabir Choudhuri
Chief Human Resource Officer

Arequl Arefeen
DMD, Group Treasury

Hossain Ahmad
Chief Information Officer

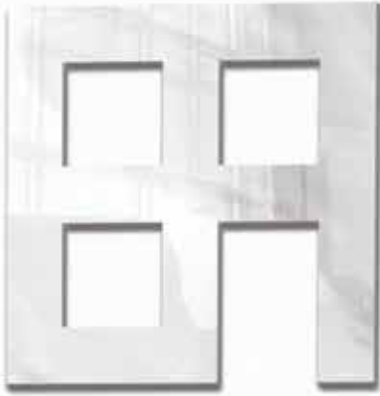
Sitting from left

M.M. Haikal Hashmi
DMD, ICCD

Alamgir Hossain
DMD, C&LL

Mohammad Ziaul Hasan Molla
DMD & CAMLCO

ANM Mahfuz
AMD & CBO



Mohammad Ibrahim Khalil, FCA
CFO

S. M. Anisuzzaman
DMD, Company Secretary &
Head of Research & Strategy

Mohammad Ataur Rahman
Member Secretary

Mohammed Rashidul Kabir Rajib
CRO

Sohail R K Hussain
Managing Director

Shafiuzzaman
AMD & CCO

Md. Sazzad Hossain
DMD & COO

S.M. Iqbal Hossain
DMD, International Banking
& Export Finance

Five Years Performance

Million Taka unless otherwise specified

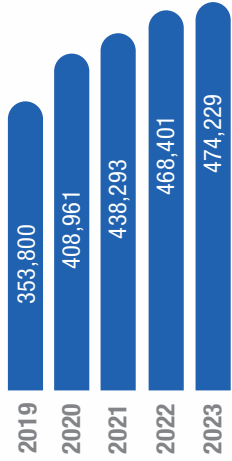
Particulars	2023	2022	2021	2020	2019
BALANCE SHEET MATRIX					
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	11,659.07	11,659.07	11,659.07	11,659.07	11,659.07
Reserve Fund & Surplus	17,860.46	16,981.18	15,697.57	15,721.82	13,086.05
Total Shareholders' Equity	29,519.53	28,640.25	27,356.64	27,380.90	24,745.12
Deposits	361,617.15	337,695.42	317,782.43	303,028.11	253,709.57
Loans and Advances	291,325.04	277,870.36	262,266.70	244,642.03	227,298.96
Investments	114,760.15	102,849.11	77,021.19	94,251.18	54,932.58
Fixed Assets	5,878.42	5,615.91	6,039.14	6,708.66	7,025.60
Total Assets	474,228.61	468,400.94	438,293.29	408,960.69	353,800.37
Total Off Balance Sheet Items	152,124.71	153,563.27	173,965.53	122,190.43	120,617.28
Interest Earning Assets	432,199.11	426,187.54	388,166.24	372,489.99	312,059.88
Non-Interest Earning Assets	42,029.50	42,213.40	50,127.05	36,227.16	41,740.49
INCOME STATEMENT MATRIX					
Interest income	23,287.06	20,423.05	18,340.77	18,112.00	22,863.14
Interest Expenses	17,053.99	14,916.32	12,700.89	14,926.68	14,462.38
Investment income	8,376.53	6,270.76	6,848.83	6,484.40	3,293.06
Non-Interest income	7,532.93	8,596.86	6,609.12	4,462.27	4,456.40
Operating Expense	9,442.77	9,537.56	7,500.88	7,108.05	6,751.46
Total income	38,027.50	35,148.68	29,394.30	28,105.56	30,536.30
Total Expenditure	26,496.76	24,453.87	20,201.77	22,034.72	21,213.84
Operating Profit	11,530.74	10,694.80	9,192.53	6,070.84	9,322.46
Profit Before Tax	4,695.8	6,545.87	4,406.74	3,957.71	3,920.81
Net Profit After Tax	2,395.8	3,045.87	2,706.74	2,035.71	1,960.81
CAPITAL MEASURES					
Risk Weighted Assets	247,185.58	260,486.88	263,153.19	254,905.15	238,427.23
Core Capital (Tier-I)	30,473.09	29,823.58	25,152.67	23,558.94	22,635.99
Supplementary Capital (Tier-II)	10,186.00	16,287.54	16,217.71	20,195.00	20,121.11
Total Capital	40,659.09	46,111.11	41,370.38	43,753.94	42,757.10
Capital Surplus/(Deficit) over Minimum Capital	16,010.55	20,062.43	15,055.06	18,263.42	18,914.38
Capital Surplus/(Deficit) over Conservation Buffer	9,848.41	13,550.26	8,476.23	11,890.80	12,953.70
Tier I Capital Ratio	12.33%	11.45%	9.56%	9.24%	9.49%
Tier II Capital Ratio	4.12%	6.25%	6.16%	7.92%	8.44%
Capital to Risk Weighted Asset Ratio Basel-III	16.45%	17.70%	15.72%	17.16%	17.93%
CREDIT QUALITY					
Classified Loans	19,510.36	13,519.79	13,469.54	7,930.93	10,479.99
Provision for Unclassified Loans	6,796.00	9,092.54	8,727.71	9,841	7,674.46
Provision for Classified Loans	15,620.00	10,517.46	7,290.00	4,120.20	4,604.66
Provision for Contingent Liabilities	1,390.00	1,195.00	1,490.00	1,005.00	961.65
Percentage of NPLs to total Loans and Advances	6.70%	4.87%	5.14%	3.24%	4.61%
FOREIGN EXCHANGE BUSINESS					
Import	205,373	210,588	225,789	141,289	158,115
Export	150,524	171,275	141,496	108,549	132,465
Remittance (Inward)	86,123	132,243	128,441	98,911	79,750

Million Taka unless otherwise specified

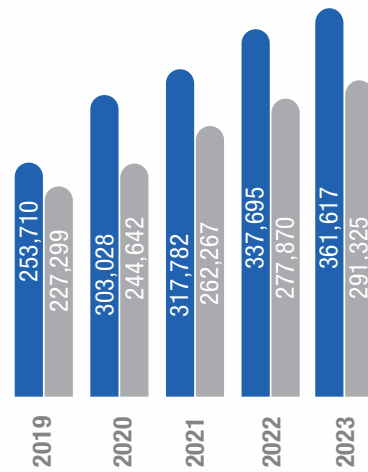
Particulars	2023	2022	2021	2020	2019
OPERATING PROFIT RATIOS					
Credit Deposit Ratio	72.48%	68.17%	65.58%	69.42%	76.47%
Cost of Deposit	4.41%	4.10%	3.94%	4.95%	5.67%
Cost of Deposit & Borrowing	4.57%	4.09%	3.87%	4.27%	5.68%
Administrative Cost	2.43%	2.60%	2.09%	2.27%	2.59%
Yield on Loans and Advances	8.04%	7.37%	7.61%	7.68%	10.19%
Spread	3.63%	3.27%	3.67%	2.73%	4.52%
Return on Assets	0.51%	0.67%	0.64%	0.53%	0.59%
Return on Equity	8.24%	10.88%	9.89%	7.81%	8.16%
Current Ratio	1.02%	1.07%	1.07%	1.07%	1.05%
Debt Equity Ratio	15.06%	15.35 %	15.02%	13.94%	13.30%
PERFORMANCE RATIOS					
Profit per Employee%	4.19	3.73	3.61	2.46	3.92
Operating profit as % of Working Fund	2.45%	2.36%	2.17%	1.59%	2.82%
Net Interest income as % of Working Fund	2.96%	2.59%	2.41%	2.29%	3.51%
Burden Coverage	79.77%	90.14%	88.11%	49.37%	64.88%
Burden Ratio	0.41%	0.21%	0.21%	0.62%	0.67%
Expense Coverage	79.77%	90.14%	88.11%	62.77%	66.01%
Ratio of Fees income	23.73%	36.16%	18.98%	18.78%	20.91%
Salary Exp. to total Overhead Exp.	55.67%	53.10%	51.87%	50.03%	48.63%
Salary Exp. to Fees income	105.61%	69.22%	122.79%	143.68%	97.67%
Cost to income/ Efficiency ratio	45.02%	47.14%	44.93%	54.00%	42.00%
DIVIDEND & RIGHTS ISSUE					
Cash	15.00%	15.00%	15.00%	10.00%	10.00%
Stock					
Total Dividend	15.00%	15.00%	15.00%	10.00%	10.00%
	(proposed)				
SHARES INFORMATION MATRIX					
No. of Shares Outstanding	1,165.91	1,166.00	1,165.91	1,166	1,165.91
Earnings Per Share (Taka)	1.72	2.61	2.32	1.75	1.68
Number of Shareholders	7,105	7,327	7,583	8,391	8,960
Market Value Per Share (Taka)	20.20	20.50	21.80	18.20	18.20
Price Earnings Ratio	11.74	7.85	7.84	10.40	10.83
Net Asset Value Per Share (Taka)	25.32	24.56	23.46	23.48	21.22
Dividend Coverage ratio	1.37	1.74	1.55	1.75	1.68
OTHER INFORMATION					
Total Number of Branches	135	135	129	129	128
Number of SME Service Centers	4	4	4	4	4
Number of Islamic Windows	5	5	5	5	5
Off Shore Banking Unit	1	1	1	1	1
Number of Sub Branches	15	14	7	6	-
Agent Outlet	5,051	5,414	4,898	4,628	3,525
Number of Employees	2,751	2,865	2,547	2,463	2,376
Number of Foreign Correspondents	632	640	670	670	677

Five Years Performance

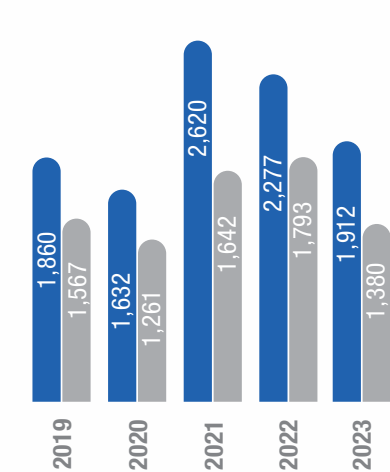
Total Assets Million Taka



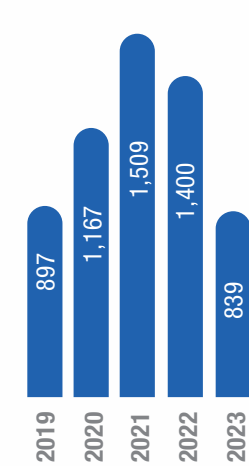
Deposits and Advances Million Taka



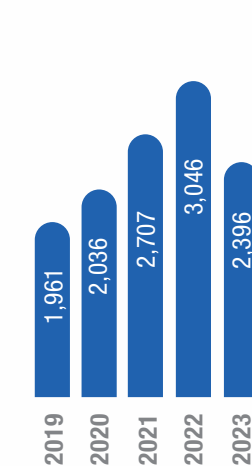
Import and Export Million USD



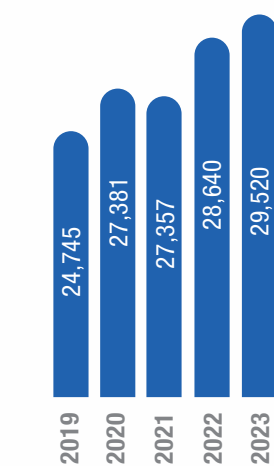
Inward Remittance Million USD



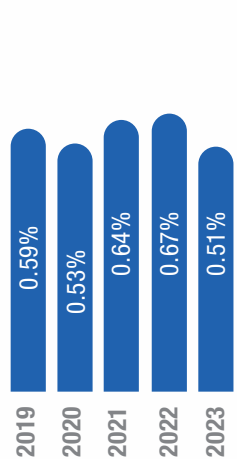
Net Profit After Tax Million Taka



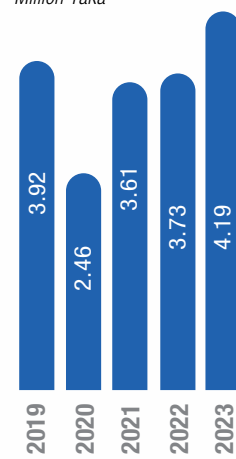
Total Shareholders' Equity Million Taka



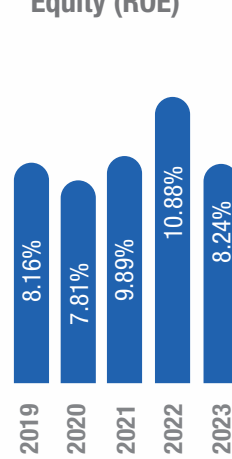
Return on Assets (ROA)



Profit per Employee Million Taka

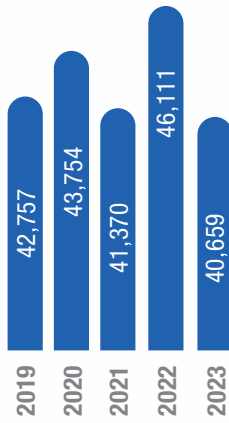


Return on Equity (ROE)

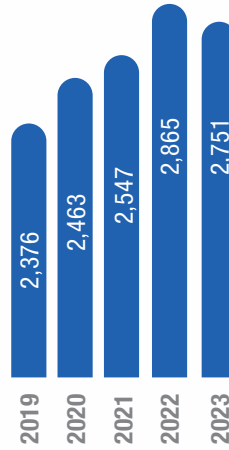


Five Years Performance

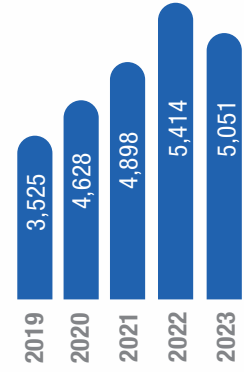
Total Capital
Million Taka



Number of Employees

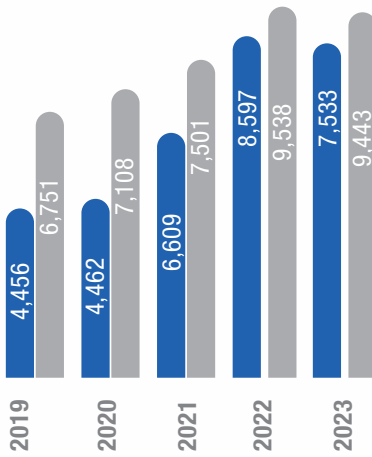


Number of Agent Outlets

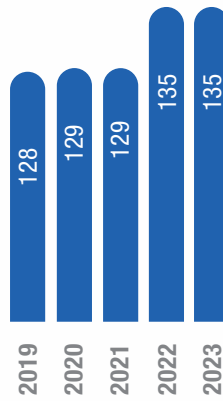


Non Interest Income & Non Interest Expense Million Taka

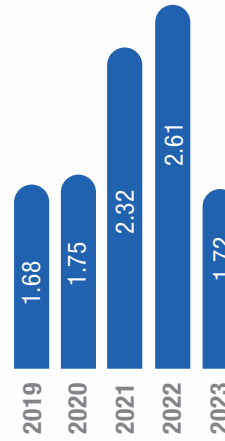
■ Non-Interest Income
■ Non Interest Expense



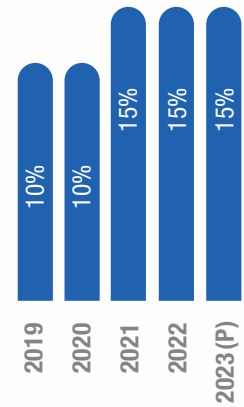
Number of Branches



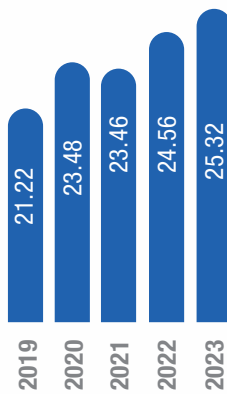
Earnings per Share
Taka



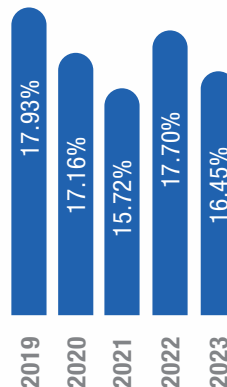
Dividend



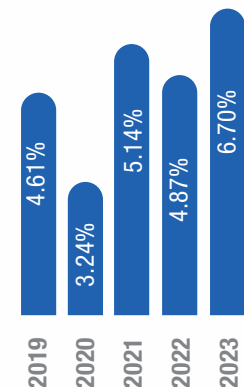
NAV per Share
Taka



Capital to Risk Weighted Asset Ratio (CRAR)



Non-Performing Loan Ratio



Horizontal Analysis

For the last five years, profit and Loss Statement

	2023	2022	2021	2020	2019
OPERATING INCOME					
Interest income	102%	89%	80%	79%	100%
Interest paid on deposits and borrowings, etc	118%	103%	88%	103%	100%
Net interest income	74%	66%	67%	38%	100%
Investment income	254%	190%	208%	197%	100%
Commission, exchange and brokerage	148%	218%	94%	74%	100%
Other operating income	136%	112%	102%	102%	100%
Total operating income	130%	126%	104%	82%	100%
Salaries and allowances	161%	154%	118%	108%	100%
Rent, taxes, insurance, electricity, etc	142%	131%	109%	100%	100%
Legal expenses	139%	124%	81%	64%	100%
Postage, stamp, telecommunication, etc	153%	123%	95%	101%	100%
Stationery, printing, advertisements, etc	107%	111%	74%	95%	100%
Managing Director's salary and fees	82%	114%	123%	116%	100%
Directors' fees	110%	88%	118%	94%	100%
Auditors' fees	119%	65%	66%	58%	100%
Depreciation and repairs of Bank's assets	120%	115%	104%	102%	100%
Other expenses	115%	137%	106%	104%	100%
Total operating expenses	140%	141%	111%	105%	100%
Profit before provision	124%	115%	99%	65%	100%
Provision for loans and advances/investments					
General provision	80%	87%	-39%	76%	100%
Specific provision	150%	62%	188%	-15%	100%
Provision for off-balance sheet items	-99%	150%	-247%	-22%	100%
Provision for diminution in value of investments	-113%	0%	0%	-225%	100%
Other provisions	200%	1000%	600%	548%	100%
Total provision	127%	77%	89%	39%	100%
Total profit before tax	120%	167%	112%	101%	100%
Provision for taxation					
Current tax	117%	179%	87%	98%	100%
Deferred tax	0%	0%	0%	0%	0%
Net profit after tax	122%	155%	138%	104%	100%

Horizontal Analysis (Profit and Loss Statement)

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2019 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Operating profit is showing increasing trend over the years except 2020. Non-funded income played a vital role on profitability in 2023. The operating expense decreased slightly in comparison with 2022. However, most of the privileges of Bangladesh Bank for COVID-19 pandemic regarding loan classification lifted over in the year 2023. As a result, the provision requirement increased this year. That is why, the net profit decreased slightly.

Horizontal Analysis

For the last five years balance Sheet

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	91%	108%	139%	75%	100%
In hand (including foreign currencies)	116%	126%	111%	91%	100%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	87%	105%	143%	72%	100%
Balance with other banks and financial institutions	102%	171%	175%	136%	100%
In Bangladesh	103%	190%	200%	151%	100%
Outside Bangladesh	98%	68%	39%	56%	100%
Money at call and on short notice	7%	82%	139%	0%	100%
Investments	209%	187%	140%	172%	100%
Government	205%	182%	135%	173%	100%
Others	292%	296%	231%	154%	100%
Loans and advances/investments	128%	122%	115%	108%	100%
Loans, cash credits, overdrafts, etc/investments	133%	122%	113%	110%	100%
Bills purchased and discounted	80%	121%	146%	84%	100%
Fixed assets including premises, furniture and fixtures	84%	80%	86%	95%	100%
Other assets	129%	101%	100%	107%	100%
Total Assets	134%	132%	124%	116%	100%
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	79%	148%	139%	105%	100%
Subordinated non-convertible zero coupon bonds	65%	79%	73%	86%	100%
Deposits and other accounts	143%	133%	125%	119%	100%
Current/Al-wadeeah current accounts and other accounts	155%	144%	134%	125%	100%
Bills payable	106%	111%	106%	100%	100%
Savings bank/Mudaraba savings bank deposits	173%	163%	164%	133%	100%
Fixed deposits/Mudaraba fixed deposits	130%	121%	111%	114%	100%
Other liabilities	166%	143%	126%	110%	100%
Total liabilities	135%	134%	125%	116%	100%
Capital/shareholders' equity					
Total shareholders' equity	119%	116%	111%	111%	100%
Paid-up capital	100%	100%	100%	100%	100%
Statutory reserve	130%	130%	118%	109%	100%
Revaluation reserve	130%	102%	105%	183%	100%
General reserve	100%	100%	100%	100%	100%
Retained earnings	174%	158%	143%	107%	100%
Total Liabilities and Shareholders' Equity	134%	132%	124%	116%	100%

Horizontal Analysis (Balance Sheet)

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2019 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, total assets, liabilities and shareholders' equity are showing consistent growth over the last five years which symbolize sustainable balance sheet growth of the bank as a whole. Deposit and advance is growing steadily over the years. Investment in T-bill/bond and other investment particularly in fixed income securities increased significantly with the surplus fund.

Vertical Analysis

For the last five years, profit and Loss Statement

	2023	2022	2021	2020	2019
OPERATING INCOME					
Interest income	61.24%	58.10%	62.40%	64.44%	74.87%
Interest paid on deposits and borrowings, etc	44.85%	42.44%	43.21%	53.11%	47.36%
Net interest income	16.39%	15.67%	19.19%	11.33%	27.51%
Investment income	22.03%	17.84%	23.30%	23.07%	10.78%
Commission, exchange and brokerage	13.09%	20.81%	10.78%	8.81%	11.01%
Other operating income	3.65%	3.24%	3.53%	3.68%	3.34%
Total operating income	55.15%	57.56%	56.79%	46.89%	52.64%
Salaries and allowances	13.79%	14.35%	13.17%	12.58%	10.70%
Rent, taxes, insurance, electricity, etc	1.65%	1.65%	1.64%	1.57%	1.44%
Legal expenses	0.08%	0.07%	0.06%	0.05%	0.07%
Postage, stamp, telecommunication, etc	0.50%	0.44%	0.40%	0.45%	0.41%
Stationery, printing, advertisements, etc	0.44%	0.50%	0.39%	0.53%	0.51%
Managing Director's salary and fees	0.04%	0.05%	0.07%	0.07%	0.05%
Directors' fees	0.01%	0.01%	0.01%	0.01%	0.01%
Auditors' fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation and repairs of Bank's assets	2.63%	2.72%	2.95%	3.02%	2.73%
Other expenses	5.70%	7.35%	6.83%	7.01%	6.18%
Total operating expenses	24.83%	27.13%	25.52%	25.29%	22.11%
Profit before provision	30.32%	30.43%	31.27%	21.60%	30.53%
Provision for loans and advances/investments					
General provision	6.02%	7.02%	-3.79%	7.71%	9.33%
Specific provision	11.08%	4.91%	17.91%	-1.47%	9.19%
Provision for off-balance sheet items	0.51%	-0.84%	1.65%	0.15%	-0.64%
Provision for diminution in value of investments	0.24%	0.00%	0.00%	0.64%	-0.26%
Other provisions	0.13%	0.71%	0.51%	0.49%	0.08%
Total provision	17.97%	11.80%	16.28%	7.52%	17.69%
Total profit before tax	12.35%	18.62%	14.99%	14.08%	12.84%
Provision for taxation					
Current tax	6.05%	9.96%	5.78%	6.84%	6.42%
Deferred tax	0.00%	0.00%	0.00%	0.00%	0.00%
Net profit after tax	6.30%	8.67%	9.21%	7.24%	6.42%

Vertical Analysis (Profit and Loss Statement)

Vertical Analysis on Income Statement refers to the components of income statement items as a percentage amount of total income over the periods which would be termed as common sizing of income statement. In income side, interest income (61.24%), income from commission, exchange and brokerage (13.09%) and investment income (22.03%) hold major portion of total income. With the implementation of new interest rate system followed by hike in interest rate, the interest income increased significantly. Besides, increase of investment income helped the bank to attain a good operating income this year. Last year, non-funded income from treasury investment as well as commission and exchange gain helped to maintain the growth of profitability.

Vertical Analysis

For the last five years balance Sheet

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	4.59%	5.51%	7.61%	4.38%	6.78%
In hand (including foreign currencies)	0.79%	0.87%	0.82%	0.72%	0.92%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	3.80%	4.63%	6.79%	3.65%	5.86%
Balance with other banks and financial institutions					
In Bangladesh	4.99%	8.45%	9.21%	7.70%	6.53%
Outside Bangladesh	4.24%	7.92%	8.89%	7.21%	5.51%
Money at call and on short notice	0.75%	0.53%	0.32%	0.50%	1.02%
Investments	0.06%	0.80%	1.46%	0.00%	1.30%
Government	24.20%	21.96%	17.57%	23.06%	15.53%
Others	22.52%	20.23%	16.13%	22.03%	14.75%
Loans and advances/investments	61.43%	59.32%	59.84%	59.86%	64.24%
Loans, cash credits, overdrafts, etc/investments	58.17%	54.33%	53.44%	55.90%	58.80%
Bills purchased and discounted	3.26%	4.99%	6.39%	3.96%	5.44%
Fixed assets including premises, furniture and fixtures	1.24%	1.20%	1.38%	1.64%	1.99%
Other assets	3.48%	2.76%	2.93%	3.36%	3.63%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	5.71%	10.89%	10.91%	8.80%	9.72%
Subordinated non-convertible zero coupon bonds	1.62%	1.99%	1.96%	2.50%	3.34%
Deposits and other accounts	76.25%	72.10%	72.50%	74.14%	71.71%
Current/Al-wadeeah current accounts and other accounts	15.49%	14.60%	14.52%	14.52%	13.41%
Bills payable	0.83%	0.89%	0.91%	0.92%	1.06%
Savings bank/Mudaraba savings bank deposits	17.61%	16.83%	18.07%	15.70%	13.65%
Fixed deposits/Mudaraba fixed deposits	42.32%	39.78%	39.00%	43.00%	43.59%
Other liabilities	10.19%	8.90%	8.38%	7.86%	8.24%
Total liabilities	93.78%	93.89%	93.76%	93.30%	93.01%
Capital/shareholders' equity					
Total shareholders' equity	6.22%	6.11%	6.24%	6.70%	6.99%
Paid-up capital	2.46%	2.49%	2.66%	2.85%	3.30%
Statutory reserve	2.48%	2.51%	2.45%	2.41%	2.56%
Revaluation reserve	0.57%	0.45%	0.49%	0.92%	0.58%
General reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	0.72%	0.66%	0.64%	0.51%	0.55%
Total liabilities and shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis (Balance Sheet)

Vertical Analysis on Balance Sheet refers to the components of balance sheet items as a percentage of total Assets over the periods which would be termed as common sizing of balance sheet. In asset side, Loans and advances (61.43%) and investment (24.20%) hold 85.63% share of balance sheet. Over the last 5 years, investment position increased significantly due to growth of advances and higher demand for T-bill and bond as a mean of sourcing fund by the government. Deposit holds the major holding of liability and its share has been increased in the year 2023.



Chairman's Statement

Ladies and gentlemen, Shareholders of Bank Asia PLC.,

I sincerely welcome you to the 25th Annual General Meeting of Bank Asia PLC.

Let me start by saying thank you for your faith in us and for your support in helping us accomplish our goals in 2023.

I take this opportunity to share the exciting stories and challenges of the last financial year.

Numerous banking sector changes were implemented during this time by our regulator, Bangladesh Bank. The trial period was handled extremely professionally by the bank management, who remained informed and cooperative. Currently, the bank has a far better standing than its peers.

The board of directors continuously and consistently improved the capacities and organizational structure of management. Top management, Retail & Card Businesses, Human Resource Division, Internal Control & Compliance Division and Legal Division, all had their capacities enhanced. The desired results have now begun to materialize.

Regarding technology and compliance, the bank has implemented all the essential safeguards to preserve proprietary information, internal data, safeguard our brand in the marketplace, and facilitate the shift to innovative products. Our strategy and planning in these areas had given us immense paybacks, some of which are cited as under:

1. 1st Prize for Best Presented Annual Report 2022 and Corporate Governance Disclosures by ICAB (Institute of Chartered Accountants of Bangladesh),
2. 1st Prize (Gold award) for Corporate Governance disclosure category by SAFA (South Asian Federation of Accountants),
3. Silver Rank for Sustainability Report 2022 by National Centre for Sustainability Reporting (NCSR) and Institute of Certified Sustainability Practitioners (ICSP) in Indonesia and
4. Best Trade Partner Bank-Bangladesh in South Asia by International Finance Corporation in the Global Trade Partners Meeting held in Barcelona, Spain.

Our businesses related to foreign exchange transactions have been under immense pressure and subject to uncertainties. We have not faced any significant crisis in this area due to very professional handling of these businesses.

An additional challenge was brought about by the regulatory decision to adapt to changing economic conditions by adjusting policy rates. Consequently, our bank had to transition to a market-based reference rate (SMART). Considering the liquidity situation of the economy, our bank's liquidity management was very strong.

In the above backdrop, the bank remains steadfast in its commitment to excellence.

Dear Shareholders,

Despite the macroeconomic challenges, deposits stood at Tk. 36,161.7 crore with growth of 7%, advances at Tk. 29,132.5 crore with growth of 5% and operating profit of the bank increased to Tk. 1,153 crore, an increase of 8% over last year. After providing for stressed loans and advances, tax, reserve and others, the bank attained net profit of Tk. 239.58 crore and the Board of Directors recommended 15% cash dividend for the year 2023.

Chairman's Statement

Bank Asia considers sustainability in every action it undertakes and plays an integral part in achieving the country's Sustainable Development Goals (SDG). In 2023, disbursement under Green Finance stood at 5.47% (Tk. 263.42 crore) against target of 5% and Sustainable Finance stood at 25.22% (Tk. 5,317.08 crore) against target of 20% given by Bangladesh Bank. Renewable energy, waste water management and agriculture are some of the sectors financed through these facilities.

Bank Asia being pioneer in financial inclusion initiative in Bangladesh, with around 64 lac agent banking customers (including more than 30 lac government's social safety net beneficiaries), have been able to provide structured banking services through over 5,000 accredited agents in the remotest corner of the country.

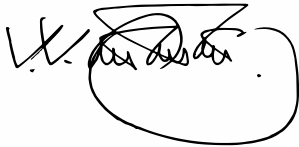
Bank Asia engaged in a range of CSR (Corporate Social Responsibility) initiatives with the aim of contributing to the betterment of society and advancing sustainable development. The bank spent Tk. 32.6 crore on CSR activities in 2023. One example of CSR activities of the bank is the state-of-the-art, 250-bed hospital located in Malkhanagar, Sirajdikhan, Munshigonj. Needy and deserving students received monetary scholarships as our support to education. Donations and contributions on stand-alone basis were also made to Bangabandhu Memorial Trust, Prime Minister Asrayan Prokolpo, Prime Minister's Education Assistance Fund, Prime Minister's Relief fund etc.

Dear Shareholders,

I would like to thank Bangladesh Bank, Bangladesh Securities & Exchange Commission, both stock exchanges of the country, external auditors and other regulatory authorities for their prudent guidance and assistance. I am also grateful to the Board of Directors, entire management team and all employees of the bank for their relentless effort of achieving projected goals.

Finally, I extend my deepest gratitude to you for your steadfast support during these challenging times. Your trust has been crucial in our journey. I am confident that our dedicated team's efforts will lead us to even greater heights as we continue on our path to excellence.

My very best wishes to all of you.



Romo Rouf Chowdhury

Chairman
Bank Asia PLC.

Our Acknowledgement to

Ex Chairmen



Mr. M Syeduzzaman
(1999-2008)



Mr. Anisur Rahman Sinha
(2008-2010)



Mr. A Rouf Chowdhury
(2010-2022)

Ex Managing Directors



Mr. Quazi Baharul Islam
(1999-2000)



Mr. Syed Anisul Huq
(2000-2008)



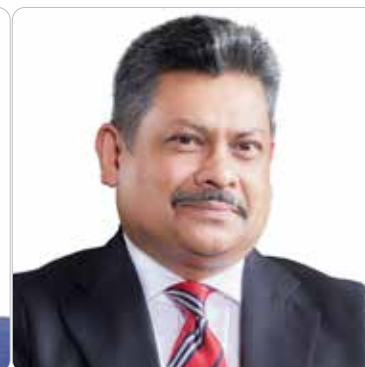
Mr. Erfanuddin Ahmed
(2009-2011)



Md. Mehmood Husain
(2011-2016)



Md. Arfan Ali
(2016-2022)



Areef Billah Adil Chowdhury
(2022-2023)

PRIORITIES WE FOLLOWED IN 2023

Secure the financial future by maintaining proper relationships with stakeholders



Capital Planning and Management

Ensure adequacy of capital as per Basel III Capital Accord to support healthy growth of business



Operating efficiency through Core Business

To maintain consistency and focus on asset quality



Financial Inclusion

To reduce poverty by promoting financial inclusion



Technological Innovation

Reducing lead time by technological advances



Liquidity Risk Management

To ensure smooth banking operation



Human Capital

Improvement of employee productivity



Paying back

Expanding the horizon of community services



Recovery of Classified Loan

Recovery of Classified Loan through proper monitoring & relationship management



Environment friendly investment

Developing, promoting and utilizing environment friendly investment

- Total Capital Tk. 40,659 million | CRAR 16.45%
- LCR 199.88% | NSFR 110.19 % | Leverage ratio 5.77 %

- Cluster wise branch segments for faster loan processing
- NAV per share increased to Tk. 25.32
- Operating Profit increased : +8%
+7% Deposit + 5% Advance

Agent Banking

- 64 districts
- 5,051 Outlets
- 6+ Million Customers

Micro-merchant

- On-Boarded 58,136

Post office Banking

- Outlets: 1,097

● OCAS-Diganta project:

- Number of proposals: 23,502
- Loans processed : Tk. 14,805 Million

● Maintained top three international standard:

- ISO 270a01-2 (ISMS),
- PCI DSS v4.0,
- ISO 22301 (BCMS)

- Developed rule based alert monitoring systems for risk, fraud and transactions monitoring

- AD Ratio: 72.48%
- ROA: 0.51%
- ROE: 8.24%

- 24,822 man hours of training to 2,170 participants
- Implemented a brand new Human Resource Information System (HRIS): PeopleHub, one-stop location for all the various human resource needs of the employees

● CSR activities: Tk. 326 million

- Health Tk. 227.00 million
- Education Tk. 16 million
- Disaster Management Tk.32 million
- Env. & Climate Change Mitigation & Adaptation Tk. 40.00 million

- Non-performing loans stood at 6.7%
- Maintained provision amount is Tk. 15,620 million
- Cash Recovery from CL and Written of Loan : Tk. 317.31 million

- Sustainable Finance: TK. 53,171 million
- Green Finance: Tk. 2,634 million
- Sustainable Linked Finance: Tk. 50,537 million

- Implemented Document Management Solution (DMS) for paperless office environment



Managing Director's Review

Dear Esteemed Shareholders,

I am extremely honored to be able to address you as the newly appointed Managing Director of Bank Asia and I do so with great enthusiasm. I am humbled to accept the great responsibilities that come with the position I currently hold, and I am excited about the vast prospects that lie ahead of us. Let me present an overview of our esteemed institution's performance during the year 2023.

Although there were a lot of obstacles in the current economic climate, Bank Asia has shown incredible endurance and achieved remarkable growth. Our culture of embracing change, fostering an environment of innovation and implementing cutting-edge banking practices has resulted in us being one of the leading institutions in the country. I would like to express my sincere gratitude to the esteemed members of the Board of Directors for their confidence in me and entrusting me with this pivotal role.

I take the opportunity to thank our valued clients, patrons, and shareholders who have kindly placed their faith in us and provided unwavering support. We, the Bank Asia family, have been able to continue telling the success story of our journey because of their cooperation and the combined effort of our invincible team.

As we embark on this new chapter, I reaffirm my commitment to upholding the highest standards of professionalism, to inculcate the culture of innovation, and in every way possible ensure growth for our esteemed institution as we herald this new beginning. Together, we shall continue creating value for all our stakeholders in a manner that spells progress for the economic development of our nation.

2023 Economic Overview

The global economy in 2023 confronted a confluence of challenges, including inflation, rising interest rates, tighter monetary policy, trade uncertainties, and geopolitical tensions, leading to moderate growth. Technological advancements, particularly in Artificial Intelligence, also emerged as a key trend.

Bangladesh's economy was not immune to these global headwinds. The nation grappled with depleting foreign currency reserves, exchange rate instability, slow revenue mobilization, high non-performing loans, and a significant rise in inflation, which averaged 9.5% in 2023. Despite these hurdles, Bangladesh achieved a commendable GDP growth of 6.03%.

Several key events directly impacted our business strategies:

- **Monetary Policy Shift:** The Bangladesh Bank transitioned from a fixed lending rate cap to the SMART (Six-Month Moving Average Rate of Treasury Bill) system. This move aimed to combat inflation but resulted in higher loan costs, impacting domestic credit growth. However, it also increased earnings from loans and advances.
- **Foreign Exchange Reserve:** By December 2023, the country's foreign exchange reserve had declined to \$21.87 billion. Since the middle of 2022, the nation has been experiencing its strictest import restrictions in decades, particularly through the control of letters of credit (LCs) for imports, which has had an impact on domestic investment. The shortage of US dollars for imports through official channels has significantly widened the gap between the official exchange rate and the unofficial market rate. Moreover, over the last year, the country's financial account has also consistently shown a deficit due to substantial growth of foreign loan payment. This ongoing shortfall has also diminished the country's reserves.
- **Foreign Currency Challenges:** A significant decline in foreign exchange reserves by December 2023 to \$21.87 billion led to stricter import restrictions and a widening gap between official and unofficial exchange rates. This shortage of US dollars impacted domestic investment.
- **Continued Infrastructure Investment:** Despite short-term challenges, Bangladesh remained committed to long-term economic growth through investments in transportation, energy, and digital infrastructure. These projects aim to improve productivity, attract foreign investment, and enhance the business environment.

Managing Director's Review

- **Financial Inclusion Efforts:** Efforts to promote financial inclusion and access to banking access continued in 2023. Digital banking initiatives like mobile banking and online payments gained momentum, offering greater convenience and accessibility for customers, particularly in remote areas.
- **Positive Export Growth:** Encouragingly, Bangladesh's export growth trajectory remained positive, surging by 8.07% during the July-March period of Fiscal Year 2022-23 compared to the same period in the previous year.

Major Strategic Priorities in 2023

In the face of the prevailing economic challenges, our institution remained steadfast in its commitment to preserving asset quality, accelerating loan recovery efforts, and strengthening loan monitoring and supervision mechanisms. Concurrently, we placed a strong emphasis on digitizing banking services, a strategic imperative aimed at enhancing the customer experience, streamlining operations, and maintaining cost discipline.

During this period, we fortified our capital base, achieving a robust Capital to Risk-Weighted Asset Ratio (CRAR) of 16.45%, surpassing the Basel III requirement of 12.50%. This achievement underscores our unwavering dedication to upholding robust capital adequacy standards, ensuring long-term stability and resilience.

Recognizing the dynamic market conditions and evolving regulatory landscape, we employed a comprehensive approach to effectively manage our operations. This entailed a judicious examination of market dynamics, proactive liquidity management, and adherence to regulatory directives, thereby safeguarding the integrity of our balance sheet.

Furthermore, in response to the foreign currency challenges that emerged during the year, we remained steadfastly compliant with the directives issued by the central bank and BAFEDA (Bangladesh Foreign Exchange Dealers' Association) regarding exchange rate management. Our strategic decisions and timely actions ensured that we continued to serve the diverse needs of our valued import and export customers effectively.

Throughout this period, our institution remained resolute in its pursuit of sustainable growth, guided by a prudent risk management framework and a commitment to upholding the highest standards of corporate governance.

Performance Highlights of 2023

In 2023, despite the formidable global and domestic economic challenges that prevailed, Bank Asia demonstrated remarkable resilience and achieved commendable progress, characterized by robust operating performance, disciplined cost management, and substantial revenue growth.

In the year 2023, Bank Asia recorded an operating profit of Tk. 11,530 million, reflecting an 8% growth compared to the previous year. This growth was driven by an impressive 14% increase in interest income, which rose to Tk. 23,287 million, largely due to the successful implementation of SMART rate. This remarkable growth in profitability was driven by several key factors, including,

- A substantial increase in investment income, underpinned by the upward trajectory of interest rates on Treasury bills and bonds.
- Additionally, our institution implemented sensible cost optimization measures, contributing to enhanced operational efficiency.

However, the inflationary pressures that prevailed during the year led to a corresponding rise in interest expenses, amounting to Tk. 17,053 million, an increase from Tk. 14,916 million in the previous year, consequently increasing liability costs.

In recognition of the importance of robust risk management, Bank Asia strategically increased its provisions to mitigate potential future risks. While this impacted net profit, which came in at Tk. 2,395 million for the year, reflecting a year-on-year decline, it strengthened the bank's financial resilience.

Overall, Bank Asia's disciplined cost management and substantial revenue growth underscore its strong operating performance in a challenging economic environment.

Business

In 2023, Bank Asia's financial position remained strong. The bank's total assets amounted to Tk. 474,228 million, reflecting a marginal growth of 1% from Tk. 468,400 million recorded in 2022. Deposits increased to Tk. 361,617 million, exhibiting a growth of 7% compared to Tk. 337,695 million in the previous year. Conversely, loans and advances experienced a modest growth of 5%, reaching Tk. 291,325 million.

The bank's imports witnessed a decline of 16%, decreasing to USD 1,912 million in 2023 from USD 2,277 million in 2022. Similarly, exports registered a substantial decrease of 23%, reaching USD 1,380 million compared to USD 1,793 million in the preceding year. Inward remittances displayed a negative growth rate of 40%, plummeting to USD 839 million in 2023 from the previous year's level.

Subsidiary Performance

The fiscal year 2023 witnessed significant volatility in the stock market, characterized by a drastic decline in average turnover and foreign investment. Throughout the year, the market exhibited a range-bound trend, with the broad index of the Dhaka Stock Exchange (DSEX) demonstrating sideways movement, fluctuating between 6,178 points and 6,367 points, ultimately closing at 6,246 points by year-end, reflecting a modest increase of 39.70 points or 6%.

BASL achieved an operating profit of BDT 108 million in 2023. In addition, the performance of our foreign subsidiaries was positive. BA Exchange Company (UK) Limited reported an operating profit of GBP 64,073 in 2023, an improvement from GBP 30,623 in 2022. Similarly, BA EXPRESS USA Inc. posted an operating profit of USD 670,777 in 2023.

By maintaining robust financial health and demonstrating resilience in a volatile market, Bank Asia Limited's subsidiaries continue to contribute positively to the overall performance of the bank.

Delivery Channels and Operational Scope

Bank Asia's operations encompass a comprehensive array of banking services, delivered through a diverse range of channels, catering to the evolving needs of our esteemed clientele. Our institution's operational scope encompasses the following key areas:

1. **Conventional Banking:** We offer traditional banking services through an extensive network of 135 branches, complemented by 4 dedicated SME service centers and 15 sub-branches strategically located across the nation.
2. **Islamic Banking:** Adhering to the principles of Shariah, we provide Islamic banking services and products through 5 dedicated Islamic windows. Additionally, our conventional branches are equipped with online-based SALAMAH desks, enabling the provision of Islamic banking services to our customers.

Managing Director's Review

3. **Offshore Banking:** Our offshore banking unit, strategically situated in Chittagong, caters to the unique needs for FC financing clientele, facilitating cross-border transactions and financial services.
4. **Agent Banking:** In our unwavering commitment to promoting financial inclusion, we have established a robust agent banking network, spanning 64 districts across the country, with 5,051 agent outlets, ensuring convenient access to banking services for our customers in remote and underserved areas.

Through this diversified delivery network, our institution remains steadfast in its commitment to providing exceptional banking experiences, fostering financial inclusion, and contributing to the economic development of the nation.

Corporate Social Responsibility (CSR)

Bank Asia remains committed to its Corporate Social Responsibility (CSR) initiatives, positioning itself as a socially conscious institution and a catalyst for positive societal change. In 2023, the bank allocated Tk. 326 million towards CSR initiatives, focusing on education, healthcare, and support for disadvantaged sectors. These efforts underscore our dedication to enhancing the overall quality of life within our communities and embodying the principles of responsible corporate citizenship.

- **Corporate Social Responsibility (CSR):** In 2023, the bank dedicated Tk. 326 million to CSR initiatives, focusing on education, healthcare, and supporting disadvantaged communities. This commitment reflects Bank Asia's core values of responsible corporate citizenship and contributes to positive societal transformation.

Strengthening Capital Base

At Bank Asia, we have consistently prioritized the fortification of our capital base as a cornerstone of our risk management strategy. This unwavering commitment has enabled us to maintain a robust capital position. In 2023, we maintained a strong Capital to Risk-Weighted Assets Ratio (CRAR) of 16.45%, well above the minimum requirement of 12.5% as stipulated by the Basel III framework. To further bolster our capital structure and support sustainable business growth, we issued perpetual bonds, ensuring compliance with Basel III regulations. This strategic initiative reflects our commitment to financial stability and regulatory adherence.

Credit Rating: A Testament to Our Credibility

In recognition of our institution's financial strength, prudent risk management practices, and overall operational excellence, Bank Asia has been accorded superior credit ratings that serve as a testament to our unwavering credibility. Bank Asia maintained a strong reputation for creditworthiness in 2023, our long-term credit rating stood at AA1, while our short-term rating was ST-1, reflecting our robust creditworthiness and ability to meet our obligations, both in the short and long term.

These exceptional credit ratings, assigned by renowned and independent credit rating agencies, underscore our institution's commitment to maintaining the highest standards of corporate governance, fiscal discipline, and risk management. Furthermore, they reinforce the confidence of our esteemed stakeholders, including customers, investors, and regulatory authorities, in our institution's financial stability and long-term sustainability.

We take immense pride in these credit ratings, which serve as a powerful affirmation of our institution's strong fundamentals, strategic vision, and unwavering dedication to creating value for all our stakeholders while contributing to the nation's economic development.

Awards & Accolades

In recognition of our commitment to excellence, in the year 2023, the bank garnered several prestigious accolades from esteemed national and international organizations in recognition of its outstanding performance and adherence to best practices. Some of these are,

- SAFA (South Asian Federation of Accountants) Awards:
 - Gold Award for Corporate Governance
 - Silver Award for Private Sector Banks
- ICAB (Institute of Chartered Accountants of Bangladesh) Awards:
 - 1st position under Corporate Governance Disclosures category
 - 1st position under Private Sector Banks category
- NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) Awards:
 - Silver Rank in the Asia Sustainability Reporting Rating (ASRRAT) 2023 for the Sustainability Report 2022

These accolades are a testimony to our strength in the arena of excellence in corporate governance, sustainability, and transparent reporting.

Strategic Plans for 2024

The year 2024 will mark a new chapter in the history of Bank Asia. It's a new dawn for Bank Asia in 2024, suffused with new thoughts and strategy, and a relentless quest for the best. As we navigate the evolving landscape of the financial industry, my vision for our bank is clear: to redefine the standards of banking excellence, drive sustainable growth, and create lasting value for all our stakeholders.

In the year 2024, the economic landscape is anticipated to present significant challenges attributable to several factors. The upsurge in interest rates, coupled with escalating inflationary pressures is expected to exert considerable strain on the economic environment. Additionally, there is anticipated pressure on the foreign exchange market, further exacerbating the complexity of the situation. Consequently, it is plausible that the economy may witness subdued growth or diminished demand. This subdued economic performance can be attributed to various ongoing challenges, including disruptions within the supply chain, volatility in power supply, geopolitical tensions on both the global and local fronts, and adverse conditions prevailing within the broader global economic context.

As a forward-thinking financial institution, we are committed to ongoing investment in digital banking infrastructure, with the primary objectives of enhancing customer experience, optimizing operational efficiency, and streamlining our business operations. Anticipating a tepid growth trajectory in net interest income primarily attributed to the escalating trend of interest expenses, which poses challenges to overall profitability across all business segments, our strategic focus will

Managing Director's Review

Strategic Plans

center on augmenting non-interest income while prioritizing stringent cost management practices. In the light of this, strategic backdrop, the bank will actively pursue the following strategic priorities to realize its overarching objectives:

1. Optimizing Deposit Mix:

- Mobilize low-cost deposits to improve cost efficiency.
- Refine deposit mix to reduce overall deposit costs.

2. Expanding Lending and Supporting Growth:

- Prioritize expansion of retail and MSME lending portfolios to enhance yield on advances and contribute to the economic development.
- Restructure and relaunch CMSE and Retail banking models for better performance.

3. Strengthening Customer Relationships:

- Focus on nurturing existing relationships with good customers.
- Onboard new customers with strong creditworthiness.

4. Enhancing Asset Quality:

- Implement regular loan monitoring to prevent delinquencies (overdue and SMA).
- Implement effective recovery efforts for rescheduled, stay-order, and written-off loans.

5. Boosting Remittances:

- Implement initiatives to increase remittance inflows from overseas.

6. Centralizing Operations for Efficiency:

- Centralize liability operations, trade transactions, and credit administration.
- Improve compliance, efficiency, and optimize human resource utilization.

7. Automating Processes:

- Automate loan monitoring, documentation management, and credit administration.
- Streamline workflows with improved MIS (Management Information System).

8. Elevating Customer Service:

- Leverage technology to enhance customer experience.
- Invest in workforce development to improve skills and capacity.

9. Controlling Operating Costs:

- Implement stringent cost management practices.

In closing, I want to express my sincere appreciation to all those who

have contributed to our success. The exceptional leadership and insightful guidance of our esteemed Board of Directors have fostered a culture of thoughtful decision-making for which we are deeply grateful. I extend my heartfelt thanks to each member for their wisdom and active involvement.

Our colleagues are the backbone of our organization, and their unwavering commitment and diligent efforts deserve our deepest recognition. Their dedication plays a pivotal role in achieving our collective goals.

We are also incredibly fortunate to have earned the continued trust and confidence of our valued customers. Their loyalty is a testament to the quality of service we strive to provide.

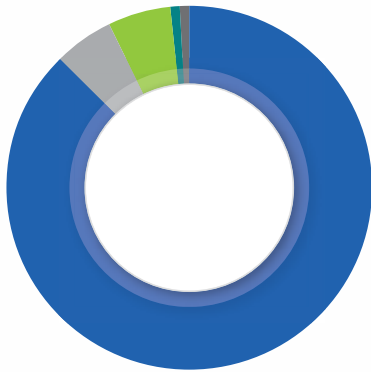
Finally, I extend my sincere gratitude to all our shareholders for their unwavering belief in our institution. Their continued support is a powerful motivator as we pursue our strategic vision.



Sohail R K Hussain
Managing Director

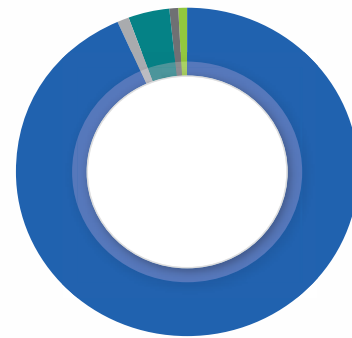
Segment Analysis

Bank Asia Consolidated



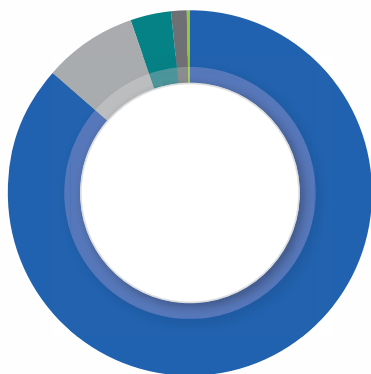
Operating Revenue
(Million Taka)

Conventional **33,827**
Islamic **2,080**
OBU **2,121**
Local Subsidiaries **398**
Foreign Subsidiaries **226**



Profit before provision
(Million Taka)

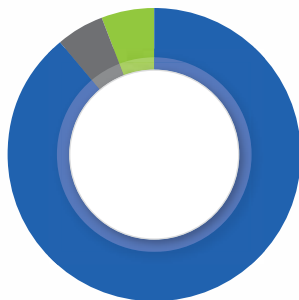
Conventional **10,970**
Islamic **99**
OBU **462**
Local Subsidiaries **109**
Foreign Subsidiaries **80**



Total Assets
(Million Taka)

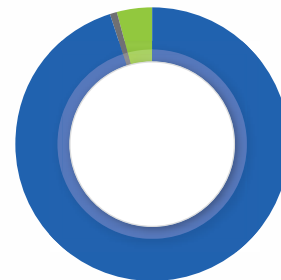
Conventional **417,003**
Islamic **39,690**
OBU **17,536**
Local Subsidiaries **6,665**
Foreign Subsidiaries **404**

Bank Asia Solo



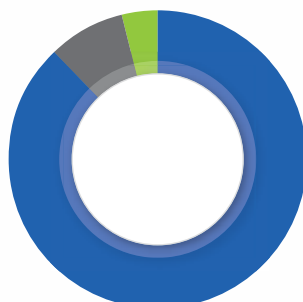
Operating Revenue
(Million Taka)

Conventional **33,827**
Islamic **2,080**
OBU **2,121**



Profit before provision
(Million Taka)

Conventional **10,970**
Islamic **99**
OBU **462**



Total Assets
(Million Taka)

Conventional **417,003**
Islamic **39,690**
OBU **17,536**

DIRECTORS' REPORT





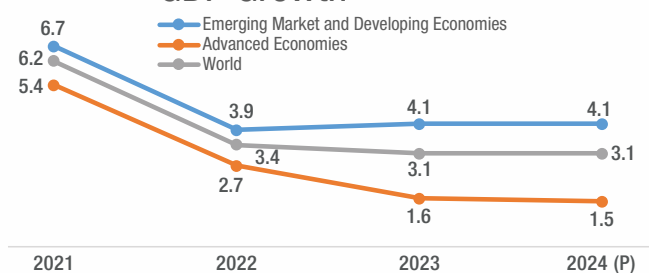
World Economy

The Global economic activity growth is experiencing slowdown at 3.1 percent in 2023 which was 3.40 percent in 2022 and growth is forecasted at 3.1 percent in 2024. This slowdown because of effects of monetary policy tightening to reduce inflation. Economic activity is still below its pre-pandemic trajectory, particularly in emerging markets and developing economies, and regional disparities are becoming more pronounced. The prevailing risks to worldwide economic expansion still thin towards the downside. Due to diminishing food and energy costs as well as normalization of supply chains, it is now anticipated that global inflation will decrease sharply to 6.9 percent in 2023 from 8.7 percent in 2022. While the effects of monetary tightening are beginning to become evident, a primary factor contributing to the anticipated decrease in headline inflation for 2023 is the declining prices of international commodities. The growth of world trade volume went down almost half way from 10.9 percent in 2021 to 5.1 percent in 2022. Anticipated trade volume growth is set to decelerate, dropping to 0.9 percent in 2023. For advanced economies, the projected growth for 2023 is set lower at 1.5 percent, a decrease from 2.6 percent in 2022. The output growth in the United States for 2023 is projected to be the same as 2.1 percent in 2022, reflecting the anticipated effects of slower wage growth, tightening of financial conditions, and depleted consumers' excess savings that accumulated during the pandemic. Growth in the euro area is projected to fall to 0.7 percent in 2023 from 3.3 percent in 2022 due to downward growth forecasts in major economies Germany, France, Spain and Italy.

GLOBAL GDP Growth

Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. This forecast is reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

GDP Growth



GLOBAL INFLATION

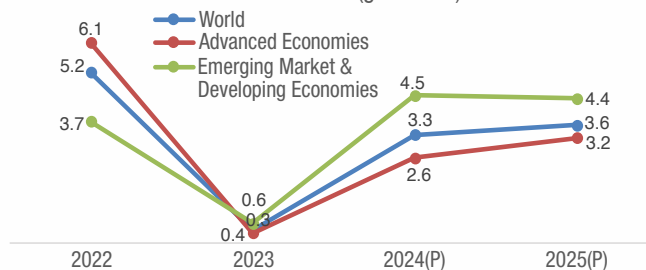


Global inflation is facing a steady declining trend in 2023. It is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices. Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024.

GLOBAL TRADE VOLUME

According to UNCTAD's latest Global Trade Update, published on 12 December 2023, Global trade has experienced negative growth since mid-2022, primarily driven by a substantial decline in goods trade, which continued to contract in the first three quarters of 2023. In contrast, trade in services has displayed more resilience and its growth remained positive throughout the same period. Overall, the Global Trade Update projects that global trade in 2023 could drop to less than US\$ 31 trillion, representing a contraction of about US\$ 1.5 trillion (or 4.5 per cent) compared to the 2022 record high. Specifically, trade in goods is expected to contract by nearly US\$ 2 trillion in 2023, or 7.5 per cent, while services trade should gain about US\$ 500 billion, or 7 per cent.

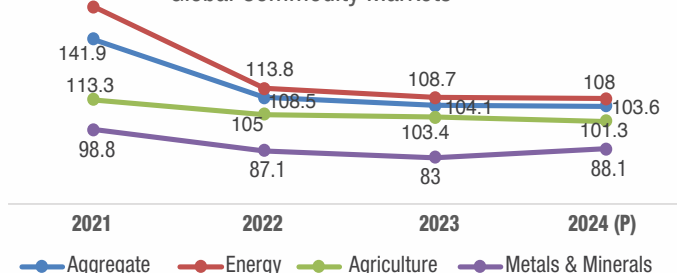
Global Trade Volume (growth %)



GLOBAL COMMODITY MARKETS

The World Bank commodity price index is expected to fall 4 percent in 2024, following a projected decline of nearly 24 percent in 2023, the sharpest drop since the pandemic. Energy prices are expected to decline by almost 5 percent in 2024 and remain relatively stable in 2025. Agriculture prices are expected to decline over the forecast period, while metal prices are set to fall in 2024 but see a 6 percent uptick in 2025. The forecasts assume that the conflict in the Middle East will have a limited impact on commodity prices, though geopolitical risks remain high. Disappointing global growth presents a downside risk, especially for industrial commodities. Additional trade restrictions and intensification of El Niño could push food prices higher.

Global Commodity Markets

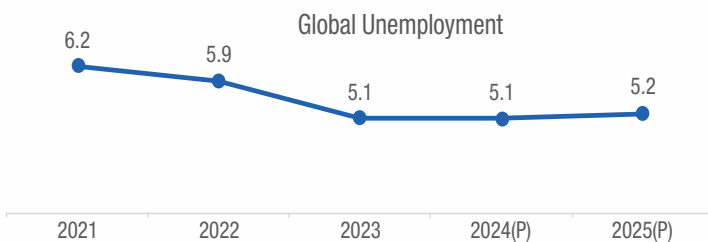


GLOBAL FDI

UNCTAD's World Investment Report 2023 reveals a widening annual investment deficit that developing countries face as they work to achieve the Sustainable Development Goals (SDGs) by 2030. The gap is now about \$4 trillion per year – up from \$2.5 trillion in 2015 when the SDGs were adopted. The report shows that global foreign direct investment (FDI) fell 12% in 2022 and analyses how investment policy and capital market trends impact investment in the SDGs, particularly in clean energy. It highlights that developing countries need renewable energy investments of about \$1.7 trillion each year but attracted only \$544 billion in clean energy FDI in 2022. Although investments in renewables have nearly tripled since 2015, most of the money has gone to developed countries.

GLOBAL UNEMPLOYMENT

Unemployment is expected to rise modestly. Projections show that unemployment rates are set to remain broadly stable over the next two years (table 1.3). As labor force participation rates decline and



employment growth slows, the global unemployment rate is expected to remain near current levels, edging up from 5.1 per cent in 2023 to 5.2 per cent in 2024 and remaining unchanged in 2025. The modest increase in the unemployment rate will translate into an increase in global unemployment of 2 million in 2024, rising to 190.8 million from the 188.6 million in 2023.

GLOBAL ECONOMIC OUTLOOK

The global economy has proved resilient, inflation has declined within sight of central bank targets, and risks to the outlook are becoming more balanced. We expect steady global growth for 2024 and 2025, though growth is projected to remain below its longer-run average. Policy action needs to ensure macroeconomic stability and improve medium-term growth prospects. Monetary policy should remain prudent, with scope to lower policy interest rates as inflation declines, fiscal policy needs to address rising pressures to debt sustainability, and policy reforms should boost innovation, investment and opportunities in the labor market.

Challenges:

- There may be forthcoming recession in many countries in the upcoming years
- Stubborn inflation
- China's economic slowdown
- Energy crisis and unstable price
- Geopolitical tensions
- Trade Fragmentation
- Rising debt vulnerability- higher borrowing cost, weaker growth

Opportunities:

- Global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession

Source: World Economic Outlook January, 2024



Board of Directors at 24th AGM

Bangladesh Economy

Bangladesh Economy

Despite a number of external sector related difficulties, Bangladesh's economy experienced reasonably strong real GDP growth in FY23. This growth was achieved with a number of fiscal and monetary policy measures aimed at increasing investment and generating employment opportunities. Bangladesh economy made a satisfactory GDP growth rate at 6.03 percent for FY23, which was 7.10 percent in FY22.

The year 2023 was really one of the most challenging ones in the recent past of Bangladesh economy history, as it revealed its weaknesses on various areas. Supply disruptions and the spike in the prices of fuels and other commodities in the global market due to global events which pushed up costs in the worldwide, leading to high inflationary pressure. However, although several countries have now been successful to control the inflation through appropriate policy measures, Bangladesh is still struggling to do the same. Additionally, the country is now faced with multiple challenges such as a fragile banking sector, financial account deficit, volatility in the exchange rate, and depleting foreign exchange reserves. Because of these challenges, the macroeconomic stability that Bangladesh enjoyed for a long time supported by high GDP growth rate, relatively low inflation rate and stable external sector has been weakened.

Agriculture Sector

Agriculture contributed 11.20 percent of GDP in FY23, with slower growth from 3.05 percent in FY22 to 2.61 percent in FY23. During this period, the growth of forest and related services; and animal farming sub-sectors increased slightly compared to the previous year. However, the growths in crops and horticulture; and fishing sub-sectors fell significantly to 2.26 percent and 1.14 percent respectively in FY23 from 2.61 percent and 2.64 percent in FY22.

Agriculture Sector



FY20 FY21 FY22 FY23P

Industry Sector

The industrial sector contributed 37.56 percent of GDP in FY23 and grew by 8.18 percent, lower than 9.86 percent growth in FY22. This growth was supported by the growths of mining and quarrying (5.74 percent in FY23 from -1.12 percent in FY22); and water supply,

Industry Sector



FY20 FY21 FY22 FY23P

sewerage, waste management and remediation activities (10.02 percent in FY23 from 9.54 percent in FY22) sub-sectors. On the other hand, manufacturing; electricity, gas, steam, and air conditioning supply; and construction sub-sector recorded lower growth in FY23 as compared to the previous year.

Service Sector

The services sector accounts for the largest share of GDP. This sector contributed 51.24 percent of GDP in FY23, slight lower than 51.48 percent in FY22. Services sector grew by 5.84 percent in FY23, lower than 6.26 percent growth in FY22. Among the components of services

Service Sector



FY20 FY21 FY22 FY23P

sector, wholesale and retail trade, and repair of motor vehicles and motorcycles; financial and insurance activities; education; and human health and social service activities exhibited lower growths in FY23 than those of the previous year.

FISCAL OUTCOME Expenditure

The total expenditure in the revised budget for FY23 was set at BDT 6605.07 billion (14.88 percent of provisional GDP) which was 27.46 percent higher than the actual expenditure in FY22. The operating expenditure in the revised budget for FY23 was set at BDT 4142.83 billion (9.33 percent of provisional GDP), which was 27.20 percent higher than the actual operating expenditure of BDT 3256.82 billion in FY22.

Fiscal Outcome Expenditure (BDT Billion)



Revenue Collection

In the revised budget for FY23, total revenue receipts were targeted at BDT 4330.00 billion, which was 29.39 percent higher than the actual revenue receipts in FY22. The revised target for tax revenue collection was 89.61 percent of the total revenue receipts which was 29.51 percent higher than the actual tax revenue collected in FY22. However, the revised target for non-tax revenue collection for FY23 was 28.35 percent higher than the actual collection of that in FY22.

External Sector

External sector of Bangladesh economy such as export, import and remittance have always played big roles in country's development activities. The position of these external sectors are delineated below:

Export

Bangladesh's export earnings was inspiring in FY23. Export earnings were about 12.24 percent of GDP in FY23. According to Export Promotion Bureau (EPB), total export earnings in FY23 increased by 6.67 percent to USD 55,558.77 million from USD 52,082.66

Export (Million USD)

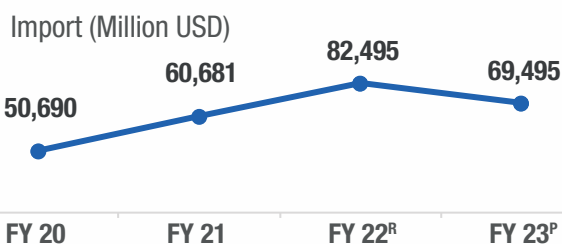


FY 20 FY 21 FY 22^R FY 23^P

million in FY22 (Table 12.01). However, export earnings fell short its target by 4.21 percent in FY23 due to the global economic slowdown due to the Russia-Ukraine war. To maintain the export earnings, the Government and Bangladesh Bank have taken various prudential policy measures such as: allowing moratorium facilities and extended time for realizing export receipts and import payments, enhancing the export development fund (EDF) etc. throughout FY23. Notably, the apparel (woven garments and knitwear products) sector occupied a dominant portion (above four-fifths) of the total export earnings in Bangladesh.

Import

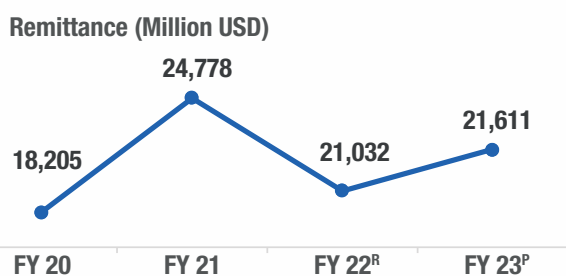
Due to the global business uncertainties and the ongoing depreciating pressure on exchange rate, import growth faced a drastic fall in FY23. Total import (fob) decreased by 15.76 percent to USD 69,495.40 million in FY23 from USD 82,495.10 million in FY22. Various measures taken by the government as well as Bangladesh Bank ease the import demand of non-essential items which help to mitigate the pressure on foreign exchange reserves in FY23. Import payments almost all the imported items like consumer goods (2.20 percent), intermediate goods (19.79



percent), and capital goods (17.36 percent) significantly declined in FY23. On the contrary, import payments for few items such as rice, spices, pulses, and fertilizer increased in FY23.

Remittance

Due to global uncertainties and dwindling trend of foreign exchange reserve, remittances play a significant role for the improvement of country's external situation in FY23. Current account deficit decreased in FY23 due to higher secondary income especially high inward remittance



flows from the migrants as well as lower trade deficit. Remittance earnings of Bangladesh increased by 2.75 percent to USD 2,1610.73 million in FY23 from USD 2,1031.68 million in FY22.

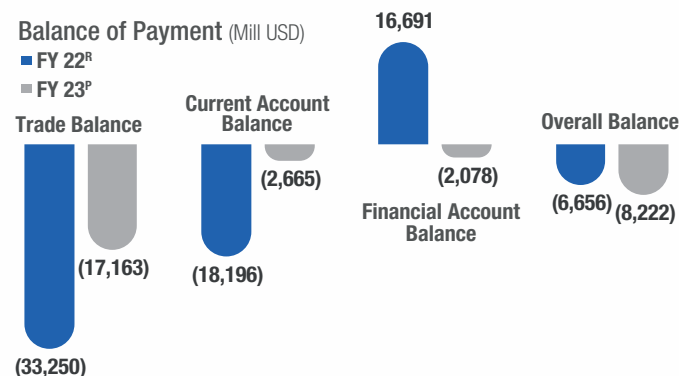
Foreign Direct Investment (FDI)

Foreign direct investment (FDI) inflow performs a multidimensional role in any developing country. As a potential source of foreign exchange reserves, FDI has been emphasized by the Government in its 8th five-year plan for creating an investment-friendly environment through widespread infrastructure developments, including power, ICT and communication sectors. Recently various sectors of our economy have shown some signs of receiving encouraging responses from the global investors. Due to global financial turmoil inflicting from Russian-Ukraine war, the net FDI inflow decreased notably by 9.74 percent to USD 1,649 million in FY23. The portfolio investment also experienced an outflow of

USD 30 million in FY23 against the outflow of USD 158 million in the preceding fiscal year.

Balance of Payment

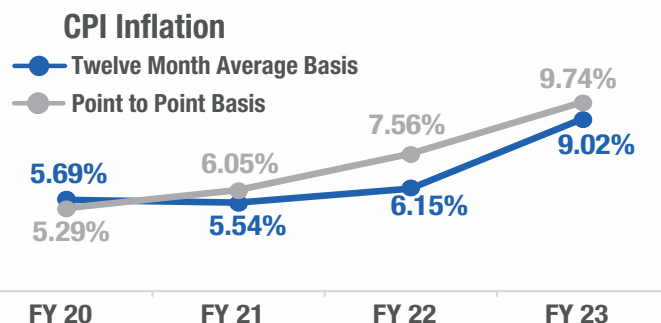
In FY23, exports (f.o.b) increased by 6.27 percent while imports (f.o.b) decreased by 15.76 percent. The total exports (f.o.b) in FY23 stood at



USD 52332 million which was USD 49245 million in FY22. On the other hand, the total imports (f.o.b) decreased to USD 69495 million in FY23 from USD 82495 million in FY22. As a result, the trade deficit lessened and stood at USD 17163 million in FY23 which was USD 33250 million in FY22. Workers' remittance inflow grew slightly by 2.75 percent and stood at USD 21610.73 million in FY23, which was USD 21031.68 million in FY22. Due to a substantial drop in trade deficit along with a slight increase in the inflow of remittances, current account deficit reduced significantly to USD (-) 2665 million in FY23 from USD (-) 18196 million in FY22. The financial account observed a deficit of USD 2078 million in FY23 against the remarkable surplus of USD 16691 million in FY22 due to decrease inflows in foreign direct investment (FDI), MLT loans, other short term loans (net) and trade credit (net) etc. In FY23, the overall balance of payments remained negative and stood at USD (-) 8222 million which was USD (-) 6656 million in FY22. The main factor for a persistently negative overall balance of payments of Bangladesh's economy is a sizable deficit in the financial account.

CPI Inflation

During FY23, twelve-month average CPI inflation showed an upward trend throughout the year. In the beginning of FY23 (July 2022), twelve-month average CPI inflation stated with a slight increase of 6.33 percent



from 6.15 percent in June 2022 and reached with a sharp increase of 9.02 percent at the end of FY23 (base: 2021-22=100). Inflation was 1.52 percentage points higher than the targeted ceiling of 7.50 percent in FY23. The higher general CPI inflation was the result of the increase in both food and non-food inflation in FY23 compared to the previous year. Food and non-food inflation increased to 8.71 percent and 9.39 percent in June 2023 from 6.05 percent and 6.31 percent respectively in June 2022. The surge in both food inflation and non-food inflation

indicates strong inflationary pressure due mainly to disruptions in the supply chains. The point-to-point inflation rate reached to 9.41 percent in December 2023 which was 8.71 percent in December 2022.

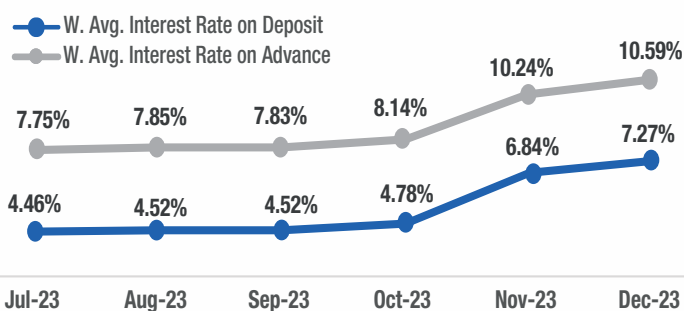
Exchange Rate

In FY23, the volatility of the world foreign exchange market was relatively higher than previous year. BB tried to stabilize the foreign exchange market by selling a huge amount of USD. For this purpose, BB sold USD 13,578.20 million while purchased only USD 193.00 million during FY23. However, the annual average exchange rate stood at BDT 99.46 per USD in FY23 which was BDT 86.30 per USD in FY22. In FY23, exchange rate of BDT-USD followed much depreciation due to large deficit in BoP. Accordingly, exchange rate depreciated by 11.84 percent in FY23 and stood at BDT 106.0 at the end of June 2023 from BDT 93.45 at the end of June 2022). BDT-USD exchange rate stood at Tk.110 per USD on December 28, 2023.

Monetary Policy

The monetary policy for FY23 was formulated with a cautious and accommodative stance to contain the inflation pressure mainly owing to pandemic associated expansionary fiscal and monetary policies amid Russia-Ukraine war induced supply-side disruptions while supporting the productive and employment generating activities in the country by ensuring the necessary flow of funds. The monetary and credit programs were designed in line with the targeted real GDP growth of 6.50 percent and CPI inflation of 7.50 percent as outlined in the national budget for FY23.

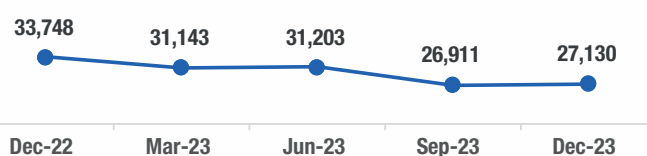
Interest rate movement



Foreign Exchange reserve

Foreign exchange reserves act as a cushion against any disruption of capital flow and provide enough mobility to central bank attain exchange rate stability and to effectively implement monetary policy actions. BB's gross foreign exchange reserves comprises major global currencies (G-7), gold and Special Drawing Rights (SDR). At the beginning of FY23, foreign exchange reserves stood at USD 41.83 billion which reduced to USD 27.13 billion at the end of the year 2023.

Foreign Exchange Reserve (Million USD)



Bangladesh Economic Outlook in 2024

The outlook of the year 2024 will be challenging one. Our policymakers will have to work towards addressing the essential issues such as controlling inflation, increasing revenue collection, stabilizing exchange rate and improving forex reserves.

Major Challenges:

- High inflationary pressure
- Exchange rate pressures
- Substantial erosion of foreign exchange reserves.
- Preferential duty free market is getting narrow.
- Rising income inequality
- Unstable Fuel & energy prices in International Market
- High NPL (Non-Performing Loan) in Banking sector
- Money transfer into overseas countries through illegal ways

Opportunities for 2024

Despite a lot of challenges in the year 2024, there may have some opportunities as mentioned below:

- Several mega infrastructure projects reaching completion in 2024 such as the Padma multi-purpose bridge, Dhaka Elevated Expressway, and the Bangabandhu Tunnel linking to Dhaka, 3rd terminal at Hazrat Shahjalal International Airport which will create economic benefits for the country.
- Greater opportunity to increase exports to ASEAN.
- A loan of USD 4.7 billion from the IMF will give some breathing space.
- At present Bangladesh's external debt to GDP ratio stood at 15.90 percent, much lower than the IMF mandated threshold of 40 percent.
- Market interest rate and exchange rate will be based on market trend

All graph data are sourced from Bangladesh Bank Annual Report 2022-2023

Banking Industry Exploring 2023

The year 2023 proved to be highly challenging for the economy of Bangladesh, exposing weaknesses across various sectors. Issues such as a fragile banking sector plagued by non-performing loans, a financial account deficit, exchange rate volatility, and depleting foreign exchange reserves have significantly undermined the country's macroeconomic stability. Inflation has surged, reaching alarming levels, severely impacting the purchasing power of citizens. The banking sector, in particular, is struggling with a mounting amount of non-performing loans, exacerbated by lenient regulations favoring bank directors and defaulters. Additionally, harmful incidents such as amendments to banking laws have further weakened the authority of the Bangladesh Bank, aggravating the sector's problems.

Furthermore, challenges persist in the external sector, prompting measures to enhance the balance of payments and stem the decline in forex reserves. While restrictions on luxury imports have improved trade balances, they have also hindered essential imports crucial for production. Policymakers face the daunting task of balancing these measures to meet IMF targets while addressing the declining remittance flow, exacerbated by the prevalence of informal channels due to disparities in exchange rates. Establishing a sound exchange rate management system is deemed essential to alleviate confusion and stabilize the economy amidst these multifaceted challenges.

Regulation of Banking Industry

Bangladesh Bank Order 1972 and the Bank Company act 1991 and subsequent amendment of 2023 mainly guide the Commercial Banks of Bangladesh. Bangladesh Bank (BB), the Central Bank, exerts the supervisory controls over the banking sector. Besides, prudential guidelines for agent banking operation, loan classification and provisioning, amendment of guidelines on credit card operations of banks, foreign direct investment promotion project (FDIPP), promotion of cashless transaction and issuance of agricultural & rural credit policy & program for the FY 2022-23 were the key steps of central bank to

strengthen sustainable development of the banking industry.

Bangladesh Bank has brought a structural change in its contractionary monetary policy framework. The new monetary policy introduces four key reforms including the implementation of a policy interest rate corridor, a reference interest rate for lending, exchange rate unification, and a revised method of calculating the gross international reserve in accordance with aligning with the government's target the Balance of Payment and International Investment Position Manual (BPM6).

Banking sector of Bangladesh

In December 2023, the total deposit stood at Tk. 16,537,447 million in 2023, an increase of 11.05 % compared to the previous year. On the other hand, the total advances stood at Tk. 19,486,499 million, a growth of 10.83 % over the last year, creating a likelihood for asset-liability mismatch. Reserve money stood at USD 27130 million at the end of December 2023 against the previous year's value of USD 33,747.7 million at the end of December 2022.

The key profitability indicators – Return on Assets (ROA) and Return on Equity (ROE) stood at 0.4% and 7.9% respectively in 2023(June) as compared to 05% and 4.4% respectively as recorded in 2022. During the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for the banking industry was 11.20%, and the CRAR for the private commercial banks, state banks, and foreign banks was 12.8%, 6.8%, and 32.9%, respectively.

With the aim of making the banking sector sustain, Bangladesh Bank has picked SMART (Six-Month Moving Average Rate of Treasury Bill) as a basis for the lending rate of the banking sector from July 2023. SMART varies over time; SMART was 7.1% at the very beginning of July 2023 and at 7.72% in December 2023.

Monetary Aggregates

(YoY % change %)

Item	Actual		Dec-23		Jun-24	
	Jun-23	Dec-23	Projection	Actual ^P	Projection	Revised Projection
Broad Money	10.5	9.0	9.5	8.8	10.0	9.7
Net Foreign Assets*	-23.4	-23.7	-16.8	-21.8	4.7	-2.4
Net Domestic Assets	21.3	17.9	15.9	16.2	11.1	12.2
Domestic Credit	15.3	12.7	15.9	11.7	15.4	13.9
Credit to the public sector	35.8	25.9	37.9	18.0	31.0	27.8
Credit to the public sector	10.6	9.7	10.9	10.2	11.0	10.0
Reserve Money	10.5	1.2	0.0	-2.0	6.0	-1.0
Money Multiplier	4.93	5.46	5.07	5.14	5.11	5.46

(In Billion)

Types of Bank	No. of Banks	No. of Branches	CRAR %	Total Deposit	% of Industry Deposit	Total Asset	% of Industry Asset	NPL Ratio	CL (In Billion)	ROA %	ROE %
State owned bank (SCB)	6	3,836	6.76	4,325	25.4	5,601	24.2	25.01	744.5	0.1	5.4
Specialized banks (DFI)	3	1,523	-37.79	468	2.8	539	2.3	12.14	47.5	-3.5	-14.3
Private banks (PCB)	43	5,666	12.81	11,386	67.1	15,688	67.8	6.46	736.4	0.5	7.7
Foreign Banks (FCB)	9	63	32.91	803	4.7	1,315	5.7	4.6	32	3.1	17.3
Total	61	11,088	11.19	16,981	100	23,143	100	10.11	1,560	0.4	7.9

Bangladesh Bank Quarterly. (July-September 2023), Monetary Policy Statement (Fiscal Year 2023 -2024) P= Provisional

Review of operations of Bank Asia in 2023

The year 2023 began with ongoing inflationary pressures, a dwindling foreign currency reserve, the continued war between Russia and Ukraine, and new unrest situation in the Middle East due to the Israel-Hamas conflict, among other issues. The capital market of Bangladesh has also experienced a bearish trend throughout the year. Despite various incentives aimed at attracting remittances, it grew only by 3%. Overall, imports in Bangladesh declined by 24% compared to the previous year, while a 2% increase in exports helped restrain the massive fall of foreign currency reserves. The IMF extended a credit facility totaling USD 1,158.20 million in two installments out of a total approved amount of USD 4,700.00 million, which helped cushion the pressure on foreign currency. A liquidity crisis resulted from lower cash inflow from loans and advances and higher policy rate by Bangladesh Bank was observed throughout the year which causes to increase call money rate in 2023.

In the year 2023, Operating profit of the bank increased to Tk. 11,531 million having growth of 8% over previous year. Although operating profit increased from previous year but core challenge was interest rate hike of deposit expense. However, lifting over the interest rate cap and implementation of SMART based interest rate system of loan & advances resulted in increase of net interest income by 13% at year end. Cost of deposit increased to 4.41% from 4.10%. Yield on advance of the bank increased by 67 basis points in 2023 and reached at 8.04% from 7.37% that resulted in increase of spread by 0.36% from 3.27% to 3.63%. Bank's total assets reached Tk. 474,229 million in 2023 compared to Tk.

468,401 million in 2022. Deposit reached Tk. 361,617 million compared to Tk. 337,695 million with a growth of 7% and Loans and advances was also 5% higher than the preceding year and stood at Tk. 291,325 million. Bank's import decreased by 16% and stood at USD 1,912 million in 2023 against USD 2,277 million in 2022. Export also decreased by 23% and reached USD 1,380 million which was USD 1,793 million in the previous year. Inward remittance in 2023 also showed negative growth of 40% and reached USD 839 million compared to USD 1,400 million in 2022. Net profit after tax of the bank stood at Tk. 2,396 million due to keeping higher loan loss provision. CL of the bank stood at Tk. 19,510 million for which CL ratio has risen to 6.70%. The Bank is standing on a sound footing for strong capital base that ensures smooth business growth and capacity to absorb any unforeseen shock. Bank Asia's capital stood at Tk. 40,659 million that helped to maintain a very satisfactory Capital to Risk Weighted Assets Ratio (CRAR) of 16.45% against the regulatory requirement of 12.50%.

To maintain the increasing demand of customers for innovative services and a balanced distribution of network, the whole network of Bank Asia now consists of 135 branches, 15 sub-branches, 5,051 Agent outlets, 4 SME service centers, 5 Islamic windows, 217 own ATMs with more than 14,000+ shared ATMs, 35 CDMs, 4 CRMs, 1 Brokerage Company in Bangladesh and 2 exchange houses located in UK and USA. The Bank is also operating 3 branches of BA Express USA Inc. in New York. All the operations of the Bank are interconnected and integrated through state of the art networking technology.

CORPORATE & LARGE LOAN

The Corporate & Large Loan (C&LL) Division, a pivotal strategic unit within Bank Asia PLC., has consistently served the corporate lending needs of Bangladesh's industries. By offering a diverse range of financing solutions, C&LL has played a crucial role in fostering the inclusive economic development of the nation. C&LL caters to various sectors including power, construction/infrastructure, steel, cement, ceramics, food and beverage, pharmaceuticals, paper and packaging, trade, services and other sectors.

C&LL operates through two specialized segments: General Corporate and Syndication & Structured Finance. Each segment focuses on distinct business areas, ensuring optimal service delivery to our esteemed clients. Additionally, this division facilitates tailored Supply Chain finance, Islamic Banking, and Foreign Currency (FCY) facilities through the bank's offshore banking unit. As of the conclusion of 2023, loans and advances of Corporate & Large Loan amounted Tk.167,521 million constituting approximately 58% of the bank's total loans and advances.

Against the challenges posed by a severe foreign currency crisis in the economy adverse geopolitical situation, C&LL successfully managed import business worth Tk.108,346 million in 2023. Notably, the division prioritized financing sectors such as services, healthcare, infrastructure, manufacturing, essential commodities, and power & energy while integrating principles of sustainable financing into its investment decisions.



Project of Akij Essentials Ltd. financed by Bank Asia

Key achievements of C&LL in 2023

- Originating 44 new customers, including industry leaders, and securing approval for aggregate fresh facilities totaling Tk.38,151 million.
- Strengthen customer relationship management centrally from the Corporate Office in support of the branches.

Notable New Customers onboarded by C&LL in 2023

During 2023, among others, C&LL extended financing facilities to

- Meghna Steels & Re-rolling Mills Ltd. **Tk. 7,000 Million**
- Akij Essentials Ltd. **Tk. 3,000 Million**
- Akij Glass Industries Ltd. **Tk. 3,325 Million**
- Healthcare Chemicals Ltd. **Tk. 3,299 Million**
- Syngenta Bangladesh Ltd. **Tk. 2,600 Million**
- Akij Food & Beverage Ltd. **Tk. 2,500 Million**
- Ummi-AI Monowara. **Tk. 1,706 Million**
- Shah Cement Industries Ltd. **Tk. 1,000 Million**
- National Polymer Industries Ltd. **Tk. 1,427 Million**
- Mir Ceramic Ltd. **Tk. 550 Million**
- National Development Engineers Ltd. **Tk. 1,000 Million**

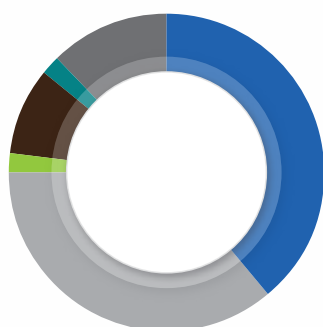
EXPORT FINANCE

With the effect of prolonged war crisis in Russia-Ukraine, unrest in Middle-East and record inflation in our major export destination, export performance in the country was not up to the mark in 2023. Soaring overhead expense in most of the factories mainly due to increased utility bills and revision of minimum wages coupled with absence of uninterrupted utility supply intensified the concerns of the exporters. Amid global economic uncertainties, Bangladesh still holds the 2nd largest apparel exporter in the world with its 8% shares in the global apparel market and 84% shares in the national export basket. Having USD 47.00 billion export performance in 2023, the sector is running after the target of USD100.00 billion by 2030 set by BGMEA.

Bank Asia PLC. through its dedicated Export Finance Department is fostering the development and growth of business for its export oriented customers. Despite tight forex market, various national and international economic uncertainties, we ensured import of raw materials and other working capital support for our export oriented customers for their smooth operation. We strived for ensuring sustainable growth of our exporters through participating in all green and environment friendly



A newly established Spinning Mills with the Finance of Bank Asia came into operation in 2023.



Nature wise Export Finance

as on 31.12.2023

Spinning **39%**
 RMG **36%**
 Leather, Jute & Others **2%**
 Accessories **9%**
 Dyeing **2%**
 Textile **12%**

initiatives. Being eligible PFI, Bank Asia PLC. participated in all the pre-financing and refinancing schemes with Bangladesh Bank for arranging cost effective financing for its exporters. Among other facilities, we secured pre-financing approval of Term Loan facilities of Tk.255.00 million under Safety Retrofit and Environmental Upgrades Project (SREUP) of Bangladesh Bank for implementing energy efficient and environment friendly RMG projects.

All the 100% export oriented customers of Bank Asia PLC. including RMG, Textiles (Spinning & Weaving), Dyeing/Washing, Jute, Leather and all other direct and indirect exporters comes under the portfolio of Export Finance. Total outstanding Funded Loan portfolio of Export Finance Department (including Islamic and OBU exposure) at the close of business as on 31.12.2023 was about 16% of total Loan portfolio of Bank.

SYNDICATION & STRUCTURED FINANCE

 **Funded Exposure**
 Tk. **19,917** million

Syndication & Structured Finance Unit of Bank Asia is acknowledged as a leader in the market providing a comprehensive range of services including fund arrangement, advisory services, agency function and account Banking services and other innovative solutions to both corporate and public sector customers. The dedicated team is comprised of skilled professionals & highly experienced in handling different business transaction/solution. The unit is now providing services to the clients in Power, Manufacturing, Pharmaceutical, Cement, Refinery, Ceramics, Pulp

& Paper, Telecom, Steel, NGO-MFI, Construction, and IPFF Financing for infrastructure projects especially in Economic Zone, new & BMRE Projects. In addition, the unit is well equipped to handle Offshore Financing, Bridge Financing, ECA covered Financing and Investment in Alternative Products and working capital financing for business operation. As of December, 2023; funded exposure of the said unit was Tk. 19,917 million. Bank has created its image for raising of fund as lead arranger and increased its exposure through participation in different projects. During the period, the unit has extended financing under syndication arrangement to new customers such as Beacon Pharmaceuticals Ltd., Fervent Multiboard Industries Ltd., and Sajida Foundation.



Bank Asia financed Chittagong-Cox's Bazar Railway Project of CT Joint Venture (a JV of China Railway Group Limited and Toma Construction & Co. Limited).

CMSME

Cottage, Micro, Small and Medium Enterprises (CMSMEs) play a role as backbone in a developing economy in terms of employment generation, distribution of wealth and sustainable socio-economic development. Even though the economic situation was gloomy, Bank Asia partnered with CMSME clients in financing for business development, machinery purchase, working capital requirement, construction etc. At present, Bank Asia is serving the CMSME clients through its Branches and SME/ Agricultural Centers along with the Agent Outlets around the country. We are organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts in order to increase the loan portfolio and get more people under the reach of credit in manufacturing and service oriented business.

Projects with Bangladesh Bank

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

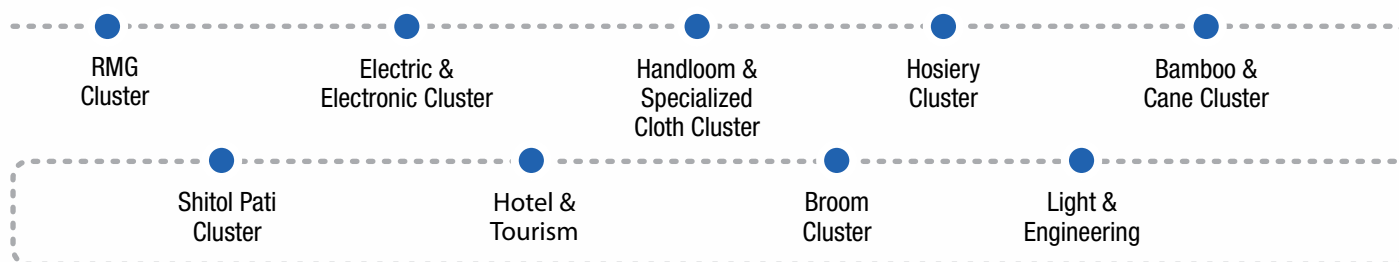
Training and Developments

- Workshop on Environmental and Social Safeguard (ESS) Screening System of SPCSSECP organized by Bangladesh Bank at Asia hotel and Resort Dhaka.

- "SME Entrepreneur- Banker exchange of views and lending connection" under 'Divisional SME Product Fair, Sylhet-2023' organized by SME Foundation at Sylhet.
- Discussion on Development of SME sector and availing Loan facility under Rangpur Division - "Divisional SME Product Fair, Dinajpur-2023" organized by SME Foundation at Dinajpur.
- Fourth Awareness Program of "Supporting Post COVID-19 Small Scale Employment Creation Project" organized by Bangladesh Bank at Cox's Bazar.
- Training Program on 'Readiness of Women Entrepreneurs for Access to Finance' Organized by SME Foundation at Sylhet.
- Training Program on 'Development of Women Entrepreneurs for Financial Inclusion' Organized by Bank Asia PLC. at Narayanganj.
- Participated at "Youth Entrepreneurship & Startups for Students (YESS) program organized by SME Foundation at Rajshahi University.
- Training on "Business Management for Women Entrepreneurs" jointly organized by Bank Asia PLC. & SME Foundation at Chandpur and Nawabgong..
- Agreement Signing between Bank Asia PLC. & MSE Global Consulting PTE. Ltd. for "To Support and Empower Women Entrepreneurs" held at Bank Asia PLC. Corporate Office.
- Training Workshop on "Entrepreneurship Development and CMSME financing" organized by BIBM Dhaka.
- "Mymensingh Divisional SME Entrepreneur's-Bankers Conference & Loan Matchmaking Program" Organized by SME Foundation.
- Participated in "MSME Development Fair 2023" Organized by Uttaran MSME Platform.

Cluster Financing

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



CMSE Portfolio
Tk. **14752** Million.

9.93% Growth in
CMSE Portfolio.



Agreement Signing between Bank Asia PLC. & MSC Global Consulting PTE. Ltd. for "To Support and Empower Women Entrepreneurs"

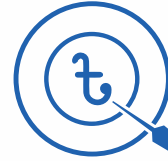
AGRICULTURAL / RURAL CREDIT



Total Disbursed Amount
Tk. **5,713** Million



Beneficiaries
77,553 farmers



Bangladesh Bank
Target Achievement
127%

Bank Asia has a wide range of agricultural credit products designed to meet the diverse need of farmers. Farmers can also avail loans through our digital platform. We also support them by providing A-card facility.

Like previous years, Bank Asia has remarkable achievement in loan disbursement against the target set by Bangladesh bank in FY 2022-2023. We disbursed Tk. 5,713 million to 77,553 rural farmers and achieved 127% against total target of Tk. 4,490.00 million.

Bank Asia emphasizes to extend credit facilities directly to the farmers. Viewing this, we have been focusing on the following ways of financing.



Loan through Agent Outlets

Disbursed Amount
Tk. **792** million

Distributed among
11,547 farmers



Loan under Stimulus packages

Disbursed Amount
Tk. **465** million

No. of borrower **4,968**



Financing for import substitute crops

Disbursed Amount
Tk. **13** million

265 farmers

4% interest rate
To reduce import dependency



Financial support to 10 tk. accountholders

Disbursed Tk. **66** million

No. of beneficiaries **1,428**

To improve livelihood of the small and marginal farmers

Status of Agricultural/rural Credit as on 31.12.2023

Million Taka

Particulars	Direct Network	Indirect Network	Total
Disbursement (01.01.2023-31.12.2023)	928	3,730	4,658
Outstanding (As on 31.12.2023)	1,367	4,364	5,731
No. of Beneficiary	12,256	52,239	64,495

Carbon offsets activities: We have been approving credit facilities upto certain amount through Online Credit approval System (OCAS) which greatly helps in Carbon sequestration of the planet. In the year 2023, around 12,000 plus agri credit proposals were approved through OCAS.

Penetrate to social outreach as financial partner: For sustainable growth and development of Agricultural & Rural sector and facilitate the same through easy and timely flow of credit by institutional sources in sustainable manners.



Open loan disbursement program arranged by Bank Asia in Panchagar

MID-SEGMENT ENTERPRISE FINANCING



New Client Origination

Tk. **3,410** Million
to **181** Clients

The Mid-segment Enterprise (ME) department at Bank Asia PLC. is a Business Unit, focusing on medium-sized clients that contribute significantly to the country's economy. This department also actively engages in financing a major part of Small and Medium-sized Enterprises (SMEs) as defined by the Bangladesh Bank. The ME portfolio stood Tk. 25,510 million as on 31.12.2023 which constitutes nearly 9% of Bank Asia's total portfolio. In 2023, ME department successfully on-boarded 181 new clients in 2023. This added a fresh portfolio of Tk. 3410.00 million to the bank's balance sheet.

The ME portfolio is diversified, with trading concerns leading the mix. Manufacturing and service sectors have also experienced significant growth. This diversification aligns with the department's strategy of shifting focus from large corporate businesses to medium-sized enterprises, fostering a balanced and resilient portfolio.

Looking ahead, the ME department aims to further diversify its portfolio by prioritizing new entrepreneurs including women-led enterprises. The focus on improving access to finance aligns with the overarching goal of financial inclusion. In way of achieving the ultimate goal and to reach the peak, ME has been extending financial inclusion by utilizing different distribution channels like Branches, Zones and others. We believe that by empowering SMEs, we can create a more resilient and prosperous future for our bank and the communities we serve.

CREDIT ADMINISTRATION

Credit Administration Department (CAD) is ensuring quick, smooth and safe running of the operations of loans and advances extended to the borrowers. Its main objective is to support and control the extension of all credit facility centrally, ensuring security documents as per terms and conditions of sanction letters, working with complex CIB operation & regulatory reporting, monitoring of expired loan, deferral lapses security documents etc.

Departmental Activities in 2023

- Systemized 580,982 numbers of jobs such as changes of limit, terms & interest rate, installment size, allowing of EOL / L/C, time extension along with deferral documents.
- Checked of 872,144 nos. of documents against 48,689 nos. borrowers.
- Visited 15 branches on Saturday for minimization documentation lapses
- Reviewed 190,470 nos. of Past due, SMA & Expired loan accounts for regularization.
- Regularized 267 nos. of deferral documents through monitoring of all branches.
- Downloaded 151,826 nos. of CIB reports against 91,425 nos. of borrower.
- Uploaded 190,582 nos. of accounts through online system for CIB reporting to Bangladesh Bank.

- 1,45,222 nos. of NID verification with CIB Report after deployment of Credit Information System-CIS on 17.09.2023.
- 6,500 nos. of new loan input in the CIS for monthly reporting after deployment of new CIS 6,500.
- 140,200 nos. of SMART NID included in the CIB report with verification from NID Server.
- Correction of CIB database of 5,106 nos. borrowers from Bangladesh Bank
- Submitted 348 nos. of statements to Bangladesh Bank and other bodies (monthly/quarterly /half yearly/yearly) through conventional and RIT after checking.

Development & Automation in 2023

- Adaptation of Credit Information System (CIS) in replace of Credit Information Bureau (CIB).
- Conducted 05 nos. of virtual Training with 200+ participants.
- Achieved 117% Annual Deposit Target – 2023 of CAD

Planning for 2024

- Centralization of CAD.
- Automation in limit setting (loan upto BDT.50,000.00) in Core Banking System (CBS).
- Develop module in CBS for separate distribution of LC margin percentage as Cash / FDR / others.
- Develop system to input phase by phase loan disbursement.
- 30 branches visit on random basis for reducing documentation lapses
- Online / offline training & workshop (region wise) to educate about existing & future development.

SECTORAL DISTRIBUTION OF CREDIT

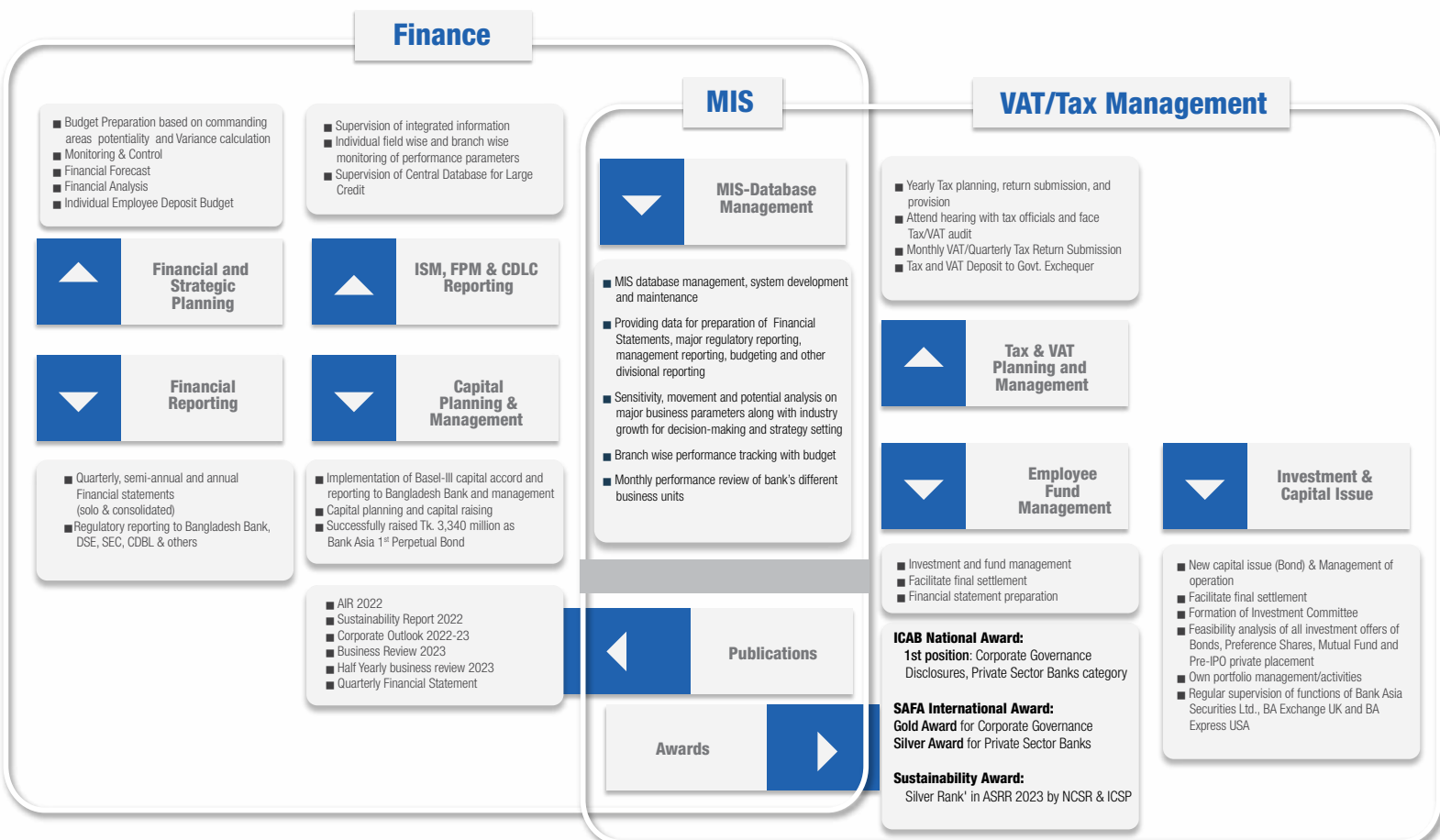
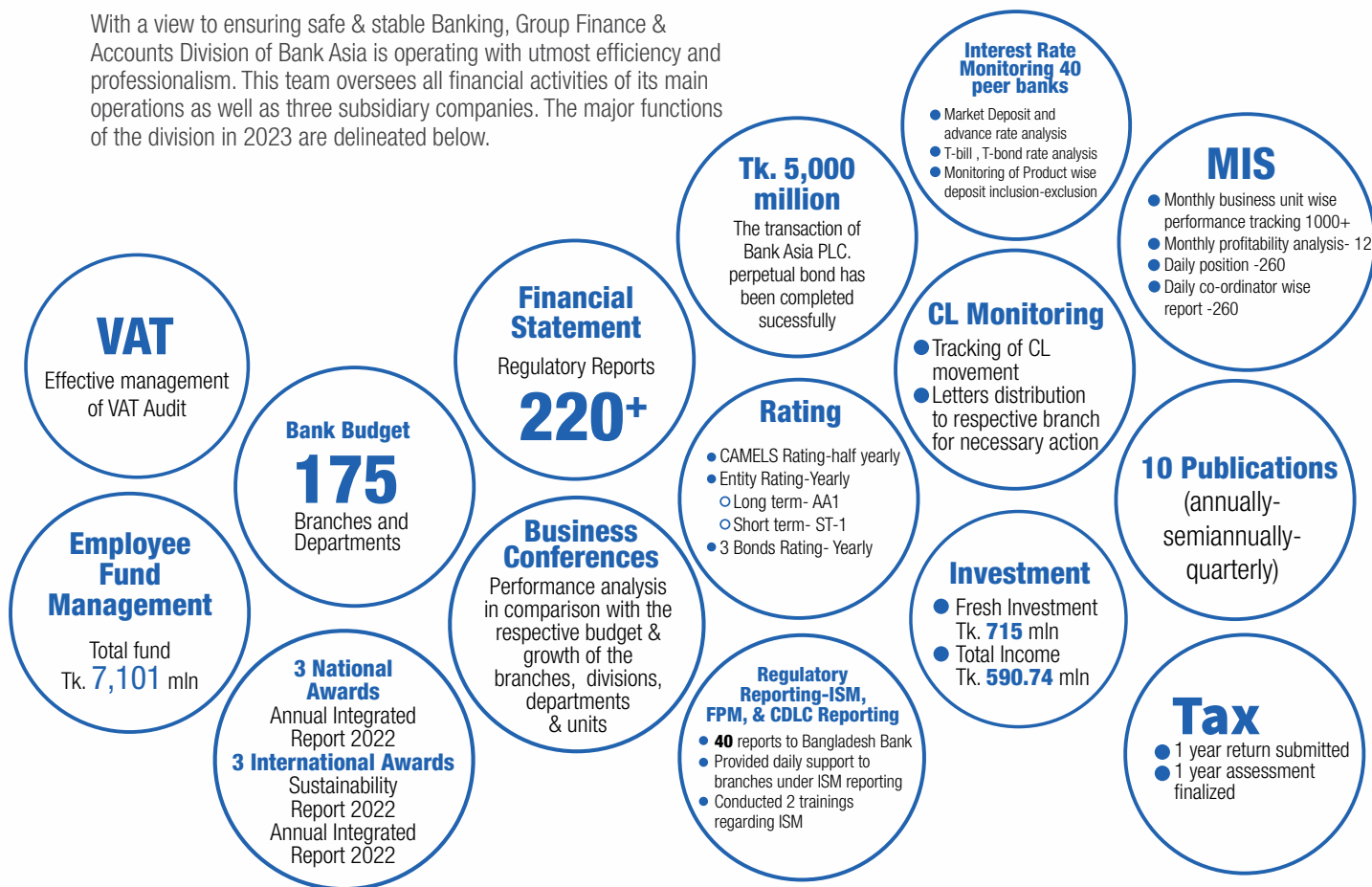
The Bank's loans and advances to Tk. **291,155.42** million achieving a growth of **4.9%**.

Sectorwise distribution of loans and advances is as follows:

SL. No	Sectors/Sub-Sectors	2023		2022	
		Million Taka	% of Loan	Million Taka	% of Loan
1	Agriculture	8,684.70	2.98%	7,409.10	2.67%
2	Industries				
	Food Manufacturing	20,412.40	7.01%	14,167.5	5.10%
	Beverage industry	625.90	0.21%	244.6	0.09%
	RMG industry	25,663.00	8.81%	33,951.9	12.23%
	Textile industry	21,211.00	7.29%	24,298.9	8.751%
	Wood cork and allied products	77.10	0.03%	46.6	0.02%
	Furniture and Fixture	260.10	0.09%	313.4	0.11%
	Paper and paper products	5,235.20	1.80%	5,024.4	1.81%
	Leather and leather products	2,510.80	0.86%	3,157.3	1.14%
	Rubber products	6,708.00	2.30%	4,577.7	1.65%
	Chemical and chemical products	1,645.80	0.57%	916.2	0.33%
	Basic metal products	18,826.30	6.47%	11,429.8	4.12%
	Electrical machinery and apparatus	3,307.60	1.14%	3,499.3	1.26%
	Other manufacturing industries	28,749.22	9.87%	23,046.0	8.30%
	Ship building	116.00	0.04%	4,468.7	1.61%
	Ship breaking	1,831.30	0.63%	1,435.1	0.52%
	Pharmaceutical	8,419.70	2.89%	7,899.8	2.84%
	Subtotal	145,599.42	50.01%	138,477.18	49.87%
3	Constructions	6,283.20	2.16%	8,404	3.03%
4	Power, Gas, Water and Sanitary Services	17,912.10	6.15%	13,914.80	5.01%
5	Transport, Storage and Communication	4,877.20	1.68%	2,532.9	0.91%
6	Trade Services	51,511.60	17.69%	51,879.2	18.68%
7	Housing Services	19,587.00	6.73%	18,448.60	6.64%
8	Banking and Insurance	7,056.60	2.42%	4,857.40	1.75%
9	Professional and Misc. services	29,643.60	10.18%	31,760.5	11.44%
	Total	291,155.42	100%	277,683.68	100%

GROUP FINANCE AND ACCOUNTS

With a view to ensuring safe & stable Banking, Group Finance & Accounts Division of Bank Asia is operating with utmost efficiency and professionalism. This team oversees all financial activities of its main operations as well as three subsidiary companies. The major functions of the division in 2023 are delineated below.



Accounts Department

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

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

Key Highlights

Payment Disbursement and Book-keeping

- No of Bills/Vouchers Payment: **15,763*** (Nos)
- No of Transactions: **62,935** (Nos)
- Voucher Maintenance

Payment Processing



- Reconciliation Statements Prepared: **12** (BB LCY Accounts and **47** Accounts with other Banks)
- Letters issued to Branches/ Divisions regarding different issues: **965** (Nos)
- GL Monitoring Through Email to Branches/Divisions: **810** (Nos)

Reconciliation and Suspense Control



Pre-Audit:

- Bills Processed: **15,763** (Nos)
- Cost Savings: BDT **16.76** mln
- Imprest Fund Management
- Branch Grading for setting Financial Delegation
- Issued VAT/Tax Deduction Certificate: **567** (Nos)

Financial Control



External Report:

- Weekly Reports: **54** (Nos)
- Monthly Reports: **87** (Nos)
- Quarterly/Yearly Reports: **25** (Nos)

Internal Report:

- Monthly OPEX Report
- Profit Forecast
- Reconciliation of Monthly Profit Movement

Regulatory Reporting & MIS



- ID Approved: **403** Users
- Rights Modified: **10,309** Times
- Rights Deputized: **954** Users
- Limit Enhanced: **910** IDs
- Account Title Modified: **2,780** (Nos)
- Performed Branch Support: **15,356** (Nos)

User Access Control



- New GL Created: **216** (Nos)
- GL Lock/Unlock: **910** (Nos)
- **OPEX monitoring:**
- Yearly and Half Yearly Balance Confirmation
- Closing Certificate of Books of Accounts

GL & TB Monitoring and Controlling Chart of Accounts



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

Fixed Asset Management



- Automated Regulatory Reports
- Updated Scholarship Database
- Developed Automated Reconciliation Report
- Daily Email Automation for Reverse GL Balance
- Paperless Payment Processing System

Automation & Digitization



- Issued Instruction Circulars and Checklist for Month Closing
- Issued Year Closing Preparation Circular
- Issued Instruction Circular for fixed Asset Physical Counting
- Provided closing related support to the Branches and Corporate Office

Month Closing Activity



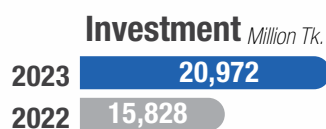
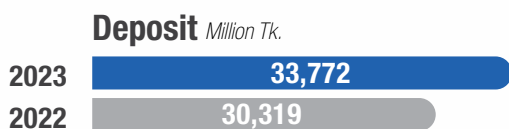
Accounting Procedure for:

- Fund Transfer From MFS to Bank (Bkash to Bank Asia), and Cash deposit and Withdrawal for Agent Banking & Islamic Agent Banking from Conventional CRM
- Utility Fee Collection through Micro Merchant collaboration with Grameen Phone Platform, and Transaction process for FCY Term Loan BB refinance under Green Transformation Fund(GTF)
- Fund transfer from MFS pocket wallet (ABG Technology) to Bank Asia and vice versa, and Review of Accounting process of Bangla QR through Micro Merchant
- MFS Fund transfer from Nagad to Bank Asia and Vice Versa, and Pay Station Payment collection service through Agent Outlet Service (Conventional and Islamic)
- Prepaid meter bill collection through Agent outlet (Conventional), and Fund Transfer from MFS Rocket to Bank Asia and Bank Asia to Rocket
- Purchasing online ticket using Shohoz.com, Automation for SOD loan disbursement in Agent Banking, and Fund transfer from Bank Asia to SETS (Sundarban Express Transportation System Ltd.)

Accounting Process Development



ISLAMIC BANKING



Bank Asia started Islamic banking operations in 2008 with the slogan “Purity is your dividend”. This year, Islamic Banking has celebrated the 15th anniversary of its services. From the very beginning, Bank Asia Islamic Banking has been conducting all types of banking activities with utmost emphasis on ensuring the highest level of Shari’ah standards. All modern services like Visa Debit Card, SMS Alert, Internet Banking and Mobile App usage are also available for Islamic customers.

All our Islamic banking activities and products are strictly monitored by the Board of Directors and the management guided by the Shari’ah Supervisory Committee of the Bank. Our Shari’ah Supervisory Committee consists of eminent members, including distinguished jurists (Faqih experts in Islamic jurisprudence), renowned Islamic scholars, and well known professionals of the country having experience in Islamic banking.

Bank Asia occupies a special place in the history of Islamic banking in Bangladesh by introducing a very simple and most Shari’ah compliant profit sharing module, ‘Income Sharing Ratio’ or ‘ISR’. In this module, the bank offers an ISR instead of giving a provisional or fixed rate to each Mudaraba depositor. The actual profit is declared after calculation at the end of each month on the basis of income earned for the same period. This unique profit-sharing system has already gained widespread popularity among Shari’ah-loving depositors. It has already been recognized as a better Shari’ah compliant and equitable profit distribution module compared to other Islamic banking operators in the country.

Launched with a commitment to maintain purity in Shari’ah compliance, Bank Asia’s Islamic banking services are now available in the all distribution channels of the bank, i.e. in all Branches, SME Centers, SME Agri Branches through online as well as through its dedicated Islamic Windows.

Furthermore, since 2017, Islamic agent banking services have been extended to all districts across the country under the Agent Banking framework. Islamic investment facilities have also been introduced through agent outlets to achieve the country’s goal of financial inclusion.

Key Activities in 2023

Introduction of new products:

- Introducing 06 new Islamic banking products in the system

Training & Others:

- 37 training programs for Bank officials and agent owners
- 95 Shari’ah Awareness & Islamic Banking Knowledge Sharing program.
- Conducted in house training for Conventional Officials

Hajj Activities:

- Collection from Pre-Registration Tk. 37.06 mln. (no. of Pilgrim 1,206)
- Collection from Registration Tk. 561.06 mln. (no. of Pilgrim 2,711)

Online Islamic Banking:

- Investment: Taka 5,036 Million apart from Islamic Windows
- Deposit: Taka 18,002 Million through Branches excluding Islamic Window

Islamic Agent Banking:

- Islamic Agent Banking Deposit: BDT 4,994 million (no. of customers 268,024)
- Islamic Agent Banking Investment: BDT 76.53 Million (no. of customers 220)
- About 3000 outlets covered for Islamic Agent Banking operations

BRANCH OPERATIONS DIVISION

Branch Operations Division has been playing a vital role through providing the diversified support to the Branches related to the General Banking Operation. Besides, BOD has been controlling the Central Account Opening Unit, Central Sanchayapatra Unit & the Complaint Management Unit of Bank Asia.

New initiatives in 2023

Module Developed

- Web based module for Sanchayapatra issuance & script delivery.
- Non-NID Account Opening Approval module.
- Digital Locker Module for Branches.
- Module to analyze Cash in vault insurance limit.
- DMS for archiving the Account Opening Forms.

Basic Data input project

Inputting correct e-mail address, mobile number and identity document number (NID/PP/BRC) in the previously opened accounts.

Branch Operational Handbook

Branch Operational Handbook for Head of Branch and Manager Operations’ has been prepared to assist HOBs/MOBs to navigate the intricacies of daily operations in a branch smoothly.

Citizen Charter

BOD has developed Citizen Charter of Bank Asia

Account Opening Form (AOF) e-archiving

AOF e-archiving process started in April 2023 & archiving have finished in 25 Branches as on December 2023.

Revision of Operation Manual

General Banking Operation manual 2016 has been revised by BOD in 2023 and approved by the Board.

Formulation of different Guidelines

- Management of deceased account.
- Management of dormant & inoperative account.
- Management of account operated under mandate instruction.

Different Modification in CBS & development activities

- Sending half yearly Balance Confirmation Certificate & Bank Statement to the Customers e-mail address.
- Updating Uniform AOF in OMNI & Bulk A/c Opening.
- New & modified FDR receipt.
- Updated Mandate authorization form.

Regular Activities

Unit/Task Name	Volume/Amount
Central Account Opening Unit total	28,713
Central Account	5,237
e-KYC	475
Omni channel	872
Bulk Account	20,692
Non-NID Account Approval	1,437
Central Sanchayapatra Unit	
Sanchayapatra issue (no. 8568)	Tk. 5,637.85 mln
Claim payment	Tk. 6,942.00 mln
Commission earned	Tk. 2.13 mln
Handle customer complaints	118
Circular issued	198
Lien/Bank Guarantee reconfirmation	408
FDR/Statement/Cert. verification	220
Modification in CBS	3,400
Review of audit report of ICCD & BB	127
Surprise Branch visit	12
Bangladesh Bank reporting	As per frequency
Different approval of exceptional transaction	As per frequency

Upcoming projects

- RM based communication between BOD & Branches.
- Branch visit in a prescribed format.
- Sending transaction alert to the e-mail address of customer.
- Correction in sundry & suspense unadjusted report.
- Marking and inputting mandate information in CBS.

GROUP TREASURY OPERATION

In 2023, Group Treasury faced multifaceted challenges across all markets, i.e. foreign exchange, money market & fixed income security; due to various internal and cross border macroeconomic events and factors. The widening negative balance of financial account and efforts by monetary authority to contain rising inflation rate of the country had spawn both market volatility, interest risk and liquidity risk throughout the year. Although, global commodity prices were marginally stable the inflation rate across the globe including Bangladesh were still above the tolerable level. Correspondingly, central banks around the world continued increasing the policy rates including Bangladesh bank. In mid-year, Bangladesh Bank adopted market yield based pricing of assets. However, Group Treasury has ensured timely measures to facilitate bank's funded and non-funded business booking and managed both local currency balance sheet and foreign currency inflow-outflow for risk management as well as profit maximization. Group Treasury adopted diverse financial tools such as derivatives, swaps, and strategic investments. Treasury team continuously pursues for operational excellence to enhance the bank's profitability while sustaining its robust CAMELS rating.

THREE MAJOR TREASURY WINGS & THEIR RESPONSIBILITIES

MONEY MARKET	FOREIGN EXCHANGE	ASSET LIABILITY MANAGEMENT
Statutory Compliance & Market intelligence	Monitoring & Planning of Import & Export originated fund flow. NOP (Net Open Position) management.	Balance sheet gap & profitability analysis, ALM indicators management.
Investment & trading of securities	Quoting Exchange Rates to import, export, and remittance. Advising corporates in Trade Finance Transaction.	Liquidity & Market risk management of banking book. Liaison with business units for balance sheet gap management.
Short term balance sheet gap management	Interbank trading for risk management.	Deposit-Advance mix analysis for rate fixation.
Arbitrage business & earnings	Matching & funding of foreign currency transaction.	ALCO paper & different MIS paper preparation.

FOCAL ACTIVITIES OF TREASURY IN YEAR 2023

Balancing ALM indicator & Business Facilitation

- Ensuring un-interrupted non-funded business amid declining fcy inflow flow
- ALM discipline in all indicators were maintained
- Ceaseless interaction with Corporates for commercial business solutions.

Earning from investment and customer portfolio focus

- Service expansion of G-SEC products to individuals and corporates.
- Capital gain and commission earning along with regular interest income from investment.

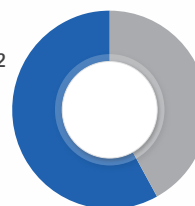
Liquidity & Market Risk Management

- Safeguarding investment portfolio from interest rate volatility.
- Maintain net open position limit without compromising business opportunity and exchange gain.

TREASURY BUSINESS & BALANCE SHEET IN 2023

Bank acted cautiously in commercial loan booking during the year 2023. Due to high surplus loanable fund and liquid interbank market, Treasury expanded its trading book. Previous year, Treasury handled balance sheet on an average size for amount BDT 151,000 Mln, however, in 2023, the average size of balance sheet is BDT 167,000 Mln. At year end, Treasury Balance sheet size is BDT 164,015 mln which is more than One-Third of Bank's balance sheet

Average Treasury Balance Sheet 2022
 TRADING BOOK
59%
 BANKING BOOK
41%



TREASURY B/S SIZE
164,015 Mln

Trading Book **97,165 Mln**
 Banking Book **66,850 Mln**

Money Market & Fixed Income

Throughout the year, the Money Market and Fixed Income desks remained eventful, investing funds in both primary and secondary markets to manage the excess liquidity situation. Group Treasury had been focused on deploying the idle funds in the trading portfolio, aiming to generate additional returns. The diligent efforts of the Money Market and Fixed Income teams paid off substantially, resulting in sizeable interest income and capital gains in the year 2023.

Asset Liability Management

The year 2023 has been a challenging period for bank in ALM contexts. Due to BOP mismatch, there remains high demand for FCY for LC and outward payment. The impact created pressure on local currency market also. Meanwhile, to curb inflation, central bank indicated contractionary monetary policy and increased policy rates time to time. Benchmark yield in GSEC auctions continuously increased. Competition for deposit started amongst all commercial banks. Market-based interest rate SMART has been adopted since July 2023. The BB lifted the minimum interest cap on term deposits. Bank's ALM process under the guidance of ALCO, was always on right track in pro-active manner and prudently manage interest rate risk management of banking book. Like previous year, this year was also the year of Balance sheet management rather than expansion. Bank is well compliant in all important ALM indicators such as ADR, LCR, NSFR, Commitment, WBG, MCO etc.

Foreign Exchange

Foreign Exchange Market volatility continued in 2023, on the back of rising interest rate in the global market, deficit in country's financial account and accumulated demand for import of commodity and capital machinery. However, Group Treasury have arranged adequate room for fresh non-funded liability booking and at the same time settled payment obligation of foreign banks and central banks. Group Treasury has explored new avenue for revenue generation by focusing on accumulation of FCY deposit of Non-resident Bangladeshis and wage-earners. By closely overseeing the Net Operating Position (NOP), the Treasury team safeguards the bank against volatile market conditions, thereby preserving its financial strength. Amid declining foreign exchange inflow, Group Treasury has ensured revenue generation from multiple fronts with minimization of risks.

FOCUS OF YEAR 2024

- Proactive Addressing & Management of Market Risk
- Increase Presence among Local and Foreign Corporates
- Prioritize Marketing of FC Deposit Product
- Achieve higher CAMELS Rating
- Develop Trained Personnel in Branches for G-Sec Product Delivery
- Increase Treasury Deal volume both in Local and Global Market.

INTERNATIONAL DIVISION



Import
USD **1,912** million

Export
USD **1,380** million



Remittance
USD **125** million
(Through Payoneer)



Foreign Correspondents
632 in **69** Countries

Foreign Guarantee
USD **189** million

Nostro accounts 31

International Division of the bank has been playing an important role to facilitate the bank's international transactions smoothly and efficiently while maintaining regulatory compliance in all aspects. The division has its own portfolio for maximization of rebate earning, mobilization of counter guarantee business, establishment of RMA (Relationship Management Application), Offshore Banking Business in addition to facilitating foreign exchange business of the bank like credit line arrangement, add confirmation, international borrowing, and bilateral arrangements with different International agencies including IFC, ADB, ISDB, FMO etc.

Foreign Trade

In 2023, Import business of the Bank was USD 1,912 million having negative growth of 16%. Total export business of the Bank in 2023 was USD 1,380 million with a negative growth of 23%.

Guarantees

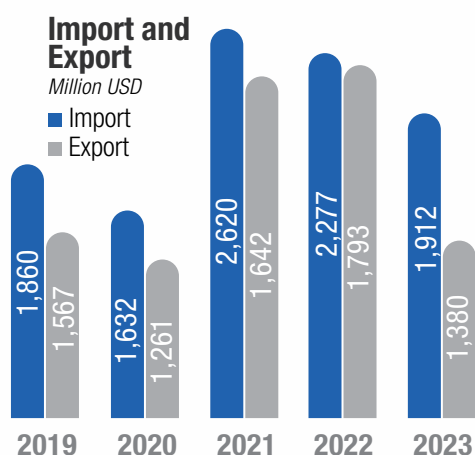
In 2023, Bank Asia has capitalized a large amount of counter-guarantee which is about US\$ 189.00 million against which our guarantee were issued in favor of different government authorities, ministries, autonomous bodies, corporations, private companies and multi-national companies etc.

Foreign Correspondents

In 2023, our correspondent relationship (RMA) stood at 632 across the globe. Our excellent reputation in meeting our commitment and strong financials enabled us in securing Credit lines (both funded and non-funded) from Asian Development Bank, International Finance Corporation (private sector arm of World Bank Group) and other world renowned Banks. In 2023, we have obtained funded line of US\$ 10.00 million from Asian Development Bank (ADB) out of their total non-funded limit of US\$ 60.00 million and total limit with IFC (Funded + Non-funded) is US\$ 120 million and we have also obtained a bilateral funded limit of US\$ 25.00 million from Mascot Bank, Qatar.

Nostro Accounts

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



SWIFT Operations

Bank Asia has become the member of SWIFT in 2000 in order to ensure smooth, reliable and secured financial transactions for its retail and corporate customers. Bank Asia has implemented KYC Registry, Security Attestation, Universal Confirmation, RMA Evolution, Mandatory Security Up-gradation, GPI and PCS, SWIFT Sanction Screening etc. We have migrated our SWIFT System to ISO20022.

Online Payment Gateway Services Provider (OPGSP)

Bank Asia has established strategic alliance with PAYONEER Inc. USA. In 2023, we have earned remittance of US \$ 124.89 million through 'Payoneer'.

Milestones of International Division

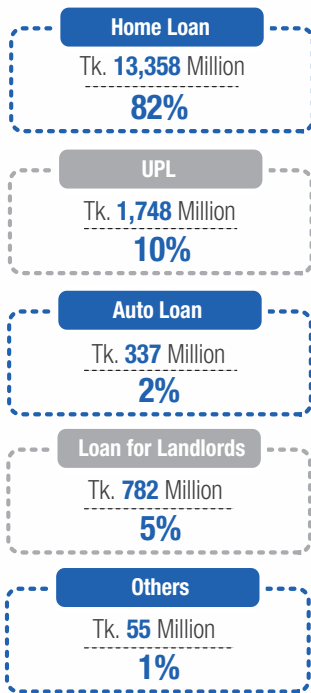
- Obtained 03 years tenor funds of US\$ 20.00 million from Muscat Bank, Oman
- Increased IFC limit upto US\$ 120.00 million including funded of US\$ 40.00 million
- Increased ADB limit upto US\$ 80.00 million including funded of US\$ 10.00 million
- Bilateral unique trade relationship for counter guarantee, remittance and LC business with Banco Sabadell, Spain, La Caixa Bank, Spain, Unicredito, Italy.
- On boarded maximum FDI customers of Bangladesh with Bank Asia, and established FDI Help Desk for priority services to FDI clients.
- System structured trade finance products for conventional and Islamic banking.
- Formation and Implementation of Trade Based Money Laundering Guidelines for the
- Sponsor of the annual event of BASIS to attract the ICT exporters.
- Automated platform for notification of overdue liability on foreign exchange products.
- Automated 31 Nostro & 03 Vosto Accounts Reconciliation System
- Automated platform for monitoring of import and export transactions of the bank.
- Established RMA over 600 international reputed banks and enjoying about US\$ 900 million Credit Line from overseas Banks.
- Establishment of CTSU for central process of foreign exchange operation of non-AD branches of the bank.
- Central Trade Processing Center (CTPC) is now under pilot phase for import operation of 04 AD Branches of the bank.

Offshore Banking Unit (OBU)

Bank Asia has a large offshore banking business with a portfolio of over USD 159 million to meet clients' financing requirements in FCY (Foreign Currency) satisfactorily. The Offshore Banking Unit (OBU) is a separate business unit of the Bank. It provides financing facilities (on and off-balance sheet exposures) as well as takes deposits in freely convertible foreign currencies to and from person/institutions not resident in Bangladesh. Offshore Banking Unit has made a profit of USD 4.46 million in 2023.

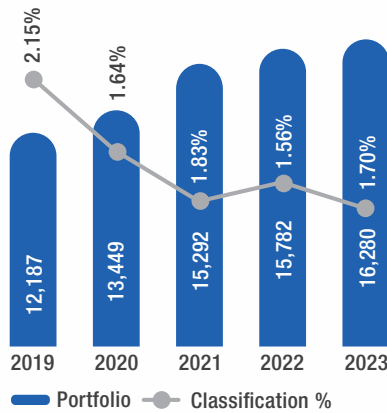


CONSUMER FINANCE



Consumer Finance deals with retail customers and caters Home Loan, Auto Loan, and Personal Loan mostly along with other wide range of retail banking facilities. Consumer Finance plays a vital role in overall portfolio of the Bank. In the backdrop of extensively competitive and demand variable market, Consumer Finance has achieved a notable progress till December, 2023. Retail Asset Portfolio reached Tk. 16,280 million with classification of 1.70%. Consumer Finance strives to serve individuals all over the country and to achieve sustainable growth with a vision to become one of the market leaders.

Consumer Finance



Achievements in 2023

- Loan portfolio reached BDT 16,280 million till December, 2023
- Classification rate is less than 2.00%
- One of the leading positions regarding Home Loan portfolio among Local Private Commercial Banks
- Established 2,324 new relationship
- MoU signing with leading auto vendors
- Ongoing digitization initiative named: "GHORE BOSE RIN NIN" - a complete Online Loan Application Module

FOREIGN REMITTANCE

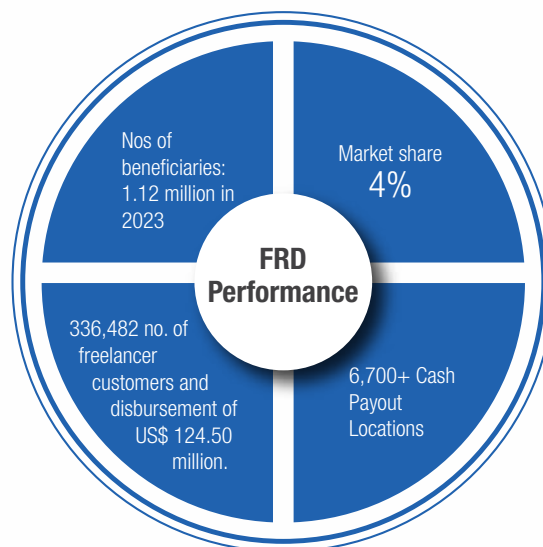
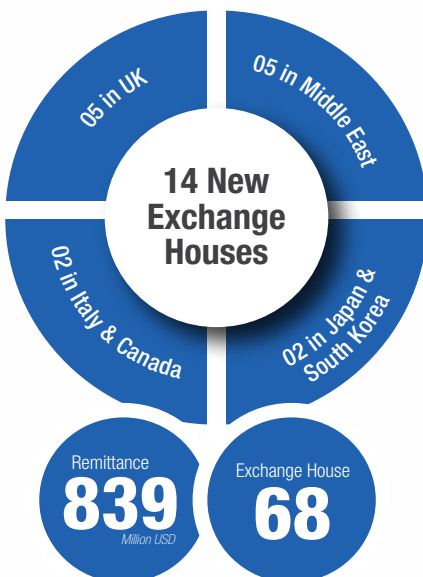
Under the backdrop of declining foreign exchange reserve, remittances have become even more important as a source of foreign currency to feed the ultimate demand of import payment. To mitigate disruptive fluctuation in the foreign exchange market, Bangladesh bank opted for a gradual approach, allowing market forces to determine the exchange rates, adopting the prevailing interbank exchange rate announced by Bangladesh Foreign Exchange Dealers' Association (BAFEDA) for foreign exchange transactions.

By contrast, migration flows are at record levels in recent history but remittance flow did not follow the same trend due to gap between the formal & informal channel exchange rates.

As a compliant bank, Bank Asia follows BAFEDA & ABB prescribed fixed Exchange Rate policy while collecting the funds from MTOs' for ensuring smooth supply of foreign currencies to the bank.

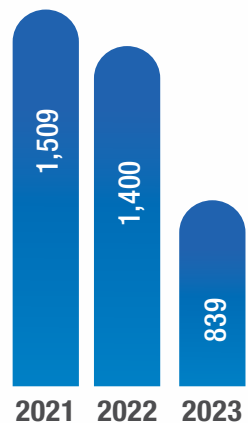
New Exchange House on boarded in 2023

Although the rate is not favorable for the remittance growth during the year 2023, Bank Asia aims to connecting Bangladeshi wage earners' among worldwide partner exchange houses. To make the vision reality, Bank Asia has tied up with 14 new exchange houses in 2023 in the corridor like KSA, UAE, Bahrain, Jordan, Japan, Canada & UK.



Inward Remittance

Million USD



CARDS

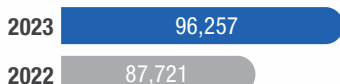
Bank Asia's Credit Card is very much popular in the industry because of its multifaceted featured and benefit, such as cashback, rewards, discounts on shopping and dining, access to exclusive events and promotions and many more. Since its inception in 2006 then the department has passed many years with success and created a strong position in the competitive market of the country. For a wide spectrum of customers, Bank Asia's Credit Card offers a variety of enticing value-added services and diversified products that helps to become a major revenue generating hub of the bank.

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



Business Performance

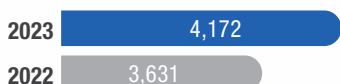
No. of active Cards



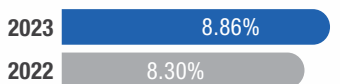
Profit Million Taka



Loan & Advance Million Taka



Classified Loan



VISA

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

MASTER & OTHERS

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

LankaBangla Card Cheque

ACTIVITIES IN 2023

Be My Guest-2023: The most successful campaign of this year is "Be My Guest 2023" sales campaign for all branches of Bank Asia where the remarkable number of branches and employees participated to make credit card portfolio large.

0% easy buy on electronics Products and Tourism: To facilitate the customers for purchasing product and payment through installment with 0% interest rate by credit card, Easy buy offer is playing magnificent role for enhancement of the usage of credit card day by day.

5% EMI campaign by using Bank Asia Credit Card in any hospital POS: 5% EMI campaign by using Bank Asia Credit Card in any hospital POS.

10% Cashback offer for World Cup Campaign 2023: 10% cash back offer for dine bill and New Television purchase in the occasion of the World Cup Campaign 2023.

20% Discount and 7% Cash Back Offer: Lots of new merchants added in this year 2023

7% Cashback offer for grocery shopping and Medical Service: 7% Cashback offer for grocery shopping and Medical Service from selected out lets.

Buy One Get One Free (BOGO) Offer: To dine with Bank Asia Signature, Platinum & Titanium credit card, Buy One get One free (BOGO) offer is introducing customers at renowned restaurants.



'Be My Guest-2023' Reward Distribution Ceremony

CREDIT RISK MANAGEMENT DIVISION

Credit risk is the most significant risk banks are exposed to. Hence, CRM endeavors to risk-adjusted returns keeping exposures within the acceptable risk parameters. In the context of growing NPL in the country's banking sector, key focus of CRM is to maintain NPL at the minimum level. With a view to achieve this objective, Credit Risk Management (CRM) Division of Bank Asia strives for best underwriting practice.

Furthermore, CRM Division endeavors to ensure faster disposal of credit proposals, combat credit backed money laundering and ensure effective allocation of Green & Sustainable Finance.

Key achievements in 2023

● Updating Bank's Credit Policy:

To cope up with the changing business environment, updating of bank's credit policy is essential. In this backdrop, revision of bank's credit policy is at the final phase. Major focus is to revisit the policy to maintain a healthy credit portfolio of the bank complying regulatory guidelines.

● Skill Development of Credit Officers:

With a view to establish excellence in underwriting standard having an expert underwriting team is the core of this objective. Bank Asia CRM put emphasis on continuous training & development of its underwriting team. Last year, 3-week long training program arranged for the credit officers which extensively covers credit approval functions.

● Expansion of Technology Driven Platform (OCAS-Diganta) for Quick Disposal of Credit Proposals:

CRM aims to expand credit proposal processing through Technology Driven platform instead of paper based credit proposal. In 2023 total 23,502 nos. of proposal amounting to Tk. 14,805.13 million were processed through digital platform.

● Emphasis on Sustainable Finance:

CRM always gives emphasis on the Environmental & Social Risk aspects of the finances. We are committed to make a positive mark on the environment & social wellbeing through our Green Banking activities as well as the projects we finance. Under Sustainable Finance (including Green Finance), we financed in different sectors i.e. Renewable Energy, Energy & Resource Efficiency, Liquid Waste Management, Green/Environment Friendly Establishments, Circular Economy, Green CMSME, Sustainable Agriculture, Sustainable MSME, Socially Responsible Financing etc. In 2023, we financed to 182 numbers of borrowers under Green Finance amounting to Tk.2,634.23 million and to 96,579 numbers of borrowers under Sustainable Finance amounting to

Tk.53,170.77 million. In 2023, 25% of the Bank's total Loans & Advances is under Sustainable Finance.

Action plan for 2024:

● Visiting Borrowers:

CRM will put more emphasis on physical visit to borrower's factory, sales outlet, warehouse/stocks to have more insight of borrower's business position which ultimately help to take more informed decision making.

● Faster Disposal of Credit Proposals:

Turnaround time for proposal disposal to be reduced through field visit, training & development of credit officers and expansion of technology driven platform etc.

● Portfolio Diversification:

Credit concentration is one of the most apprehended issues in underwriting. To avoid any sort of credit concentration, CRM shall focus to diversify bank's credit portfolio in various sector, borrowers, geographical location etc.

● Portfolio Monitoring:

Loan portfolio may turn to be delinquent due to inadequate monitoring and follow-up despite having strong credit approval process. In this backdrop, CRM will strengthen portfolio monitoring for early indication of deterioration of borrower's financial health and take appropriate & proactive measures to keep the portfolio intact.

● Credit Policy Review & Industry Analysis:

As a regular course of action, it is an integral part of the Division to review the existing credit policy of the Bank and modify the policy in accordance with the changing perspective of economic situation and diversified risk parameters inherent in the credit appraisal process.

● Skill Development of Underwriting Team:

Skill and work force development is an ongoing process for better performance of credit underwriting team. To make familiar with contemporary technologies and ideas, year round skill development and specialization programs shall be implemented.



Sustainable Finance Target

Tk. **39,063** million

Achievement

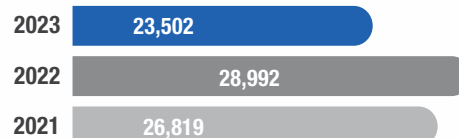
Tk. **53,171** million
136%

Expansion of Technology Driven Platform for Quick Disposal of Credit Proposals:

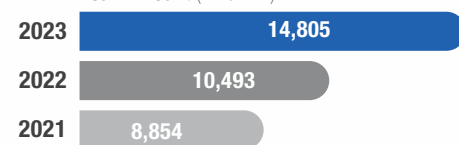
Technology driven loan processing (OCAS-Diganta) helps to reach highest scale every day. Performance of the system is given below:

Portfolio	2021		2022		2023	
	Proposal (no.)	Loan amount	Proposal (no.)	Loan amount	Proposal (no.)	Loan amount
SME	8,414	6,858.20	8,819	7,569.84	6,591	7,669.15
Retail	2,106	1,182.78	2,841	1,859.68	2,985	6,130.95
Agri	16,299	812.79	17,332	1,063.31	13,926	1,005.03
Total	26,819	8,853.77	28,992	10,492.83	23,502	14,805.13

Total Credit Proposal no.



Loan Amount (Million Tk.)



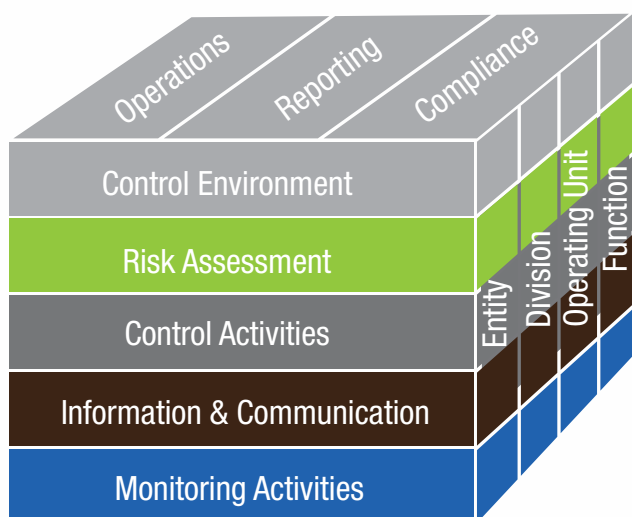
INTERNAL CONTROL & COMPLIANCE

Internal Control System

Internal Control is the process effected by a company's Board of Directors, Management and other personnel as per regulatory guidelines, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Internal Controls are policies and procedures established and implemented alone, or in concert with other policies or procedure, to manage and control a particular risk or business activity or combination of risks and business activities to which the company is exposed or in which it is engaged.

Internal Control Environment

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

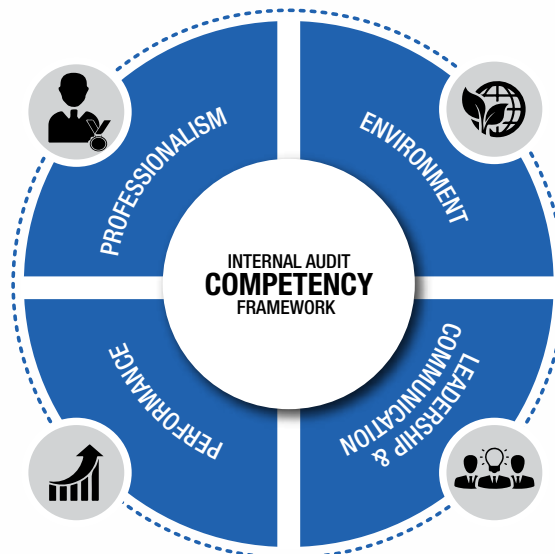


ICCD of Bank Asia follows the 17 COSO Principles including 5 Components to adhere to its objective. Adoption of this Framework helped ICCD run a flexible, reliable and cost-effective approach of internal control systems to achieve operational, compliance, and reporting objectives.

Structure of Internal Control & Compliance Division

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

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



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

Audit & Inspection Department

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

Key Activities of Audit & Inspection Department in 2023:

- Completed the Audit & Inspection tasks of 135 Branches, 05 Islamic Banking Windows and 22 Corporate Office Divisions/ Departments including subsidiaries.
- Completed ICT/IS Audit on 22 Branches & Corporate Office Divisions/Departments.
- Conducted Audit on 05 Core Risks of the Bank.
- Conducted Shari'ah Audit on 87 Branches.
- Conducted Special Audit/Inspection on Anti-money Laundering issues of 14 Branches.
- Besides, Internal Control & Compliance Team of Channel Banking conducted Audit/Inspection tasks on 768 Agent Outlets and related 11 different Units/Departments of Agent Banking in the year 2023.

Compliance Department

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



Key Activities of Compliance Department in 2023

- Ensured compliance of 135 Branches, 05 Islamic Banking Windows and 40 Corporate Office Divisions/Departments.
- Submitted 183 compliance reports to the Bangladesh Bank against their 77 inspection reports.
- Compliance Tests (On-site & Off-site) were conducted on all 135 Branches & 05 Islamic Banking Windows of the Bank.
- All Compliance Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board.

Monitoring Department

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



Key Activities of Monitoring Department in 2023

- Monitored 135 Branches & 05 Islamic Banking Windows through 212 Off-site Reports.
- On-site Monitoring and Surprise Visit conducted on 07 Branches.

- Reviewed 287 nos. of Credit Proposals and identified lapses were submitted to the EC of the Board and Board of Directors with ICCD Opinion.
- Prepared 339 exception reports on Control Tools and communicated with the concerned Branches/Centers/IBWs for due compliance.
- Prepared Bank's Annual Integrated Health Report 2022 and duly submitted to Bangladesh Bank.
- All Monitoring Functions have been adequately documented and reported on a timely basis to the appropriate level of Management and the Audit Committee of the Board based on the gravity of the issues.



Audit and inspection covers

- 135 branches
- 05 IBWs
- 22 Corporate Office Departments
- 768 agent outlets
- 11 Different Units of Agent Banking



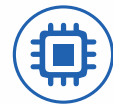
Monitoring

- 212 off-site reports
- 339 exception reports



Special Audit on Anti-money Laundering

14 Branches



ICT/IS Audits

22 Branches and corporate office division/departments



Shariah Audit

87 Branches



Compliance Test

135 branches
05 IBWs
40 Corporate Office Divisions/Departments

Evaluation of Effectiveness of Internal Control

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

Outlook for 2024

- Implementation of Audit, Monitoring and Compliance Plan for the year 2024.
- Detection of Irregularities, Malpractice, Fraud-Forgery, Operational Loss/Error (if any).
- Find out the potential threats/risks in Banking.
- Ensure timely submission of all regulatory returns.
- Arrangement of frequent Training/Learning Session on recent reforms for the Officials of ICCD.
- Automation of the Audit, Monitoring and Compliance tasks.

INFORMATION AND COMMUNICATION TECHNOLOGY

Information Communication Technology plays a vital role in Bank Asia digital transformation. One of the utmost priority of Bank Asia PLC. is Customer satisfaction. For ensuring efficient & Smart service to the customers, Bank Asia has been adopting the next generation, market competitive and latest secured technology. This ensures establishment of a robust, faster and uninterrupted banking service. Advancements in banking technology are revolutionizing the way financial services are delivered and Bank Asia is setting a goal & continuing in-line with the world standard of digital financial service.

KEY INITIATIVES DURING 2023

Database Consolidation & Optimization

Considering the current business growth, latest technology adoption Bank Asia has implemented oracle Exadata solution where there is consolidation of core database, server, storage & network environment in a single platform. As a result, customers are getting optimum performance, smooth accurate and secure banking services.

Cyber Security Management

Bank Asia always believes & maintain cyber security culture. For protecting cyber-attacks and customer information, Bank Asia has achieved and maintaining top three international standard, ISO 27001-2 (ISMS), PCI DSS v4.0, ISO 22301 (BCMS). To continue & maintain cyber security culture Bank Asia has already been successfully conducted cyber security awareness training to all employees.

Nikash Ghar

Bank Asia is the first bank who implemented and successfully done Nikash system with full integration with Bangladesh Bank. It will reevaluate revolutionize the way Bangladesh Electronic Fund Transfers Network (BEFTN) are carried out in Bangladesh. Nikash system was developed by Bangladesh Bank clearing house internally. It has handle various credit transfers, including payroll, foreign and domestic remittances, social security payments, company dividends, bill payments, corporate payments, government tax payments, and person-to-person payments. Additionally, it accommodates debit transactions such as utility bill payments, insurance premium payments, club or association payments, and equated monthly installment (EMI) payments.

Enhance Network Security

To secure network environment & compliance BYOD (Bring Your Own Device) policy, bank has implemented network access control solution. As a result, own (personal) or unregistered devices cannot access in Bank Asia network without admin permission.

Secured Core Network System: Bank Asia has implemented multilayer network security environment where NG Firewall, Core Firewall, web-application firewall, email security gateway, web security gateway. As a result, protect phishing and spam attack, malware, spam, denial-of-service attacks etc. Also as per the PCI-DSS recommendation network ATM network and Branch network have been segregated from the same network (ATM and Branch). It will improve the access control for both external and internal network security and improve performance due to less congestion in network traffic.

DIGITALIZATION & DIGITAL TRANSFORMATIONS

Green Banking Initiative

We have implemented Document Management Solution (DMS) for paperless office environment. All hardcopies have been scanned and digitalized. This resulted in, easily accessibility of necessary documents, increased accuracy, faster decision making, and enhanced security, maintaining confidentiality & integrity and availability (CIA).

Digital Nano Loan

Instant loan process, Bank Asia have introduced Digital Nano Loan Apps. Digital Nano loans can provide access to financial services for individuals who are traditionally excluded from the formal banking sector. Many low-income individuals lack the necessary credit history to secure loans from traditional banks. By leveraging digital platforms and alternative data sources, Nano loans can be provided to these individuals, allowing them to meet their immediate financial needs.

Enhance Cyber Security for Anti Money Laundering (AML) platform

Bank Asia has developed rule based alert monitoring systems for risk, fraud and transactions monitoring. Analyzed transactions identify patterns and anomalies that may indicate potential money laundering or other illicit activities, enabling early detection and intervention.

Islamic Centralized Trade Service System Platform

Bank Asia has implemented Islamic CTSU to provide faster response times, better coordination for Islamic Banking Trade Finance Customers. It reduces duplication of efforts, and eliminates silos, leading to more efficient operations and enabling better risk management and decision-making.

Open Banking Platforms & FinTech

Bank Asia has made many collaborations with FinTech companies, MFS like Nagad, bKash etc. and exchange houses using our Open Banking Platforms through API development. Bank Asia is the first bank in Bangladesh who has the connectivity of SWIFT for account pre-validation worldwide.

ALTERNATIVE DELIVERY CHANNEL (ADC)

Alternative Delivery Channel (ADC) provide different modern technology based financial services without relying on bank branches & Agent Outlets. We have implemented various alternative delivery channels such as ATMs, CDMs, CRMs, POS devices, Debit Cards, Internet Banking, Mobile App, SMS Banking, A-Challan, E-GP Service, E-commerce & E-Banking Solution, Bangla QR, E-payment solution and Contact Center service. ADCs ensure the smooth flow of regular transactions and provide banks with higher profits with lower operational expenses and transaction costs. Through ADC channels, bank can get faster access to the competitive market and customers can enjoy instant access to bank's products and services anytime anywhere (24/7).

Online Payment System or E-Payment Solution



Total Number of Transaction
27 Million

BDT Amount
18,589 Million (approx.)

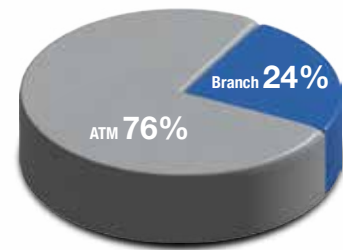
Bank Asia has developed the solution which verifies and processes with a verity of secured transaction instruments for Payment of Member/ Student fees of different institutions, Utility Bill & different payment of renowned insurance company using their respective Bank accounts, Over the Counter(OTC), Debit/Credit cards, EFT, etc on behalf of the Online Banking payment. We have developed a system for KGDCL (Karnaphuli Gas Distribution Company Limited), MetLife Alico (American Life Insurance Company), Pragati & Sandhani Life Insurance Company Limited, ICMAB (Institute of Cost and Management Accountants of Bangladesh), ICAB (The Institute of Chartered Accountants of Bangladesh), SGCL (Sundarban Gas), BGDCL (Bakhrabad Gas), Postpaid bill collection of DESCO, DPDC & NESCO, Ekpays (Unified Utility Bill Collection-a2i), bKash (Instant Fund Transfer Facility), bKash bulk disbursement, Nagad (Instant Fund Transfer to Nagad), Akash DTH, ACI Motors bill collection, Online Tuition Fees Collection of East West, Green & Uttara University & for different types of payment collection. We have received more than 27 Million number of transaction where BDT amount 18,589 Million (approx) from customers through all of our Branches/Agent Outlets including ADC channels.

ATM, CDM & CRM Service



Own ATMs **217** | CDM's **35** | CRM's **4** | Shared ATMs **14,000+**

To have access banking services round the clock, Automated Teller Machine (ATM), Cash Deposit Machine (CDM) & Cash Recycling Machine (CRM) are excellent channels. ATM, CDM & CRM provides banking services to its customers 24 X 7 in 365 days a year. Through our ATM, customer can access withdrawal, Balance inquiry and mini statement facility. 74% cash transactions of Bank Asia are done through the vast network of 217 own ATMs, 35 CDMs, 4 CRM's and more than 14,000+ shared ATMs all over the country. Our bank is planning to invest continuously in a bid to increase and widen its ATM network significantly.



E-Commerce & E-Banking Solution



Total Number of Transaction
755,457

BDT Amount
5,845 Million (approx.)

Bank Asia has spearheaded initiatives to enhance the 'E-Commerce' facility for its valued customers, positioning the bank as a trusted payment partner. Currently, Bank Asia account holders are engaging in various E-Commerce transactions, including purchasing e-tickets for buses, trains, airways, cinemas, and movies, as well as mobile recharge, hotel booking, and various service bills including hospitals, advertisements, passport, govt. services, utility bills, online shopping etc. using Internet Banking, Debit/Credit Cards at low costs, anytime and from anywhere.

These initiatives have resulted in over 755,457 successful transactions, totaling approximately BDT 5,845 million, executed seamlessly through the mention channels in the year 2023.

Debit Card

Bank Asia have introduced EMV chip Card for minimizing payment card-related fraud and securing sensitive data. Now, we are replacing legacy magnetic stripe (Magstripe) payment cards with EMV-compliant payment cards embedded with smart chips. The combination of the chip-enabled cards and the chip-enabled terminals reduces the risk of financial fraud because the technology is much harder to hack. We have introduced MasterCard Platinum Duel Currency Debit Card for our customers.

- 979,898 VISA debit cards are against Savings and Current account.
- Card holders are able to purchase in 60,000+ VISA enabled POS machines in various merchant locations all over Bangladesh.
- Automation of New Issuance, Replacement, Activation and PIN request of Debit & Credit Cards which have reduced the average service providing time significantly.
- The step by step automation process has already saved 490,000 pages and 100,000 courier service delivery cost.



Directors' Report

ALTERNATIVE DELIVERY CHANNEL (ADC)

Internet Banking



Total Number of Internet Banking User **306,872**

Bank Asia's Internet Banking (My Banking) is user friendly & Secured. Bank Asia's internet banking module allows clients to get a clear state of their financial position and offers a vast banking services like pay bills, change password, balance enquiry, view statement, fund transfer, EFTN, NPSB, utility bills payment, standing

instruction, stop & view cheque status and mobile recharge facilities etc. We have ensured international standard of security shields for the Internet banking to prevent any unauthorized access. Internet banking employs encryption and firewall to protect transactions and queries through internet. To make more secure, we already introduce dual factor authentication (2FA) through OTP for all internet based transactions. Now the total Internet Banking users are more than 306,938.

Bank Asia SMART APP



Total SMART App User **425,531**

Total Transaction **1,069,383**

BDT Amount **17,396** million

Bank Asia has introduced a modern technology based unique banking app "Bank Asia SMART APP" both for branch & Agent Banking customers which is an integrated internet and mobile banking solution designed to enable to offer customers a wide range of financial services. The Smart Banking Solution offers vast banking services such as fund transfer, EFTN, NPSB, utility

bills payment, standing instruction, statement view, stop & view cheque status and mobile recharge facilities.

Till end of 2023, total Mobile App user of Bank Asia is 425,531 which are increasing day by day. More than 1,069,383 number of transactions amounting BDT 17,396 million (approx.) have done through this Mobile App.

E-Procurement System



Total Number of Services **15,105**

Total Registered Branch **119**

Bank Asia has been providing banking services for e-Government Procurement (e-GP) through our Branches. In the meantime, customers have received around 15,105 services from our bank with their utmost satisfaction.

A-Challan



Total Number of Passport & other Challan Payments **153,359**

BDT **9,139** Million (approx.)

The Government of the People's Republic of Bangladesh has introduced Online Banking Payment systems, "Automated Challan System" to collect different types of payment. For digitalization of this service, Automated Challan System (A-Challan System) has been introduced for online submission of various government service fees.

POS Operation

Total Number of POS Terminals **3,170**

To strengthen digital banking services, Bank Asia's ADC Department has successfully deployed over 3,170 POS terminals, as Micro ATMs, across various locations such as Branches, Bangladesh Post Offices (BPO), Agent outlets, and RMG agent points. This initiative ensures secure and affordable transactions at the doorstep of common people. Notably, the user-friendly interface and robust security measures have contributed to the gradual increase in the adoption of digital banking services. Currently, services such as Cash Advance and Balance Inquiry through Bank Asia Cards are available. Further enhancing process for accessibility and convenience for customers are continuing.

NPSB Bangla QR



Bank Asia proudly launched the NPSB Bangla QR Issuing & Acquiring services on January 18, 2023. This innovative payment collection method ensures secure person-to-merchant (P2M) transactions via a simple QR code, leveraging the NPSB (National Payment Switch of Bangladesh). Mobile app users from NPSB-Bangla QR listed banks and MFS/PSOs can conveniently make payments using Bank Asia QR codes. The NPSB Bangla QR service is a significant revenue opportunity for the Bank as well as it is a efficient and cost-effective payment solution for businesses and consumers alike.

Contact Center



Contact Number **09617016205**

Short Code **16205**

Centralized Contact Center solution is also available through this number 09617016205 in addition with the existing short code 16205 using round the clock 24/7 in full fledge to address the business needs and queries. This number (09617016205) is also available from abroad and overseas customer can get our banking service queries (24/7) through this number. Contact Center systems enable to manage our resources in better way and serve clients with greater efficiency which is also helping us to reduce the cost as well as improve the service quality of bank.

FINANCIAL INCLUSION & FINANCIAL LITERACY DEPARTMENT



Services Reached

57 district

410 Upazillas



Beneficiaries

4,447,540
people



SSN Beneficiaries

3,091,875
people




Ekti Bari Ekti Khamar (EBEK) scheme is a long term social plan based on cooperative societies adopted by the Government of Bangladesh. Under this project, initiatives have been taken to improve the socio-economic conditions of the rural population by making the poor families of the village as economic units. Through this project, we embarked on an operation called 'EBEK Operation and Social Payment' at Bank Asia since 2012 and successfully accomplished in 2021. The name of the department was renamed to 'Financial Inclusion and Financial Literacy Department' in 2019. From the concept of this project, agent banking was established in Bangladesh which is now operating with nationwide reputation. Financial Inclusion Department is managing their activities in 3,252 unions of 410 upazillas under 57 districts of the country through Digital Center Agent Banking and Social Safety Net payment collaboration with Government.

Digital Center Agent Banking The development of countries cannot be achieved fully without the development of the rural community. In Bangladesh about 72 percent of total population lives in the rural areas (World Bank report-2012). Having this realization government of the people's republic of Bangladesh has undertaken a project to transform Bangladesh into a "Digital Bangladesh" by the year 2021 to provide government services at the door of the rural grass root people. The concept of Digital Bangladesh aims to introduce a system which enables public services to reach the people instead of the people going to seek services. For this purpose, now Bangladesh Government has launched Union Information and Service Center (UDC) in all 4,578 unions across the country to disseminate information and deliver government services to all citizens.

Indicator	2023	2022
No. Of Digital center	3,252	3,128
No. of Account	4,447,540	3,881,785
Deposit in Mln BDT	15,500	13,701
Loans in Mln BDT	685	602
Remittance in Mln BDT	4,451	7,487

Social Safety Net To collect the monthly allowance that the government sends as social safety net allowance (SSN), citizen-beneficiaries have to travel long distances to the nearest state-owned bank branch, spend hours standing in line. Factoring in the cost of travel and food alone, they spend over 14% of the allowance before they even receive it. a2i, in collaboration with the Ministries of Social Welfare, Finance, and Bangladesh Bank, developed the 'Citizen's Choice Architecture' for digital payments of SSN Programs – such as elderly allowance, allowance for widow and destitute women, allowance for financially-insolvent disabled people. Guided by the 'AIM Principle' (Account + Identity = Mobility), it allows for the disbursement of allowances at accessible cash-out points at the union level (the lowest administrative tier comprising 9 villages), or even at the homes of the elderly or persons with disability.

Citizen-beneficiaries simply walk a short distance to the nearest Digital Centre or agent banking booth, and using biometrics under the supervision of the local entrepreneur or, business correspondent appointed by an agent bank, cash out their allowance from their own full-service bank account that is tied to their unique national ID number.

	Old aged allowances	Disable allowances
	Widow, deserted & destitute women allowances	Stipend for disable allowances
	Bedye allownaces	Hijra allowances
	Stipend for Bedye Community	Stipend for Hijra Community
	Lifestyle development of Unprivileged Community	Lifestyle development of Tea Worker Community
	Stipend for unprivileged Community	Rohingya Caregiver
	Maternity & Lactating Mother allowances	Vulnerable Group Development (VGD) Program
	National Payment Service Program	
	RLP 3rd Phase, BRDB	



SSN payment from agent outlet.

AGENT BANKING

Bank Asia pioneered in Agent Banking has observed a decade of financial inclusion and contribution to digitization of mass level banking services in Bangladesh following Bangladesh Bank induced policy and guidelines. In last 10 years agent banking opened up avenues for millions to get access to banking services truly at doorsteps and become financially empowered. This unique tech-based specialized banking service turned very popular among general people living remote rural geographical locations. More than 6.38 million unbanked people have been included in the bank's agent banking network of 5051 agent outlets across the country. Bio-matric device, facial recognition for customer identification and e-kyc for customer onboard and many other multifaceted innovations introduced in its digital operation system made transactions easy and convenient for customers.

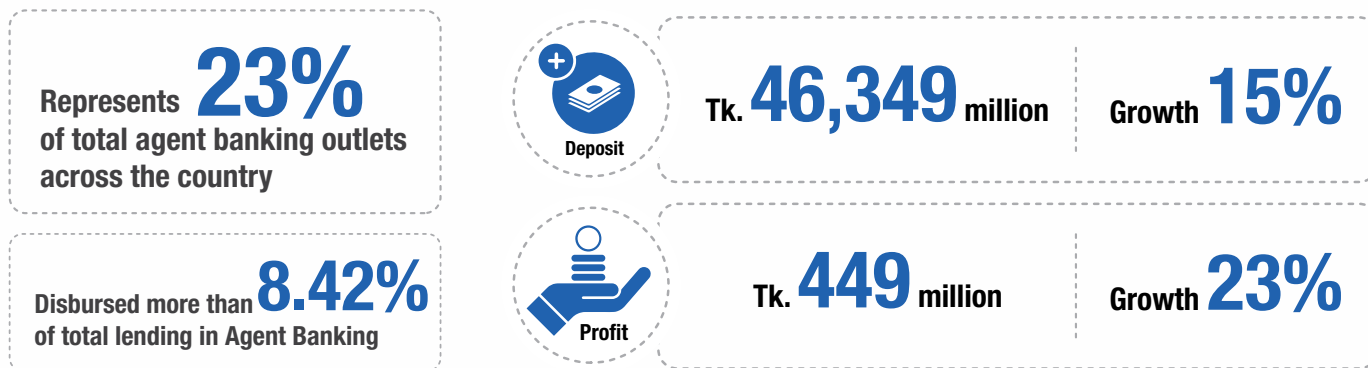
Under this channel Bank Asia Agent Banking introduced, for the first time in Bangladesh, Near Field Communication (NFC)-enabled 'A-Card' for crop farmers and 'Fish-Card' for aquaculture farmers to facilitate them easy and smooth access to loan services. These cards help farmers get sanctioned loan amount in their card, and purchase inputs from nearby registered merchant points.

The gender gap in financial inclusion that Bangladesh considers as a runaway train poised to a positive boost up in agent banking platform. More than 64% customers of Bank Asia Agent Banking are female. It is mentionable that about 75% of women in Bangladesh are unbanked although they are increasingly literate and employable, and they are considered to be a major part of financial inclusion.

Agent Banking of Bank Asia paved way to bring together other banks to onboard more than 21 million unbanked population in this network where about 50% of the customers are women who didn't have previous bank account and had no opportunity to get access.

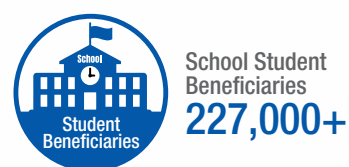
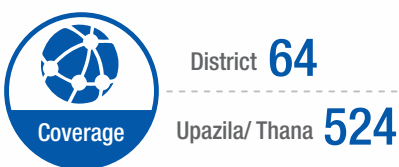
Agent Banking serves more than 3.0 million Social Safety Net (SSN) beneficiaries through its countrywide network that include, Individual Agent, Union Digital Center (UDC), City Digital Center (CDC), Digital Post Office (DPO) and Micro-merchant. So receiving SSN payment is no longer a trouble for the beneficiary rather it turned a convenient experience for the beneficiaries living any geographical locations of the country. Even more than 227,000 school students are availing financial services through these channels.

Bank Asia's performance in the industry



Digital Nano Loan: Bank Asia Agent Banking introduced Digital Nano Loan to facilitate lending facilities for all segments of Individual Customer by using Bank Asia Smart App. Any Bangladeshi national can apply for loan, ranging from Tk.500 to Tk.50,000 upto 6 month to meet their sudden or urgent miscellaneous personal expense by using Smart App from at any geo-location of the country.

Partnership: Bank Asia Agent Banking so far signed 68 agreements in different capacity with national & international partners including UNDP, USAID, UNCDF, Swisscontact, Bill & Melinda Gates Foundation, and Metlife Foundation under the bank's grant-based partnership. Major focus area of the cluster outreach under partnership include agriculture, MSME and Industrial workers (RMG). Since 2016 the Bank received Tk.248 million



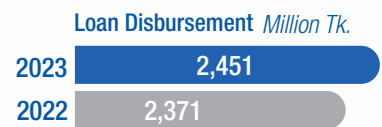
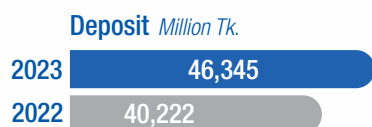
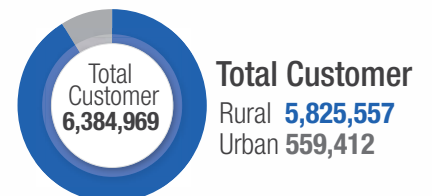
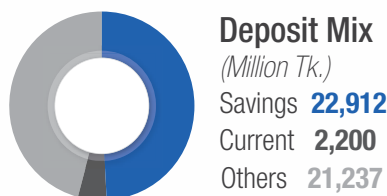
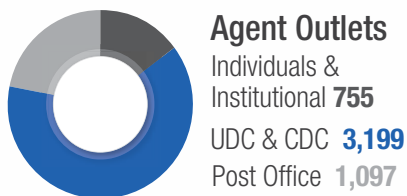
grand for capacity building, create awareness among customers, registering women entrepreneurs, network expansion and new service and model piloting. Around 700,000 customers have been onboard in agent banking channel under the partnership initiative. Therefore, Bank Asia has been working on strengthening Women Empowerment through financial inclusion of women customers and ensuring access to finance supported by Bill & Melinda Gates Foundation.



MoU signing ceremony

Sustainable Development Goal: Agent Banking of Bank Asia carried out a wide spectrum of activities in last one decade which directly and indirectly contributed to achieve Sustainable Development Goals (SDGs). The contributed areas include gender equity, reduced inequalities, good job and economic growth, no poverty, no hunger, innovation and infrastructure, climate change, life below water, life on land and partnership for the goals.

Achievement: Bank Asia has been crowned as Honorable Mention in the '2nd Bangladesh FinTech Award 2023' organized by Bangladesh Brand Forum, recognizing the bank's innovation (Digital Lending FinTech Innovation category of the year) of Digital Nano Loan which facilitates micro lending opportunities to borrowers. In this award the Bank's instrumental role in achieving the SDG goals specially 'innovation and infrastructure' also recognized.



PAYMENT SERVICE DEPARTMENT (PSD)



Daily Average Transactions

No. **58,227**, BDT **8.29** Billion
Growth **7.2%**

Bank Asia offers all types of banking Payment Services i.e. BACPS, BEFTN and RTGS from any of its service units including Branches, Sub-Branches, Agent Points, SME Service Centre, Islamic Windows and Credit Card Department etc. Payment Service Department (PSD) is following Decentralized Outward and Centralized Inward model in all units with reliant less effort to ensure secured, smooth, fast and reliable Inter-bank payments and settlements.

KEY ACHIEVEMENTS IN 2023

- Electronic fund transfers now possible in 3 sessions through the Nikash-BEFTN software and Bank Asia made history by initiating the first transaction in Nikash-BEFTN on 12th November, 2023; this was highly appreciated by Bangladesh Bank.
- RTGS Transaction is now possible from Net banking and Smart App

TRAINING & DEVELOPMENT IN 2023

- Conducted total 02 Training sessions at Bank Asia Training Institute on BACH, BAFTN operations and guidelines for total 50 employees. The programs were organized on September and October 2023.
- All circulars regarding PSD are made available on BA Archive module.

STRATEGIC PLANNING FOR 2024

- NIKASH-BACPS system is in the implementation process as per guideline of Bangladesh Bank
- Customer Integrity Management System (CIMS) for better establishment of customer security, integrity in banking system
- Enhancement of Compliance through continuous Automation.

BACPS

Daily Average Transactions

No. **5,719**,
BDT **411** Crore

PSD is involved with BACPS operation. Accuracy of work is reflected in our transactions as PSD received 40% less complaint in 2023 compared to our complaint against other banks. Several system related updates introduced for improving resiliency and dependency. Sub-branches are now under BACH operation.



BEFTN

Daily Average Transactions

No. **50,489**,
BDT **114** Crore

BEFTN transactions from and to single or bulk transactions is still growing rapidly. PSD is now working on load balancing and capability. Individual account holders are also enjoying BEFTN facility through branches, sub-branches, agent points, net-banking and Smart App. PSD channelized over 17 thousand Foreign Remittance, 10 thousand Dividends warrants and 8.19 lac Safety net payments on a single day.



RTGS

Daily Average Transactions

No. **2,019**,
BDT **304** Crore

RTGS is now available in Net-banking and Smart App which increased reliability. Ensuring security, matching with CBS and through dual authentication, PSD executes Inward RTGS payments in few minutes only. RTGS is growing very fast and becoming most essential for some payment method, supporting Govt. to collect Custom duty, VAT, Tax etc. New FC currency Chinese Yuan (CHY) payments is upcoming.



MICR

Daily Average Transactions

Average **39,584** cheque leaves daily including cards.

Supplying MICR cheque books to large volume of customers. MICR Instruments are; SB, CD, MSA, AWC, MSND, Pay Order and Card Cheque. MICR Instruments are issued for Islamic Wings, Agent banking, and Card Department. Sub-branches customers are the latest addition.



HUMAN RESOURCES DIVISION (HRD)

The Human Resource Division (HRD) plays a vital role as one of the central pillars of Bank Asia PLC., serving as a strategic partner in the organization. Its responsibilities go beyond administrative tasks and focuses on the employees' interests, ensuring their well-being and development. With a deep understanding of the organization's vision and goals, HRD acts as a bridge between employer expectations and employee needs, fostering a harmonious and productive work environment. By nurturing a positive work environment and promoting employee development, HRD contributes significantly to the overall success and growth of Bank Asia PLC. HRD ensures achievement of organizational goals by allocating the right resources in the right place, enabling the optimization of resources as well as the growth of the organization.

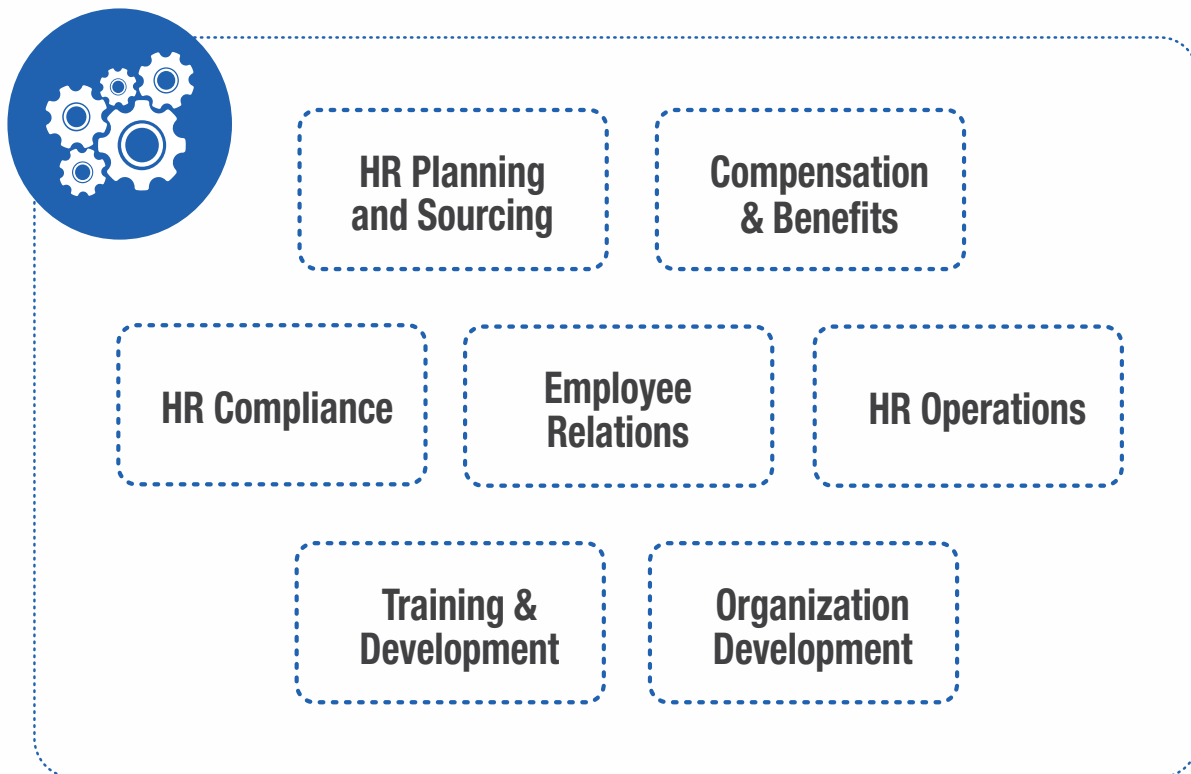
The Human Resource Division of Bank Asia is working persistently to foster innovation, cultural diversity, and a supportive work environment to ensure the bank's long-term success. By prioritizing corporate values like unity, respect, and integrity HRD aims to create a conducive atmosphere for employee growth and organizational development. HRD emphasizes using a systematic and meticulous approach to building employee capabilities through effective management and professionalism in order to become the "employer of choice" in the industry.

Based on a systemic perspective, HRD plays a pivotal role in enhancing Bank Asia PLC.'s competencies by fostering sustainable individual behavior. It goes beyond the traditional HR functions and actively promotes and instills corporate values such as Customer Centricity, Quality, Responsible Citizenship, and Leadership throughout the organization. HRD is committed to create a fair and competitive working environment, where employees are provided with professional terms and conditions of service that recognize and reward their contributions. By continuously investing in the development and growth of its workforce, HRD ensures that Bank Asia PLC. remains at the forefront of the banking industry, equipped with a highly skilled and motivated team that drives innovation and success.

Bank Asia prioritizes the recruitment and retention of talented individuals for long-term profit and sustainable growth. In alignment with this vision, the Human Resource Division ensures that the right people are placed in the right positions at the right time and in the right numbers.

Functions

The HRD prioritizes an employee-centered approach, in line with the bank's mission and vision. The accompanying diagram offers a visual depiction of the key functional domains within the HR division



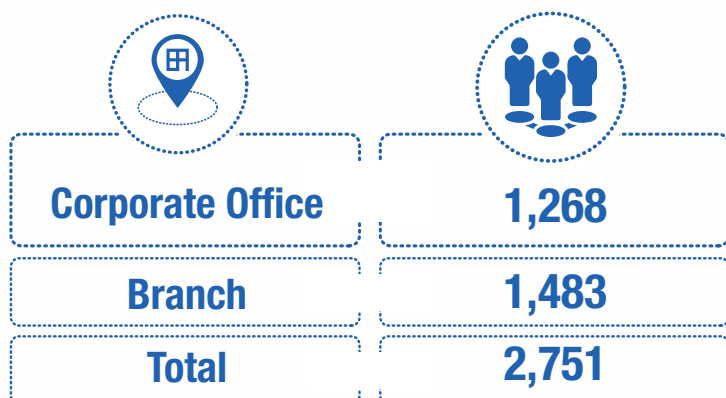
Manpower Distribution & Diversity in Workforce

HRD plays a crucial role in achieving organizational goals by effectively managing human capital – considering that employees are Bank Asia's most valuable asset. Recruitment is the initial stage in building a strong and reliable workforce. The main goal involves locating, identifying and hiring top candidates promptly and within budget. Bank Asia generally engages in two types of recruitment methods: fresh recruitment and lateral/experienced recruitment.

Bank Asia continues to expand its capacity and capabilities with a diverse workforce every year. In 2023, Bank Asia rigorously assessed and carefully selected 48 new employees to enhance its human capital. This new workforce has added pace to the Bank's operations, contributing to its ongoing growth and competitive advantage. For the year 2023 the total manpower was 2,751 with a distribution of 1,268 at Corporate Office and 1,483 at Branches across Bangladesh.

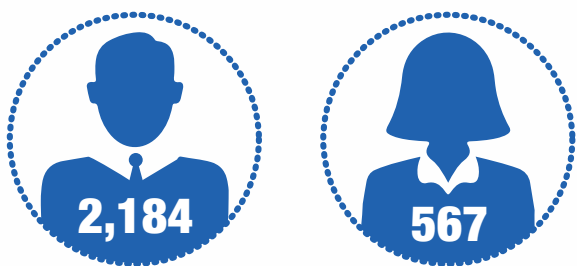
Directors' Report

HUMAN RESOURCES DIVISION (HRD)

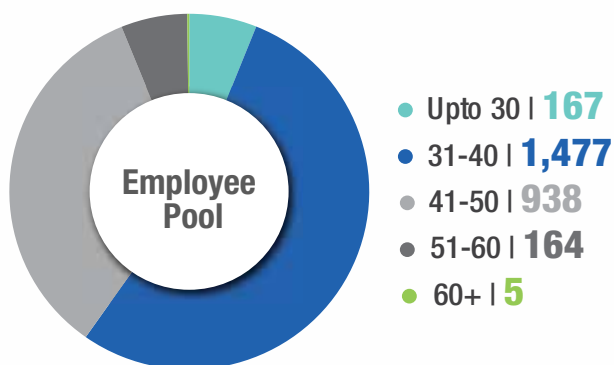


As an equal opportunity employer, Bank Asia has always prioritized the value of a diverse workplace environment. In a total of 2,751 employees, overall male to female ratio stands at 79:21. Considering the socio-political situation of the nation, Bank Asia is proud to be providing employment to a relatively high number of female employees as compared to the industry standard. HRD intends to improve the ratio further by practicing appropriate equal-opportunity practices which will help the bank access a larger pool of untapped potential while also creating a more diverse and inclusive workforce.

Number of Employee



Bank Asia has a relatively younger segment in its overall employee pool where nearly 54% of the employees fall in 31-40 years age bracket (as on 31st December, 2023)



High Performance Team Development Program

HRD intends to boost the culture of developing in-house leaders in order to create managerial and leadership pipelines from within the Bank. In order to better equip such potential candidates, it is crucial to educate the employees on Team building, Team management, Leadership and

Performance attainment. To achieve this objective, HRD successfully conducted High Performance Team Building Program for the potential employees of the Bank. To successfully conduct the workshop with the most sophisticated development and assessment techniques as well as to ensure high standards, HRD has worked with renowned consultants from the country.

Performance Management

Bank Asia prioritizes fair performance evaluation to support employee career growth. Unbiased evaluation fosters a sustainable workforce and aligns with the bank's HR hierarchy. HRD is working to continuously improve the Performance Management system of Bank Asia and further streamline the process. HR has already made improvements to the system throughout 2023 and aims to further improve it in the coming years.

Employee Welfare

Employee performance management is vital for an organization to achieve its goals. Successful employee welfare and the resulting motivation is crucial for the organization's success. Motivated employees are happier, more effective, and tend to stay with the organization for a longer period of time. Their performance directly impacts the organization's potential for success.

In alignment with this, the HR Division of Bank Asia prioritizes employee welfare and motivation. Recognizing their role in creating value and achieving goals, HRD is dedicated to fair and sufficient compensation and welfare. Furthermore, Bank Asia provides a range of benefits for the employees under its employment from both Health and Life Insurance coverage, access to Provident Fund, Gratuity Fund, Superannuation Benefit and Benevolent Fund. By ensuring employee welfare, the Bank strengthens their loyalty and level of engagement towards the Bank, paving the way for sustainable growth and success.



Brand New HRIS (PeopleHub):

In line with the renewed digitalization initiative and to improve the quality of services received by employees of Bank Asia, HRD has aimed to fully implement a brand new Human Resource Information System (HRIS) in 2023. In this case, HRD has worked hard to successfully prepare, rigorously test and implement the new HRIS with the introduction of the brand new and cutting-edge system: PeopleHub. All major human resource related activities have been streamlined into a one-stop-location for all the various human resource needs of the employees. Brand new self-service facilities have been introduced for the convenience of all employees of the bank.

Training & Development in 2023:

Training and development are crucial for maintaining a skilled and knowledgeable workforce in the banking industry. HRD employs three primary methods to provide employees with training and development opportunities: BAITD, Virtual Training, and External Training programs. These initiatives ensure that employees stay up to date in their professional growth.

Bank Asia has a state of the art training and development facility known as Bank Asia Institute of Training & Development (BAITD). The institute is equipped with modern equipment and facilities to facilitate smooth and effective T&D programs for Bank Asia employees. BAITD provides access to full dormitories, classrooms, library, computer lab, canteen and a full list of skilled internal and external resource persons for T&D purposes. The institute has played a crucial role in enhancing the bank’s workforce through training, fostering skilled, dedicated, ethical, and motivated individuals. Additionally, BAITD is dedicated to facilitating employees’ professional growth by providing opportunities to develop job-related competencies.

Digitalization is rapidly becoming the cornerstone of modern business models, revolutionizing the way organizations operate and transforming traditional processes. This technological advancement not only streamlines operations but also presents numerous opportunities for growth and cost savings. Recognizing the opportunities presented by such technology and the need to acclimatise the workforce with an increasingly digitalized world, HRD conducted an intensive virtual training program in 2023. A total of 294 employees were provided rigorous training amounting to a total of 114 training hours achieved withing a frame of 4 ½ months. The program not only provided an insight into the effectiveness and efficiency of virtual training sessions but also paved the way for further use of such technologies for strenghtening the developmental capabilities of Bank Asia HRD in the coming years. Virtual training programs have become an essential component of HR strategies in the developed world and by embracing this transformative shift, Bank Asia can stay ahead of the curve and drive innovation in the Banking industry.



High Performance Team Development Program

RESEARCH & STRATEGY

To guide Bank Asia management with an unbiased, scientifically-based, and objective view of the market, to explore new avenues of business, and to improve existing businesses and modus operandi, the Research and Strategy Division (R&SD) was formed on October, 2015 with some of the most seasoned banking industry research specialists. R&SD reports focused on stating the market scenario, competition banks' performance, performance diagnosis of Bank Asia vis-à-vis competition, and finally strategies and tactics to overcome the bottlenecks to attain business budgets and the bank's strategic objectives. Table 1 represents some of the major research projects conducted in 2023:

SL	Project Name
1	Identifying Top Head of Branches Based on Historical Performance
2	Branch Experience Survey on 49 branches of Bank Asia
3	Write-up on Branch Merger/Relocation/Closure
4	Market Potentiality of Branch and Agent Banking
5	Branch/Outlet Feasibility Study
6	Revision of Employee Car Policy
7	Market Insight on Different Service Delivery Channels, Peer Banks Performance and Islamic Banking Market Size
8	Cost Rationalization Tactics & Strategy

- To drive organizational success, foster a culture of excellence, and ensure that talents are effectively recognized, developed, and utilized, all the head of branches (HoB) were evaluated based on business performance (e.g., deposit, loans and advances, non-funded businesses growth and target achievement), asset quality, compliance performance over the last five years, and ratings from relevant stakeholders. A dynamic model was developed for scoring and ranking HoBs and submitted it to top management for further actions.
- To identify the current service quality (SQ) scenario and to track further rooms for improvement, a branch experience survey was conducted among 49 metro branches of Bank Asia located in Dhaka and Chattogram. The findings were shared with each HoB through group conferences. The same was also presented at senior management meetings.
- The objective of conducting a market potential study was to explore the maximum business opportunity of the respective channels by utilizing command-area-wise competition business performance. This study helped the Group Finance Division prepare a budget for the year 2024.
- Similar to the previous year, R&SD visited different locations to find out business opportunities and barriers, helping the top management make informed decisions to establish branches in the most feasible areas.
- To align the existing employee car policy with the market, comply with legal requirements, address employee feedback, promote sustainability, prioritize safety, and maintain cost efficiency and flexibility, the policy was revised.
- A study related to market insights was conducted to find out the growth of different service delivery channels of peer banks and the Islamic banking performance of major competitors.
- To improve efficiency, profitability, financial stability, and adaptability while effectively managing risks, a study on cost rationalization tactics and strategy was carried out.

LOGISTICS AND SUPPORT SERVICES

Logistics support is the vital functional area of the Bank which builds necessary infrastructure and provides essential establishment to effectively operate the Bank in order to achieve the goal. In a banking business environment, integrated logistics support services is a management function that provides planning, design and support of business operation of infrastructure development, procurement, inventory, warehousing, distribution, transportation, customer support etc.

In 2023, the LSSD team successfully accomplished few big challenges of which important ones are highlighted below:

- Bank Asia inaugurated 01 (one) new Sub-branch and 06 (six) new ATM booths at different places of the country.
- Successfully implemented "Auto Alarm System for Vault of all Branches/SME Service Centers of Bank Asia PLC".
- Relocation of Madhabdi Branch, Narsingdi.
- Successfully completed interior decoration and fit-out work for renovation of Jatrabari SME Service Center, Sirajdikhan SME/Agri Branch, Rohitpur Branch, Shantinagar Branch, Mirpur Branch, Narayangonj Branch, North South Road Branch etc.

AML & CFT

Access to the financial system helps transform lives around the world, helping to reduce poverty and spur economic development. But the financial system is also used by those involved in some of today's most damaging crimes – from human trafficking to terrorism, corruption and the drug trade. Bank Asia's ambition is to help tackle these crimes by making the financial system a hostile environment for criminals and terrorists. Bank has no appetite for breaches in laws and regulations related to financial crime.

Bank Asia is always committed to conduct its business under the principles of good governance and responsibility towards all stakeholders. The Board and Senior Management “set the tone from the top” by adopting Zero Tolerance stand against money laundering and terrorist financing. The Board and senior management of the bank have given utmost priority to Anti-Money Laundering and Anti-Terrorism Program. The Bank seek to safeguard our clients and communities against money laundering (AML), terrorist financing, sanctions, fraud and other risks, applying core controls such as client due-diligence, screening and monitoring, risk grading, Alert generation. Price Verification and strengthening our people's understanding as to how to identify, manage and mitigate such risks.

Bank Asia has taken proactive steps to develop a robust culture of compliance and ethics in the Bank. We have established a control framework aligned with international best practices for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence to safeguard against illicit financial activities. We have focused programs and training sessions covering areas such as Anti-Bribery, Sanction, TBML and Anti-Money Laundering to highlight our commitment to zero tolerance. Our Code of Conduct Policy and training programs encourage employees to uphold values of customer centricity, team work, ownership, transparency and ethics.



AML & CFT Conference 2023



Training program on prevention of money laundering & terrorist financing

Employee Training and Awareness

Our employees are the first line of defense. Vigorous & intensive training programs empower our staff with the knowledge and skills necessary to identify and report suspicious activities.

- 4,753 employees trained through physical & online training



Training Program

4,753 Participants

Regulatory Compliance

Adhere strictly to the guidelines and directives

- Bangladesh Financial Intelligence Unit,
- Anti-Corruption Commission (ACC),
- Tax Authority.
- And other relevant authorities

Risk Assessment and Due Diligence

Automation of Risk Grading & Know Your Customer (KYC) at system

- Risk grading at on boarding of Customers
- Risk Grading of Trade Customers

Technology and Innovation

Continually explore and adopt innovative tools that bolster our defenses against money laundering risks.

- Transaction Alert:
Alert Generation- 56,776 nos.
- Rule Based Transaction monitoring
- Multiple TP Change notification

Trade Based Transaction Monitoring Partnerships

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

- Uniform template for Price Verification
- Price Verification Alert,
- Alert for Land Lock Country,
- Alert for Controlled Item.

Continuous Improvement

Bank Asia Operate within a culture of continuous improvement:

- Regularly reassessing our AML policies and procedures.
- Feedback from internal/external and regulatory bodies.
- Strengthening monitoring and follow-up Processes.

Adverse Media News Service

Bank Asia subscribed Adverse Media News Service to monitor the activities of the customer for identifying the suspicious activities/transactions

Conference on AML & CFT

AML & CFT Division organize BAMLCO Conference, AML & CFT Conference etc.

Lead Bank Training

In collaboration with BFIU, Bank Asia Organizes Lead Bank Training for the officers and executives of different district.

SPECIAL ASSET MANAGEMENT

The Special Asset Management Division (SAMD) is a specialized unit dedicated to handling distressed or non-performing assets. In its pursuit of willful defaulters and intentional malfeasance, the SAMD of Bank Asia is resolute and aggressive, yet it is also empathetic and willing to respond to valid challenges. SAMD increases the likelihood of resolution by addressing delinquent accounts during negotiations. Over the past three years, SAMD has endeavored to resolve long-pending delinquent accounts through negotiations with outcome, collateral liquidation and filed specific cases under NI (Negotiable Instruments) Act and ARA (Artharin Ain Case). SAMD plays a pivotal role in recovery of written off loan accounts and classified loan accounts, in addition to managing interest suspense and unpaid interest. Through consistent and proactive efforts over several years, the bank has achieved a substantial reduction in its non-performing loan (NPL) ratio and thereby enhancing income recovery. At year-end, the CL amount stood at Tk. 19,510.36 million, with a CL% of 6.70%.

Million Tk.

Performance of Legal Unit in 2023	No	Value
Total Artha Rin Suit as on 31.12.2022	559	36,429.72
Artha Rin Suit Filed in 2023	24	5,635.79
Total Artha Rin Suit as on 31.12.2023	583	42,065.51
Decree Obtained in 2023	45	5,499.21
Solennama submitted before the court in 2023	04	420.00
Total NI Act Cases as on 31.12.2022	431	15,541.32
NI Act Cases Filed in 2023	154	7,098.49
Judgement obtained	30	2,361.00
Total NI Act Cases as on 31.12.2023	555	20,278.81
Cash Recovery through Legal Process in 2023	62	697.80



Major activities in 2023

- Conducted physical visits covering 125 branches and 570 accounts.
- Divided 126 branches into nine zones and created monitoring teams for effective recovery.
- Established a communication group for flawless day-to-day correspondence with branches.
- Made prompt, prudent, effective, and efficient decisions during customer meetings and negotiations.
- Strengthened correspondences with defaulters and their guarantors, resulting in successful settlements.
- Filed and followed up on NI Act cases in different districts to create extra pressures on defaulters.
- Filed and followed up all sort of legal initiations (both NI Act and Artharin Act) against the defaulters as applicable to recover Bank's dues.
- Ensured accountability for SAMD team performance through professional KPI reflections.
- Provided cross-training development and empowerment for branch and SAMD team members.

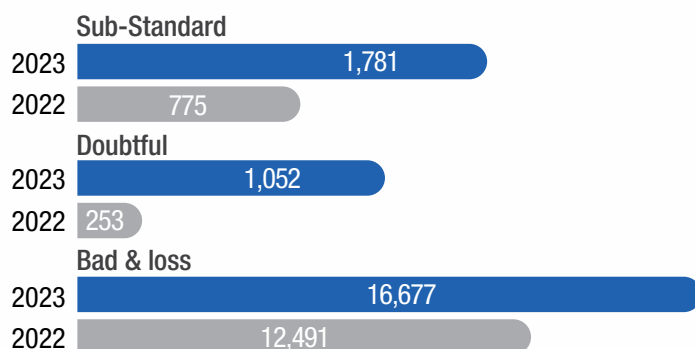


Cash Recovery against

Classified Loans Tk **3,688** Million

Written off Loan Tk. **317** Million

Stressed Loan Tk. **816** Million



Strategies for NPL Management & Recovery Process

- Engage in regular visits to customers, businesses, and collaterals to maintain strong relationships and ensure proper asset management.
- Provide transparent and logical justifications for waivers, using clarity and accountability in the decision-making process.
- Engage in strong negotiations with customers, exploring alternative solutions to reach mutually beneficial agreements.
- Conduct robust negotiations with customers to discuss options for rescheduling, reaching amicable settlements according to the available repayment capabilities.
- Ensure timely follow-up on court cases to expedite resolution and minimize any potential impact on the lender.
- Diligently manage court cases to ensure optimal outcomes.
- Pursue legal action against defaulting customers to recover bank's dues and protect the interest of the bank.
- Identify areas for improvement and prioritize customer-centric strategies keeping the bank's interest in place.
- Continually monitor market trends and factors to make informed decisions regarding asset management.
- Implement a proactive approach to delinquent accounts from Day 1 of 2024, ensuring the highest possible recovery from both CL (classified) and written-off accounts.

CAPITAL STRENGTHENING

Bank Asia is always keen to maintain sufficient capital base against performing business to support healthy growth of business and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap. Bank's CRAR (Capital to Risk weighted Asset Ratio) reached to 16.45% as on December 31, 2023 against required 12.50% (including buffer@2.50%).

To bring the good business growth, Bank Asia has also taken decision for issuing perpetual bond of Tk. 5,000 million out of which Tk. 4,500 million under private placement and Tk. 500 million under public offer. In this regard, Bank Asia has raised fund of Tk.3,340 million under private placement and Tk.340.20 million under public offer totaling Tk.3,680.20 million. This capital will be added to bank's Tier-1 capital.



Bank Asia and Dhaka Stock Exchange Ltd, exchange signed documents of an agreement

RISK BASED CAPITAL ADEQUACY

The Bank has formed a strong capital base by way of various capital enhancement initiatives with a view to promote more integrated management of market and counter party credit risk and also operational risks. As per Pillar-3 revised RBCA (Risk Based Capital Adequacy) guidelines of Bangladesh Bank, all scheduled banks have to publish their capital adequacy disclosure framework for market participants i.e. stakeholders as a key information about the bank's Minimum Capital Requirement (MCR) under pillar I of Basel III and exposure to various risks related to capital adequacy to meet probable loss of assets. Details of required disclosures both in qualitative and quantitative form are laid out in a separate segment under [page no 172-193](#)

CORPORATE GOVERNANCE

In essence, corporate governance is a system ensuring a company's accountability to its stakeholders. It is achieved through internal controls and procedures that are implemented throughout the company's life cycle. Bank Asia prioritizes fairness, transparency, accountability, and responsibility in its corporate governance approach. Our disclosures on compliance with BSEC and Bangladesh Bank guidelines demonstrate the strong compliance culture of the Bank.

In recognition of that, in 2023 Bank Asia has been awarded 1st prize by ICAB (Institute of Chartered Accountants of Bangladesh) & SAFA (South Asian Federation of Accountants) for Corporate Governance disclosures. The details of corporate governance practice of Bank Asia are discussed in a separate segment 'Corporate Governance' under [page no 240-295](#).

CORPORATE SOCIAL RESPONSIBILITIES

Bank Asia always streamlines its efforts to look beyond short-term quantitative gains and concentrates on issues that make the institution socially responsible. We are committed to social and environmental well-being and strive to ensure sustainable balanced growth in economic, social and ecological arena. Bank Asia strongly believes

that sustainable growth of an entity is nothing but a counterfeit ideology without being communally responsible in business conduct and contribute to the society. That is why Bank Asia is always committed to be a proud development partner of its communities where it belongs and make the communities grow up through continuous and balanced CSR activities.

Like in the past, Bank Asia spent an amount of Tk. 326 million for several CSR activities this year as well. Our major CSR programs includes Health, Higher Study Scholarship & and disaster management. Other CSR programs include support cold affected people, infrastructural development of different institutes, sports, art & culture. The pace of CSR contribution is expected to accelerate in the future with long term vision. In depth CSR activities of the bank are available in Corporate Social Responsibility (CSR) segment under [page no. 230-233](#)

GREEN BANKING

Green banking or Sustainable finance refers to any form of financial service integrating environmental, social and governance criteria into the business or investment decisions for the lasting benefit of both clients and society at large. We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations. We therefore have an opportunity to make a positive contribution to environmental and social concerns by enacting policies designed so that our business operations do not degrade the environment or cause social harm. Such policies not only indicate positive environmental responsibility, but also present business opportunities such as innovative financial products and investments in sustainable forestry and renewable energy. This will help us better manage our risks, develop expertise and provide clients with solutions to evolving exposures. During day to day business Bank Asia heavily contributes towards the carbon emission in terms of use of paper, electricity, stationary, lighting, air conditioning, electronic equipment etc. even though this is moderate compared to other carbon sensitive industries like steel, oil and gas etc. In the case of banks, the direct interface with the environment has considerably increased due to rapid growth of the banking industry. Energy consumption is the only way to describe our living, but excessive use is called waste. Prime focus of Bank Asia is utilization of solar power, Reduction of Energy & Resource Consumption; control the consumption of water, waste management, emission of greenhouse gas etc. Under Green and Sustainable Finance scheme, Bank Asia has disbursed Tk. 53,171 million to different segments like renewable energy, liquid waste management, recycling & manufacturing recyclable goods & others. We managed to secure Net profit from environmental savings worth Tk. 10.49 million in 2023. Bank Asia has disbursed Tk. 679.84 million for Liquid waste management. Green Banking of the bank are available in Environment performance segment under [page no. 214-217](#)

BANK ASIA SECURITIES LIMITED (BASL)

The stock market in 2023 witnessed a complete mess and disappointment as the average turnover and foreign investment reached rock bottom. The market was in position of range-bound boundary throughout the year, since the broad index of the Dhaka bourse (DSEX) had sideways movement, ranging around 6,178 points to 6,367 points and closing at 6,246 points by the end of the year, advancing by 39.70 or 6%. This year the DSE's average daily turnover was BDT 5.8 billion as compared to BDT 9.6 billion in the previous year, fell by 39.83 per cent. In the meantime, the total market capitalization merely increased by 2.6% to BDT 7,808.5 billion. The overall price earnings (P/E) ratio at the end of the year was at 13.12.

The prolongation of the floor price mechanism, enacted in July 2022, has been hurting liquidity in the market as around 60% of the total market capitalization (Equity Instruments) was stuck at the floor price throughout the year. Due to floor restriction, many investors moved to sell-off stocks at a 10 per cent lower than the floor price on the block market to en cash investments to meet up the prompt need. Hardly any new investor entered the market while existing investors have been trying to exit the market. As many as 0.09 million beneficiary accounts have been closed this year. The net position in foreign portfolio investments became positive this year after three consecutive years in the red. In 2023, overseas investors bought shares worth Tk 11.59 billion, against sales worth Tk 10.51 billion.

Immobile trading volume have hindered the listing of new securities in the market, as only two companies got listed through IPO on the main market throughout the year. Furthermore, mounting interest rates in the money market following the Bangladesh Bank's contractionary monetary policies to fight inflation have also restricted the fund flows into the capital market.

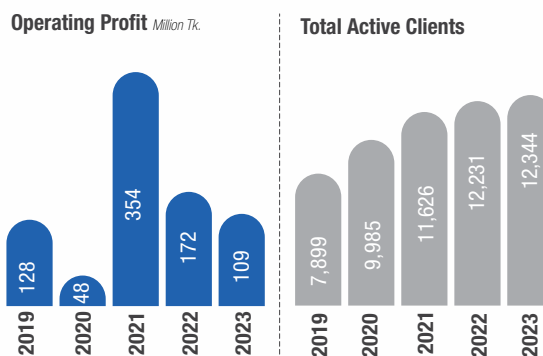
On the other hand, the stock market regulator came up with several key developments in the market this year, including the introduction of the Alternative Trading Board (ATB) platform and the inauguration of

primary auction participation in T-Bond for BO accountholders; though, the both of the platforms did not attract significantly investors. Overall, the capital market of Bangladesh posed a gloomy picture in 2023, due to illiquid trade volume and challenging macroeconomic forces.

Despite of bearish movements of market, BASL has advanced its position to 9 from 10 of DSE's Top - 20 in consideration of daily turnover throughout the year of 2023. Total Operating profit of Bank Asia Securities Limited (Basl) stood at BDT 109 million in 2023 which was BDT 172 million in 2022.

Number of total active clients reached at 12,344 in the end of 2023, which was 12,231 in December 2022. Margin loan outstanding stood BDT 4,552.94 million on December 31, 2023, which was BDT 3,977.67 million on December 31, 2022.

The current number of outlets are thirteen, of which four are Digital Booth. The location of the mentioned booths is at Rajshahi, Bagura, Beraid Badda and Cummilla. Commilla Digital Booth was established in 2023. The number of employees reached to 69 at the end of the year. Bank Asia Securities owned DBA Stock Brokers Performance Award-2023 in terms of trade volume at the DSE



BA EXCHANGE COMPANY (UK) LIMITED

BA Exchange is proud to announce yet another successful year. Our continued growth and success are a result of our relentless pursuit of excellence, adapting to market dynamics, and a customer-centric approach that places the needs of our clients at the forefront of our operations.



Transaction Growth and Volume Metrics

In the face of evolving market conditions, we are thrilled to report a 4% increase in the number of transactions. While the overall transaction volume experienced a minor decline of 2%, our ability to enhance customer engagement and satisfaction has led to a remarkable rise in the number of transactions—a testament to the trust our customers place in BA Exchange.

Meet & Greet Service at Dhaka Airport:

In a strategic move to elevate our customer service experience, we introduced a Meet & Greet service at Dhaka Airport. This personalized service aims to provide a warm welcome to our valued customers, ensuring a smooth and comfortable transition during their travel journey. We believe that these personal touches contribute significantly to fostering lasting relationships with our clients.

Pre-Paid Travel Card Launch:

Understanding the evolving needs of our customers, BA Exchange introduced a Pre-Paid Travel Card tailored for use in Bangladesh. This innovative offering empowers our customers with a convenient, secure, and flexible payment solution, enhancing their travel experience within the country. This initiative not only aligns with market trends but also underscores our commitment to anticipating and meeting the diverse needs of our clientele.

Consistently Quality Customer Service:

Amidst these milestones, the foremost achievement remains our unwavering commitment to providing consistently high-quality customer service. Our success is rooted in the satisfaction and loyalty of our customers, and we continue to invest in training, technology, and processes to uphold the standards that have become synonymous with the BA Exchange brand.

As we look ahead, BA Exchange remains steadfast in its mission to innovate, grow, and exceed customer expectations. We extend our heartfelt gratitude to our customers, our parent bank, and stakeholders for their continued trust and support.

Remittance
USD 18.27 million.



BA EXPRESS USA INC.

This year, BA EXPRESS USA INC. has expanded to one location in Ozone Park, another hub of Bengali Community in New York City, bringing the total to four locations. Now it is planning to expand one more location in Buffalo, New York, another important hub concentrated by Bangladesh People.

BA Express has also achieved its highest profit amounting to USD 670,777 this year since its inception.

Additionally, using the agent-based model, BA Express serves its consumers through numerous agent locations across New York. The company's motto is to serve the NRBs in the State of New York by providing easy, low cost and convenient remittance opportunities to its customers.

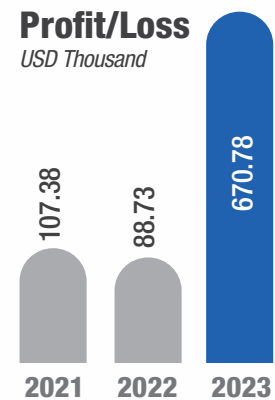
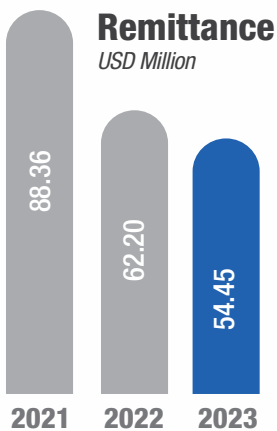
Despite facing various challenges, especially the exchange rate differences, the volume of remittances this year stood at 54.45 million.



FUTURE PLANS

- Increase volume of remittance.
- Expansion of collection channels.
- Work towards reaching mass NRBs in New York.
- Want to be a part of the economic growth of the country.

Remittance
USD **54.45** million.



EVALUATION OF QUARTERLY REPORTS

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

ADDITIONAL STATEMENTS

Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (amended up to 2020) (Act No. XVIII of 1994) is described in a separate segment ([page no. 283-284](#)) where different issues such as detailed discussion on related party transactions, explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements, remuneration paid to the directors including independent directors, statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, explanation of significant deviations from the last year's operating results (if any), 5 (five) years summarized performance etc. are discussed.

OUR GRATITUDE AND THANKS

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

On behalf of the Board of Directors

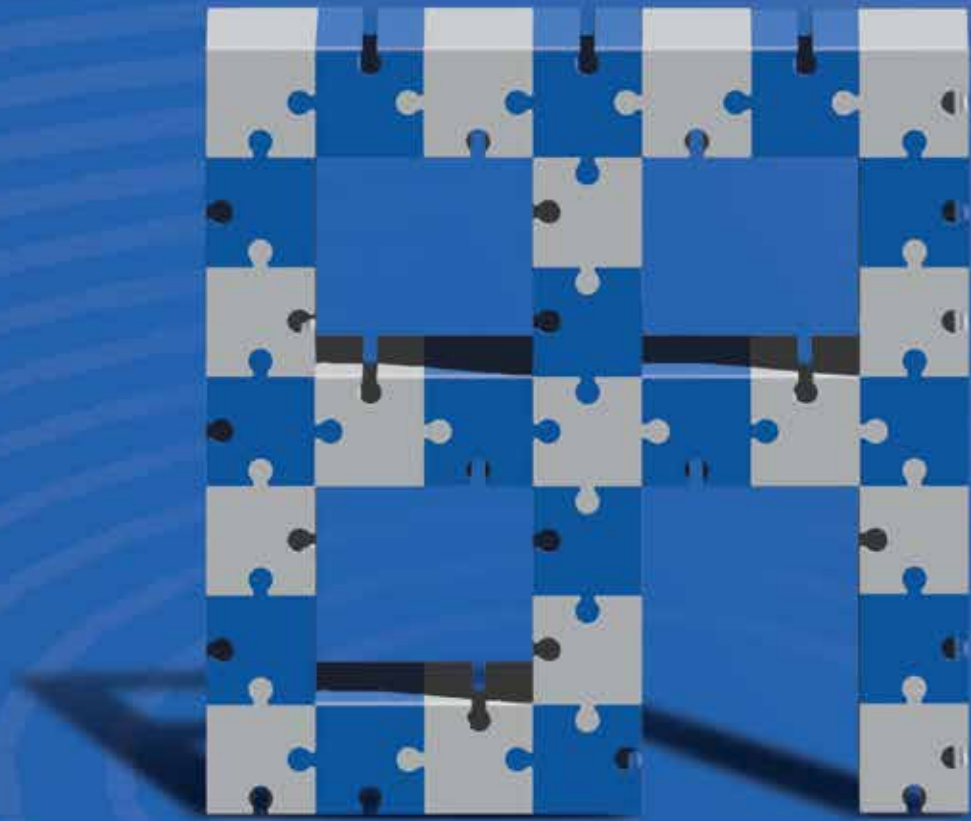
Romo Rouf Chowdhury
Chairman

Ashraf Haq Chowdhury
Independent Director

Md. Abul Quasem
Independent Director

INTEGRATED REPORT

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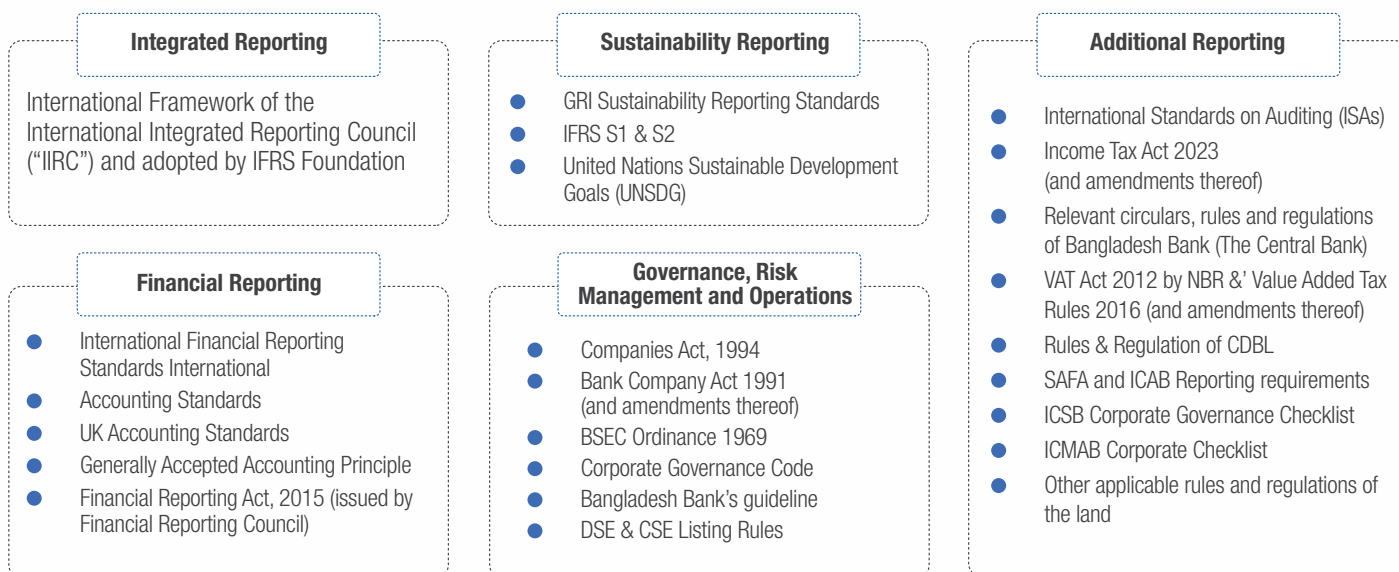
Our Approach to INTEGRATED REPORT

Welcome to Bank Asia’s annual integrated report 2023. We are contented to present our tenth Integrated Report in accordance with the International Framework of the International Integrated Reporting Council (IIRC).

The aim of our Integrated Report is to cover a vast area of the business activities within the sustainability framework in a balanced and relevant manner. These enable our stakeholders & investors more informed & transparent assessment of the Bank.

We have tried to keep this report brief, consistent and complete, including all material matters, both positive and negative in a fair way. This report ensures accurate data of the bank’s operation, both financial and nonfinancial performance according to our strategic planning & way to establishing our vision to have poverty free Bangladesh.

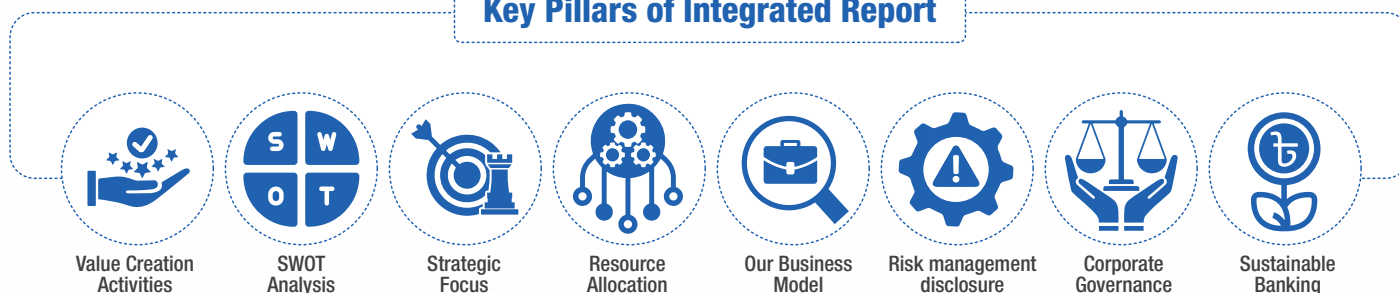
Significant Reporting frameworks, standards, regulations and guidelines



Scope, Boundaries & Comparability of this Report

Our AIR covers the period from January 01, 2023 to December 31, 2023 by following the guidelines of Integrated Report issued by ICAB referred as the Integrated Reporting Checklist which is in congruence with the Integrated Reporting Framework prototype issued by the IIRC and concerns the operations of Bank Asia PLC. and its subsidiaries. There is no significant change regarding scope, boundary and reporting basis. The data & information presented in this report is on the same basis as the 2022 in terms of measurement methods, explanation of any restatement of information, time frames and entities.

Key Pillars of Integrated Report



Forward Looking Statements

This report contains some forward looking statements which are based on external factors, future events and outcomes. These assumptions are constructed based on the expectation, judgment, aspects, and opportunities. As there are uncertainties about the occurrence of the future outcomes, these statements are valid only for the date of publication

Assurance

For maintaining proper transparency Bank Asia PLC. has always obtained Combined Assurance from both internal & external perspective.



Financial Assurance

- Financial Statement Audit Report: **MABS & J Partners**
- Gratuity Fund Financial Audit: **MABS & J Partners**
- Provident Fund Financial Audit: **MABS & J Partners**
- Investment (Bond) Surveillance Rating: **CRISL & CRAB**
- Investment Promotion and Financing Facilities (IPFF) Certification: **MABS & J Partners**
- Nostro Reconciliation Audit: **MABS & J Partners**
- Entity / Credit Rating: **CRAB**
- Superannuation Fund Audit: **MABS & J Partners**
- Risk Management Assurance: **Bangladesh Bank**
- Benevolent Fund Audit: **MABS & J Partners**
- Gratuity Fund Actuarial Valuation: **Z Halim & Associates**
- Cash Incentive: **MABS & J Partners**

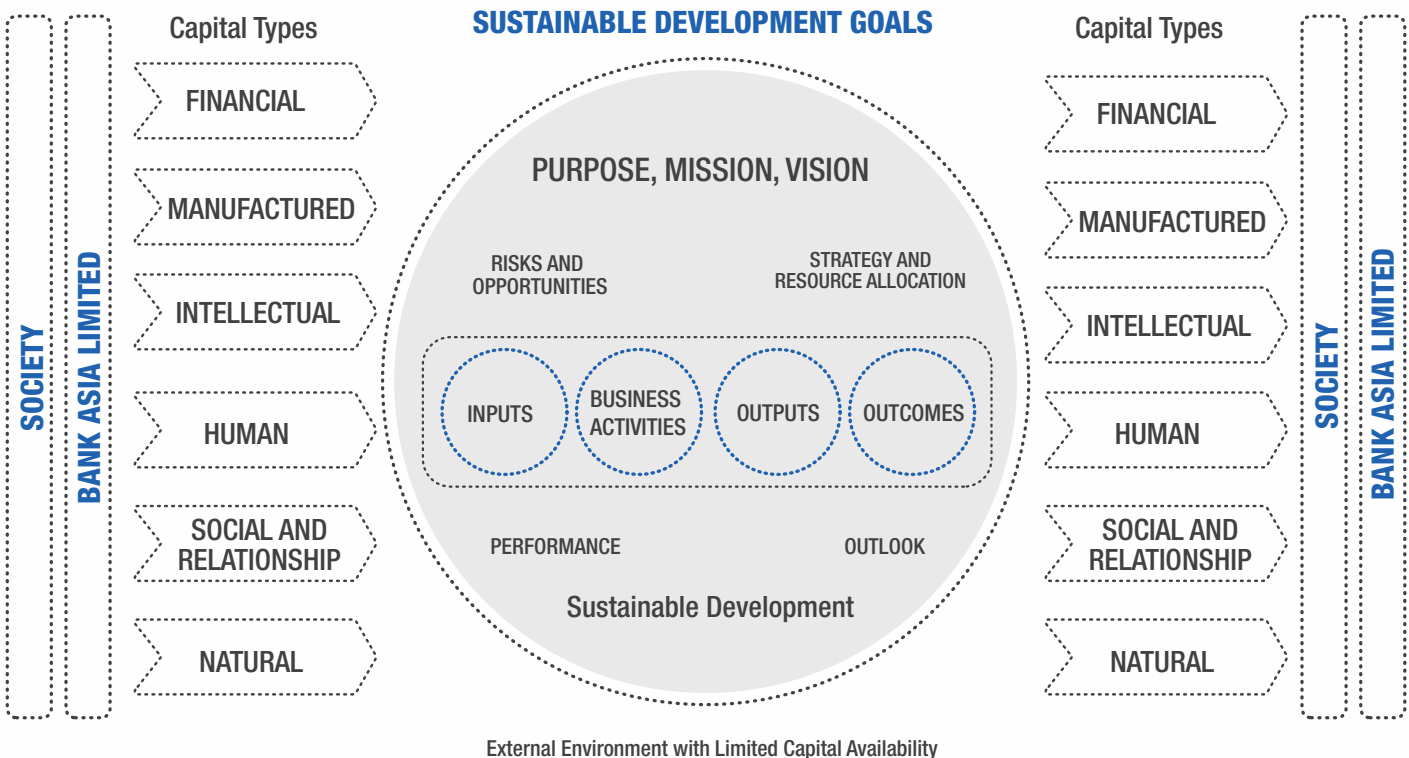
Corporate Governance

- Corporate Governance Certification: **Suraiya Parveen & Associates**
- Information Technology: **ISO Certification: British Standard Institute (BSI)**
- Sustainability Reporting: **Global Reporting Initiative (GRI)**

Materiality of the Report

Through materiality analysis Bank Asia can identify what should be the vital priorities of the company so that it can delineate its key triple bottom line keeping the short, medium and long term goals in mind. Bank Asia has an edge by developing strategies focusing on our fundamental priorities to facilitate our operational activities, embolden our goal-oriented performance, vitalize our sustainability framework and institutionalize our corporate governance philosophy for both internal and external stakeholders.

INTEGRATED FRAMEWORK PROCESS



Responsibility and Integrity of the Annual Integrated Report

The Board and the management ensures that the Integrated Annual Report has been prepared pursuant to the checklist in accordance with the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). The Board and the management also ensures that reasonable care has been taken in preparation and presentation of this Annual Integrated Report, all material issues have been addressed and fair presentation on Bank's integrated performance & its overall impact has been made.

Board of Directors' Commitment towards Integrated Reporting

I, on behalf of the Board, ensure that all material aspects of Integrated Reporting have been presented truly and fairly so that our stakeholders can take prudent decision on integrated performance of the Bank.

On behalf of the Board of Directors,



Romo Rouf Chowdhury
Chairman
Bank Asia PLC




www.bankasia-bd.com



Regulatory compliance Certificate

Credit Rating

Corporate Governance

CREDIT RATING AGENCY OF BANGLADESH LIMITED 

Ref: AGL/RCM/230623/2023 - 5317 14 June, 2023

Mr. Areef Billah Adil Chowdhury
President & Managing Director
Bank Asia Limited
Bank Asia Tower, 32 & 34,
Kazi Nazrul Islam Avenue
Karwan Bazar, Dhaka

Dear Sir,

Subject: Credit Rating (9th Surveillance) - Bank Asia Limited.


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

Particulars	Ratings
Long Term	AA-
Short Term	ST-1
Outlook	Stable


This rating is valid up to 30 June 2024. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or financials of Bank Asia Limited.

We hope this rating, which will be followed by a detailed report, will serve the intended purpose of your organization.

Yours Sincerely,



Mohammed Zubair Wafa
Managing Director



Head Office Tower, Level-15, Plot-AK, Pathapalli, Tejgaon, Dhaka-1215. E-mail: info@craab.com.bd. Web: www.craab.com.bd. www.craabing.com
+88-02-55013678, 55013679, 55013681, 55013682, 55013683 (Fax) 55013684

 **Suraiya Parveen & Associates**
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

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

We have examined the compliance status to the Corporate Governance Code by Bank Asia PLC. for the year ended on 31st December 2023. This Code relates to the Notification No. BSEC/CMRRCI/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka, Dated
May 23, 2024

For Suraiya Parveen & Associates
Chartered Secretaries


Suraiya Parveen, FCS
Chief Executive Officer



Office Address: Razzak Plaza (10th Floor) Suite-10G, 383 Tangi Diversion Road (old), 2 Shahid Tajuddin Ahmed Sarani (New), Moghbazar, Dhaka-1217, Mobile: 01911-421998, 01713-110408, E-mail: suraiyaparveenfcs@gmail.com, masfiquefcs@gmail.com

Integrated Report

1. ELEMENTS OF AN INTEGRATED REPORT

1.1 Organizational overview and external environment

Bank Asia PLC started its journey on November 27, 1999 as a private commercial bank with the aim of contributing for the development of the economy by bringing superior quality, technology driven banking products and services. In 2001, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, Agent Banking, Post Office Banking, Social Safety Net Program, Rural Finance, Digital banking program and many more specialized services with its core banking activities.

The details is available in [page no. 202](#) of AIR-23 under Corporate Profile.

Mission & Vision of Bank Asia PLC:

As a corporate legal entity we always try to uphold and embrace our specific mission and vision in every possible context of our business. Details in [page: 12](#) of AIR-23.

1.1.a.i) Bank Asia's Culture, Ethics and Values

We have maintained a strong corporate culture that abides by strict ethical policies and values. The details could be found in [Page 12 & 15](#) of AIR-23.

1.1.a.ii) Bank Asia's Ownership and operating structure

Bank Asia PLC was formed as a public limited company under the Companies Act 1994, and governed by the Banking Companies Act 1991. The Bank obtained Certificate of Incorporation on September 28, 1999 and banking license on October 06, 1999. It went for public offering on September 23, 2003. Bank Asia runs its operation only in Bangladesh, however, we have three subsidiary companies, one in Bangladesh and two others in UK and USA.

1.1.a.iii) Bank Asia's Key activities and markets

The activities of the bank is permitted by the Income Tax Act 2023 (and amendments thereof), Companies Act 1994 (amended up to 2020), Memorandum of Association (MoA) and Articles of Association (AoA).

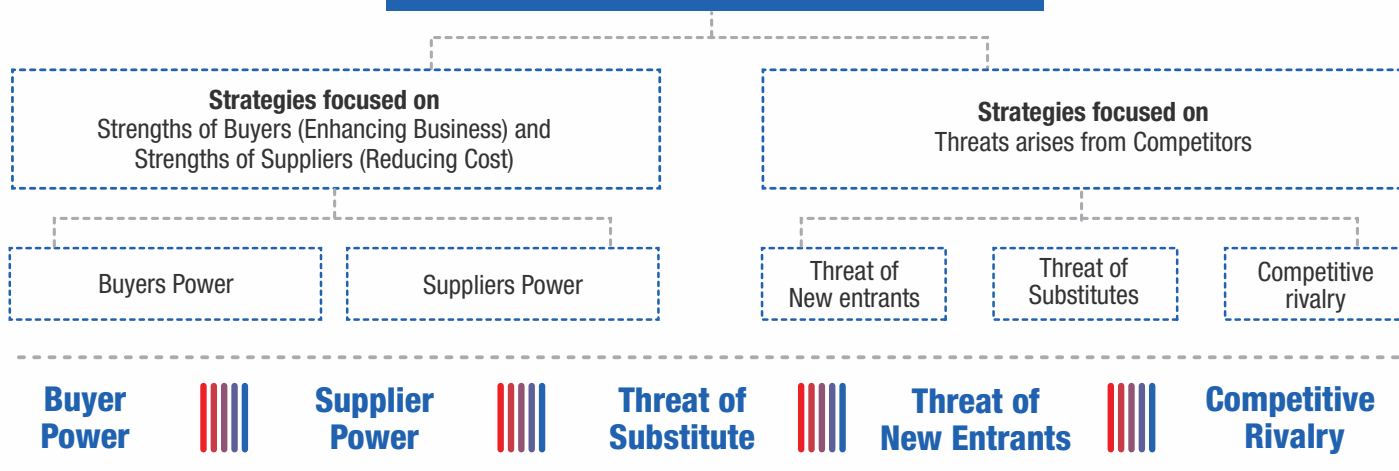
The key operational activities of the bank include: Acceptance of Deposits, Lending of Funds, Clearing of Cheques, Remittance of Funds, Bill Payment Services, Online Banking, Credit & Debit Cards, Treasury activities, Overseas Banking Services, Wealth Management, Investment Banking, Social activities, etc. Further details can be found in [Pg: 206](#) of AIR-23 under products and services.

SI No.	Name of Subsidiary	Country of operation
1	Bank Asia Securities Limited (BASL)	Bangladesh
2	BA Exchange Company (UK) Limited	United Kingdom
3	BA Express USA Inc.	United States of America

Further details can be found in [page no. 200](#) of AIR-23 under Report Parameter.

1.1.a.iv) Bank Asia's Competitive landscape and market positioning: We have analyse the industry considering the threat of new competition & substitute products or, services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry.

Competitive Landscape and Market Positioning



Buyer Power Moderate

Factors

- Alternative delivery methods, digital channels, and other location-indifferent services may influence a customer's selection and acceptance
- Corporate clients exhibit greater interest rate sensitivity compared to retail & SME clients
- Large number of financial institutions in the country increases buyer power as they can switch to one that offers them better

BA's response & way forward

- Developed value added products and services to sustain in the bank industry
- Provide high quality secured digitalized services by maintaining customer satisfaction level
- Explore income alternatives both fee and non-funded based
- Enhance relationship both existing & prospective customers
- Expand our retail and SME customer base further
- Focus on decreasing high cost and increasing no-cost, low-cost accounts

Supplier Power Moderate to High

Factors

- Due to high dependency on IT infrastructure, IT providers have more power than general suppliers
- Depositors, employees, Corporations, other financial institutions are the Primary sources
- Individual depositors and employees have minimal bargaining power
- Corporations, high net worth individuals (HNWIs), high ranking management officials can exercise significant influence on the bank

BA's response & way forward

- Create value through collaboration with suppliers and strive for fairness in all interactions
- Diversify depositor basket from corporate to retail & SME clients
- Retaining valuable depositors through providing unique products and high quality service
- Offering training to employees to improve their productivity and quality of service
- Boosting employee morale through providing attractive remuneration and benefit packages in recognition of their efforts
- Explore the large unbanked population of the country
- Maintaining proper market rules and regulations to keep the fame of bank

Threat of new entrants Low to Moderate

Factors

- Due to large initial capital requirements and necessary regulatory requirements, barrier entry is high
- Shifting focus to the retail and SME segment
- Establishment of new entity in current market is so competitive
- New Banks have been added to the Banking Industry

BA's response & way forward

- Being the pioneer, Bank Asia has an edge in the agent banking segment and we can utilize our expertise to tap into the grassroots level segment
- Being one of the largest and well reputed private commercial banks in the country, Bank Asia has already built a sufficiently diverse and loyal customer base which only continues to grow every year
- Enact and maintain proper regulations in the corporation capture a prestigious value of this bank

Threat of substitute High

Factors

- We don't have any direct replacement of deposit & loan products, so the threat of substitute is almost negligible
- Competition from NBFIs for providing attractive offerings including EMI services on products such as cars, home appliance manufacturers, furniture manufacturers, etc. without the involvement of any financial intermediaries
- Modern Fin-Tech services (like BKash, Nagad, etc.) providing quick and easy to access financial solutions

BA's response & way forward

- Offering unique & wide range of product & services to customers that helps them to stand out from the competition
- Adopt digitisation to stay up to date with rapidly changing modern financial sector
- Ensuring proper service quality with expertized manpower

Competitive rivalry High

Factors

- Competition from large number of different banks and NBFIs
- Low cost of switching for depositor
- FIs competing for same customer segment
- FIs are increasingly shifting their focus from corporate to the retail and SME segment

BA's response & way forward

- Always trying to maintain a good governance practice
- More concentration & adoption of digital technology and expanding online banking services
- Retain existing and attracting newer customers
- Retain the trust of customers by providing secured, speedy, digitalized services
- Extend countrywide network to bring more unbanked population under the Bank's umbrella.

1.1.i.e) Bank Asia's position within the value chain

As a 3rd Generation bank, Bank Asia is fundamentally strong and has one of the highest capital bases in the Banking Industry. Our position in terms major financial indicators is highlighted below:

Bank Asia's Market Position			2023	2022	
Deposit	2023	2022	Export	2.47%	2.82%
	2.19%	2.27%	Import	3.12%	3.28%
Loans & Advance	1.87%	1.97%	Remittance	3.76%	6.58%

Details on [page no. 126-127](#) of AIR-23.

1.1.b) Key quantitative information of Bank Asia

Bank Asia's number of employees, branches, operating income for the year, debt and equity position and our banking channel details have been given on [page no. 202](#) of AIR-23 under Corporate Profile.

PESTEL Analysis

1.1.c) We have analysed the significant external factors through PESTEL Analysis which includes political, environmental, social, technological, economic, and legal & regulatory that impact our business and our response against those risks

1.1.iii) We have analysing the significant external factors through PESTEL which includes political, environmental, social, technological, economic, and legal & regulatory that impact our business and our response against those risks



Political	Economic	Social
Uncertainty related with National Election 2023	Implementation of Market based Interest Rate Policy	Increasing purchasing power
Tighten Monetary Policy	Foreign Exchange rate uncertainties/ volatile financial exchange market	Technological development
Economic reforms as prescribed by IMF	Depleting Foreign Exchange Reserve	Rapid Urbanization due to infrastructural development
Higher Debt Burden of the Government	Persistent high inflation rate	Widened Income Gap
Impact of ongoing Russia-Ukraine war	High Non Performing Loans	Increase of Social Media platform

Impact

High

High

High

BA's Response

- Align the business strategies of the Bank more prudently to avoid future risk and uncertainties.

- Maintain strong financial performance over the year
- Strong Credit Rating
- Maintaining adequate capital adequacy
- Focusing more to curb high performing loans

- Offering new banking products to different customer segments
- Efficient Mobile App to cater the segmented Banking needs of customer
- More investment in CSR activities

Risks Category

- Credit
- Capital Market
- Strategic

- Credit
- Strategic
- Capital Market
- Liquidity

- Market Reputation
- Strategic

Further details




Chairman's Statement, MD's Review, World Economy, Bangladesh Economy

Chairman's Statement, MD's Review, World Economy, Bangladesh Economy

Summary Sustainability Report

As the world continues to change, we are experiencing a wide range of new, more difficult problems as a result. The ability to overcome these difficulties and develop effective mitigation methods is essential for a company to thrive in the long run.

It is necessary to do a business environment study in order to create appropriate countermeasures against these risks. Bangladesh recorded one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities.

 Technological	 Environmental	 Regulatory & Legal
Emerging of technology based startup companies	Refinance scheme of Bangladesh Bank for green initiatives	Regulated Business environment
Growing market share of Fintech companies	New regulation on Sustainable Finance	Labor laws
Cyber security threat	Focusing more to achieve SDG	Law of Intellectual property protection
Digital Banking growth and prospect	More initiatives on green banking and sustainable finance	Customer data privacy and protection
Government initiative to build SMART Bangladesh	Compliance of different instruction of regulators	Compliance of Bangladesh Bank and other regulators guidelines

Impact

High

Moderate

High

BA's Response

- Database Consolidation and Optimization for smooth banking operation
- Achieve ISO 27001-2 (ISMS), PCI DSS v4.0, ISO 22301 (BCMS), a gold standard for cyber security management
- Introducing Digital Nano Loan to cater banking need of low income person

- Loans to 96,579 no of borrowers amounting Tk. 53,711 million in sustainable finance
- Achieve sustainable growth in align with ESG guidelines
- Expansion of Technology Driven Platform for Quick Disposal of Credit Proposals:

- Striving to be the 100% full compliance bank in all aspect of regulations
- Ensure timely follow-up on court cases to expedite resolution and minimize any potential impact on the organization
- Diligent management of court cases

Risks Category

- Credit
- Operational
- Market Reputation
- Strategic

- Reputation
- Social
- Strategic

- Reputation
- Capital Market
- Strategic

Further details

Director's Report

Summary Sustainability Report

Risk Management Report, Corporate Governance Report

1.2 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.

Organization's governance structure support its ability to create value in the short, medium and long term

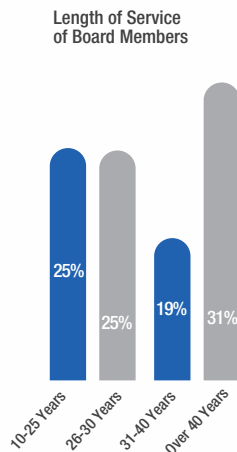
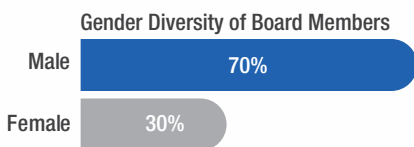
As a legal corporate entity, we are committed to maintain high levels of Corporate Governance by engaging the stakeholders for maximize our short, medium & long term values. Details on [page no. 249](#) of AIR-23 under Corporate Governance Framework in Bank Asia.



Corporate Governance Framework

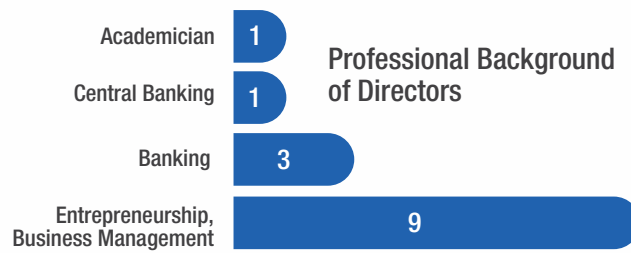
1.2.a) Bank Asia's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure

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. Bank Asia complied with pertinent guidelines of Bangladesh Bank circulars, rules and regulations of the Companies Act 1994 (amended up to 2020), Bank Companies Act 1991 (amendments thereof), Bangladesh



Securities and Exchange Commission (BSEC) Notifications, Guidelines of Bangladesh Bank and Memorandum & Articles of Association of the Bank. New Directors are appointed by Bank Asia with the emphasis on the mix of knowledge, skills, experience and perception. The Directors are elected by the shareholders in AGM and all appointment of the Board is subjected to the approval of Bangladesh Bank. The profiles of all Board members, comprising of their qualification and experience are disclosed in [page no. 24-31](#) of AIR-23.

Details regarding the Knowledge & expertise in Finance & Accounting



of Board of Directors can be found in [page no. 253](#) of AIR-23 under sub-heading 1.10.

The primary responsibility of the board and its composition details can be found in [page no. 250](#) of AIR-23 under sub-headings 1 and 1.1.1

1.2.b) Mandatory and voluntary code of corporate governance adopted by the Company

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

1.2.c) Code of ethical conduct adopted by the Company in relation to ethical business.

Corporate integrity, ethical conduct and accountability are fundamental to building trust between Bank Asia and different stakeholders. Bank Asia is always committed to maintain and uphold the highest standard of Corporate Governance integrity and ethics, which is embedded in the corporate culture of the Bank. 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, permitted by the Bank Company Act 1991 (amendments thereof), Companies Act 1994 (amended up to 2020), as well as Memorandum of Association (MoA) and Articles of Association (AoA) of the Bank. Details on [page no. 15](#) of AIR-23 under Business Ethics.

The code of conduct followed by the Board of Directors is detailed on [page no. 252](#) of AIR-23.

Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation in [page no. 273](#) of AIR-23 under Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation.

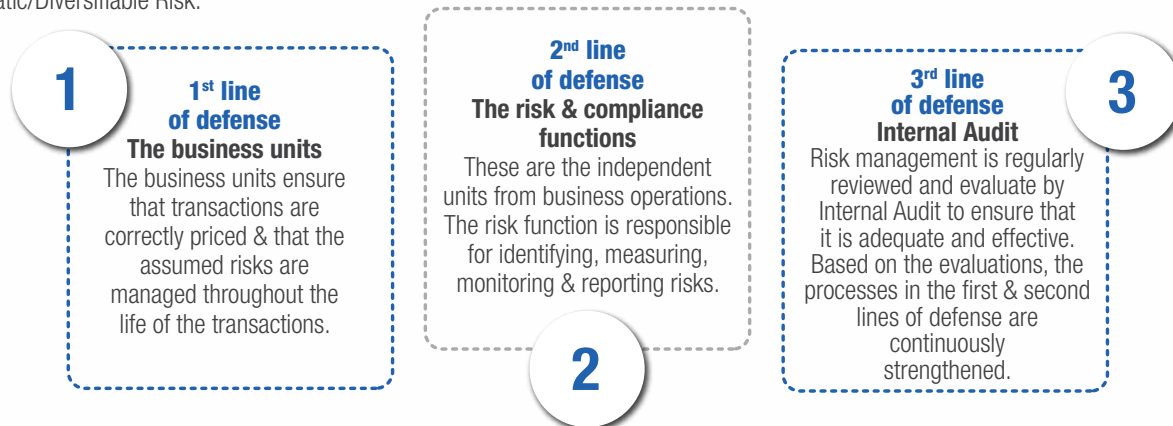
Compliance Checklist In Line With the Companies Act, 1994 (amended upto 2020) has been detailed in [page no. 283](#) under Compliance Checklist In Line With the Companies Act, 1994.

Integrated Report

1.2.d) Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues

Bank's overall financial soundness can be measured only by adopting a strong risk management process to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.

Effective risk management is beyond the regulatory requirement. In a broad sight, risk can be divided into 02 (two) major parts: Systematic Risk and Non-systematic/Diversifiable Risk.



The Bank's risk management framework is applied on an enterprise wide basis and consists of three key elements:

- Risk Governance,
- Risk Appetite, and
- Risk Management Procedure

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

Details given in [page no. 238-239](#) of AIR-23 under Stakeholders Relationship/Grievance Redressal.

1.2.e) Actions of those tasked with overlooking governance and their actions to monitor organisation's strategic direction and approach to risk management

Effective risk management is beyond the regulatory requirement. Bank Asia PLC. has its own Risk management framework for overall risk management of the Bank. This framework is combination of Board

Operational Risk; Model Risk; Insurance Risk; Liquidity Risk; Capital Adequacy Risk; Legal, Regulatory Compliance and Conduct Risk; and Reputational Risk.

Details of particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management is given [page no. 156](#) of AIR-23 under sub-heading 2.1.

Disclosure of Risk Reporting:

Risk management report addresses the disclosure requirements of Basel III pillar 3, and materials risk that effect bank's earning, capital and shareholders' value and management action plan against that risks set out by Bangladesh Bank. Details on [page no. 166](#) of AIR-23 under sub-heading 3.

1.2.f) The organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders

Bank Asia always acknowledges the importance of an effective, transparent and regular communication with its stakeholders 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 all of its stakeholders. Detailed explanation have been provided in [page no. 114](#) of AIR-23 under sub-heading 1.3.1 and details regarding individual capitals have been described in [page no. 134-147](#).

1.2.g) Bank Asia's governance practices

Details on Bank Asia's governance practices that have been implemented within legal boundaries and key policies is given in [page no. 164](#) under sub-heading 1. :

1.2.h) The responsibility those charged with governance take for promoting and enabling innovation

Bank Asia has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long-term and sustainable value. To maintain a leading governance practices in the highly regulated industry in which the Bank operates, the Board Committees assist the Board to fulfil its governance role effectively for promoting and enabling innovation for the long-term sustainability of the Bank businesses.



level oversight, Management oversight and Operational level risk management structure. 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;

The detailed explanations are given in the following segments:

- Statements of Directors' responsibility to establish appropriate System of Internal Control **Pg: 244**
- Statement of Directors' on Adequacy of the System of Internal Control **Pg: 244**
- Responsibility Statement of MD and CFO **Pg: 246**

1.2.i) Remuneration and incentives linked to short, medium and long term value creation as well as organization's use of and effects on the capitals

Bank Asia set remuneration policy and always update it accordingly. Remuneration for senior executives is market-based and competitive in order to attract, motivate and retain skilled and competent employees. Details on **page no. 262** under sub-heading 6.

1.3 STAKEHOLDER IDENTIFICATION/RELATIONSHIPS

Bank Asia's Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value.

We identify our stakeholders through conducting impact analyses in respect of

Responsibility: Bank Asia has direct legal responsibility to regulators, tax authority etc.

Influence: Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.

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

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

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

1.3.a) Identification of stakeholders:

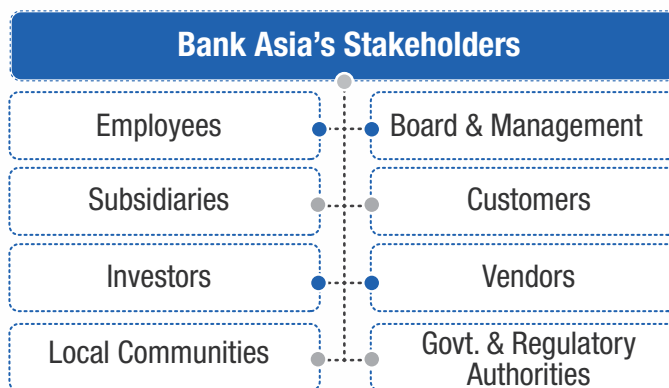
Bank Asia identified its stakeholders through conducting impact analyses in respect of:



Details on **page no. 210** of AIR-23 under Stakeholders engagement.

1.3.b) Bank Asia's Stakeholder engagement methodology

Bank Asia believes in the proper stakeholders' engagement in every aspect of its banking activities.



Details on **page no. 210-213** of AIR-23 under Stakeholders Engagement-Alignment with SDGs

1.3.c) Identification of stakeholders' material matters and how such matters are applied

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

Details on **page no. 121** of AIR-23 under Material Aspects and Boundaries.

1.3.e) How the stakeholders are engaged in assessing impacts, implications and outlook in respect of Bank Asia's business model.

Details on **page no. 210** of AIR-23 under Stakeholders engagement.

1.3.1 CAPITALS

The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organization and, hence, the value of capital is not fixed over a period of time.

We divide our capitals into 6 distinct segments as stated in the <IR> framework guideline, where we state the interconnectedness of our stated capitals, how their values are enhanced, eroded or transformed over time. The six capitals are aligned with relevant material aspects and adjusted accordingly with their pertinent strategic pillars, highlighting their associated risks and mitigation strategies to create a comprehensive value creation model for our key stakeholders. The brief description of the capitals are given below while the detailed description can be found in **pages no. 134-147** of AIR-23.



Integrated Report

1.4 BUSINESS MODEL

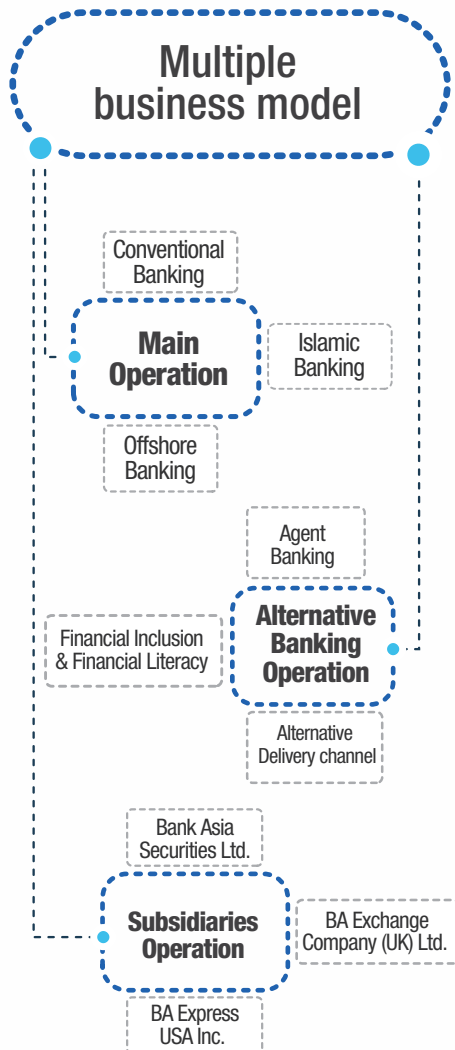
An organization's business model is its system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term.

Details of the Business model given in [page no. 148](#) of AIR-23

1.4.1 MULTIPLE BUSINESS MODEL OF BANK ASIA

Bank Asia's business model can be divided into three distinct segments: Main Banking Operations, Subsidiary Company Operations, Branchless Banking Operations.

- **Main Banking Operations:** This is further classified into 3 segments, i.e. Conventional Banking based on the traditional banking system, Islamic Banking based on the principles of Islamic Shari'ah based banking and Offshore Banking. A detailed explanation is given in the prior segment, i.e. 1.4.



The financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38) of the Bank Company Act 1991 (amendments thereof), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards

(IFRSs), International Accounting Standards (IAS), and the standards set by the FRA the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. Section 38 of the Bank Company Act 1991 has been replaced through BRPD Circular no. 10 dated October 04, 2015.

- **Subsidiary Company Operations:**

Bank Asia Securities Ltd. (BASL) a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS).

BA Exchange Company (UK) Ltd. & BA Express USA Inc. are 2 fully owned subsidiaries of Bank Asia operating in the United Kingdom and United States, respectively. Their primary business operation is the channelling of remittance into the country. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

- **Branchless Banking Operations:** This segment mainly consists of our Channel Banking Operations which follows their own business models. Under this banking operation:

Alternative Delivery Channel (ADC): Details in [page no. 87](#)

Agent Banking: Detailed description in [page no. 90](#)

Financial Inclusion and Financial Literacy Department: Detailed description in [page no. 89](#)

1.5 PERFORMANCE

Bank Asia's integrated report provides explanation on the extent to which we have achieved our Goals in line with our company's vision and mission



Vision: To build a society where highest human dignity and rights receive 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

1.5.a) Comparative analysis through Quantitative indicators of Bank Asia

An analysis of Bank Asia Five Years' Performance of several key factors have been detailed on [page no. 42](#) of AIR-23

1.5.b) Bank Asia's material effects on capitals up and down the value chain

We have provided a detailed explanation on the material matters impacting our capitals in the following pages:

- Financial Capital: [Page no. 136](#)
- Human Capital: [Page no. 138](#)
- Manufacturing Capital: [Page no. 140](#)
- Intellectual Capital: [Page no. 142](#)
- Natural Capital: [Page no. 144](#)
- Social & Relationship Capital: [Page no. 146](#)

1.5.c) Key stakeholder relationships and how Bank Asia has responded to key stakeholders' legitimate needs and interests

Bank Asia believes in the proper engagement with our stakeholders in every aspect of our business activities and maintaining a smooth and interactive relationship with them. Details on how we engage with our stakeholders have been provided in **page no. 210** under Stakeholder engagement and how we resolve stakeholder complains and concerns have been provided in **page no. 238** under Stakeholders Relationship/ Grievance Redressal.

1.5.d) Organisation's outlook that describes the linkages between past and current performance

Million Tk.

Item	2023	2022	Growth
Loans & Advances/ Investments	361,617	337,695	7%
Deposit	291,325	277,870	5%
Import	205,373	210,588	-2%
Export	150,524	171,275	-12%
Remittance	86,123	132,243	-35%

KPIs that combine financial measures with other components

REDUCING CARBON FOOTPRINT

Million Tk

Total Outstanding as on 31.12.2023

Renewable Energy	2,230.71
Alternative Energy	2,879.72
Energy & Resource Efficiency	1,788.99
Liquid Waste Management	544.62
Environment Friendly Brick Production	541.28
Green/Environment Friendly Establishments	1,589.62
Eco project financing	1,054.51
Green CMSME	93.62
Sustainable Agriculture	2,786.84

1.6 INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT OF BANK ASIA PLC.

Bank Asia's integrated report elaborates on specific risks and opportunities that affect the organization's ability to create value over time.

Acknowledgement of Directors' Responsibility in respect of Bank Asia's internal control system to safeguard Stakeholder Interest

Bank Asia's Board of Directors acknowledges its overall responsibility to establish appropriate System of Internal Control and ensure Adequacy of the System of Internal Control. The Directors acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations. The Board has supervised the policies and various parts of businesses to construct an effective internal control system which is essential for sustainable growth maintaining efficient conduct of business. They have also reviewed the adequacy and completeness of accounting records, well preparation of financial statements, and efficient management of risk, strengthening bank's assets and overall internal control process.

Statements of Directors' responsibility to establish appropriate System of Internal Control, Adequacy of the System of Internal Control and Responsibility Statement of MD and CFO are given in **page no. 247** of AIR-23.

Moreover, Internal control, Financial Reporting, Internal & External Audit, legal compliance, and Corporate Governance Guidelines/ Notification issued by Bangladesh Bank and BSEC. Details on **page no. 242** of AIR-23 under Roles & Responsibility of Board Audit Committee.

The structure of Bank Asia's Internal Control & Compliance and their activity highlight throughout the year.



Audit and inspection covers

- 135 branches
- 05 IBWs
- 22 Corporate Office Departments
- 768 agent outlets
- 11 Different Units of Agent Banking

ICT/IS Audits

- 22 Branches and corporate office division/departments

Monitoring

- 212 off-site reports
- 339 exception reports

Shariah Audit

- 87 Branches

Special Audit on Anti-money Laundering

- 14 Branches

Compliance Test

- 135 branches
- 05 IBWs
- 40 Corporate Office Divisions/Departments

Integrated Report

1.6.a) The internal and external risks, opportunities, strengths & weaknesses and Bank Asia’s assessment of these factors

Through SWOT analysis, Bank Asia has identified specific factors that affects our business operations both internally and externally. Details in [page no. 128](#) of AIR-23.

1.6.b) The specific steps being taken by Bank Asia to mitigate or manage key risks

The Bank’s overall Risk Management Framework provides the foundation for balancing between risk and reward in order to maximize shareholders’ returns which are consistent with the Bank’s strategies and risk appetite. Details in [page no. 159](#) of AIR-23 under Risk Mitigation methodology.

Risk Management and Review process under the supervision of Process Development and Review Unit of the Bank. This unit will proactively review various operational processes (regardless of any specific risk) to identify any area of development. Based on such identification the unit will take necessary steps to enrich the process i.e. through policy/process development and eventual implementation, which can not only safeguard bank’s asset but also contribute strongly towards profitability.

1.6.c) Risk Management Report

Risk Management report includes details about different types of risk, their root cause, the potential impact on banking business activities, our response on risk mitigation, and overall risk rating of the borrowers. Details given in CRO’s statement on [page no. 152](#).

1.6.d) Effectiveness of the internal controls

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

1.7 STRATEGIC FOCUS AND RESOURCE ALLOCATION

Our Integrated Report describes Bank Asia’s strategic objectives that is to our current business model and the resource allocation plans to implement these strategies.

1.7.a) Bank Asia’s short, medium and long term strategic objectives

Bank Asia has identified several short, medium and long-term objectives that may affect our business operations. Details on [page no. 123](#) of AIR-23 under Strategic Plans of Bank Asia.

1.7.b) Bank Asia’s Strategic Focus to implement our Organisational Goals



1.7.c) Bank Asia’s Segment Analysis and industry position in terms of Deposit and Advance, as well as Export and Import business

Through Segment Analysis we have provided an overview of Bank Asia’s Operating Profit, Total Assets and Profit Before Tax on a Consolidated and Solo basis. Details on [page no. 61](#) of AIR-23 under Segment Analysis.

An analysis of the Bank Asia’s performance in comparison to the banking industry in respect of our major financial indicators, i.e. Deposit and Advance, as well as Export and Import business have been detailed in [page no. 126-127](#) of AIR-23.

1.7.d) Bank Asia’s current business model related to our strategic objectives

Bank Asia’s business model defines the system of transforming inputs, through our business activities, into outputs and outcomes that aim to fulfil our strategic purposes and create value over the short, medium and long term. Details on [page no. 148-149](#) of AIR-23 under Our Business Model.

1.7.e) Bank Asia’s resource allocation plans to implement our strategic objectives

Bank Asia’s Resource allocation plan is detailed on [page no. 131](#) of AIR-23 under Strategic Focus.

1.7.f) Bank Asia’s measure of achievements against target outcomes

Bank Asia’s achievement against set targets over 6 major financial indicators, i.e. operating profit, Deposits, Loans, Import, Export, and Remittance have been given in detail and discussed on [page no. 58](#) under Performance Highlights of the Managing Director’s Review.

1.8 ORGANISATIONAL OUTLOOK

The outlook segment in our Integrated Report describes the challenges in pursuing our strategic objectives and the potential implications to our business model and future financial performance.

Details on [page no. 123](#) of AIR-23 under Strategic Plans and Outlook of Bank Asia, [page no. 301](#) of AIR-23 under Capital Planning (Banking Operation) 2023-2028.

1.9 BASIS OF PREPARATION AND PRESENTATION OF INTEGRATED REPORT

Bank Asia's Integrated Report 2023 has been prepared in accordance with the <IR> framework guideline as its basis as outlined by the International Integrated Reporting Council (IIRC).



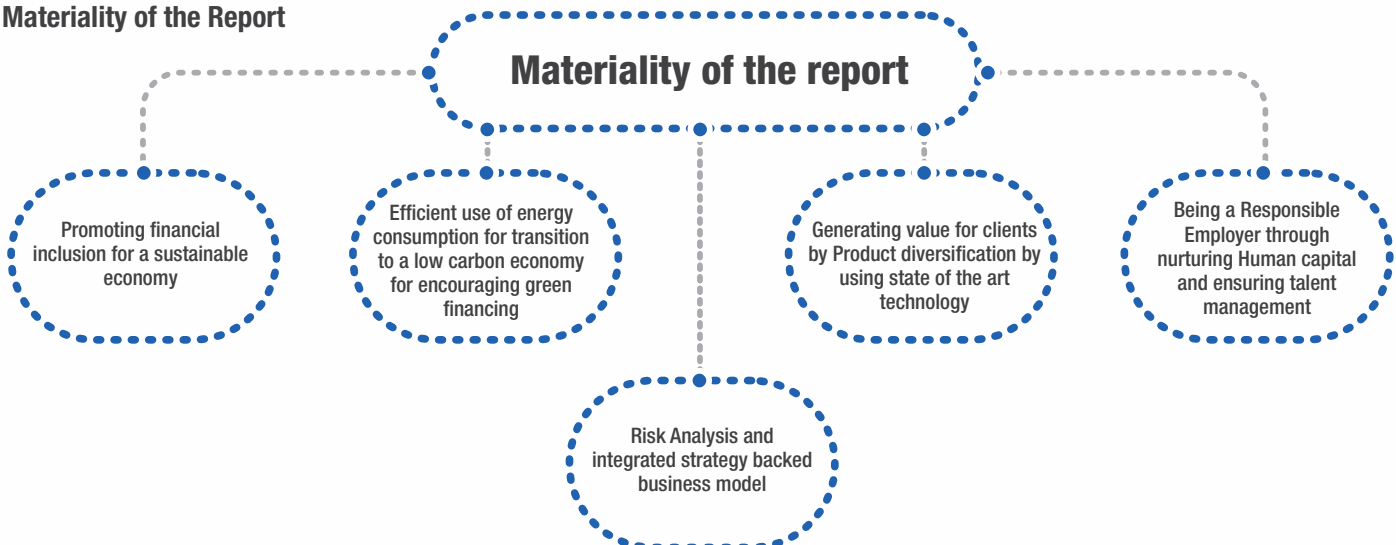
1.9.a) Factors considered in our materiality determination process

In our Integrated Report, the matters which significantly affect our organization's ability to create value in the short, medium and long term are considered to be material. Details on [page no. 54-55](#) of AIR-23 under Priorities we followed in 2023 and in [page no. 121](#) of AIR-23 under Material Aspects and Boundaries.

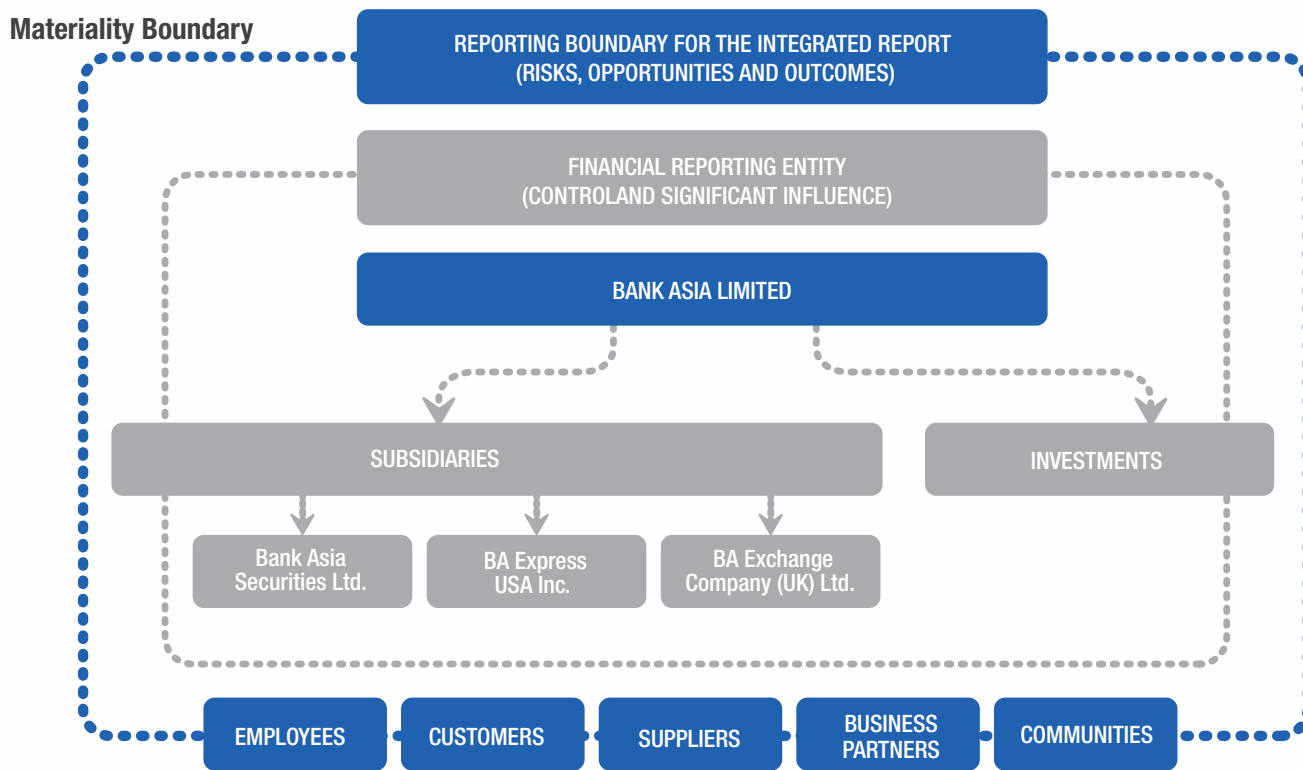
1.9.a.i) Bank Asia's Materiality Determination Process

The process of determining materiality is entity specific and based on industry and other factors, as well as multi-stakeholder perspectives. Through materiality analysis, Bank Asia can identify what should be the vital priorities of the bank so that we can delineate our key triple bottom line keeping the short, medium and long term goals in mind. Bank Asia has an edge by developing strategies focusing on our fundamental priorities to facilitate our operational activities, embed our goal-oriented performance, vitalize our sustainability framework and institutionalize our corporate governance philosophy for both internal and external stakeholders.

Materiality of the Report

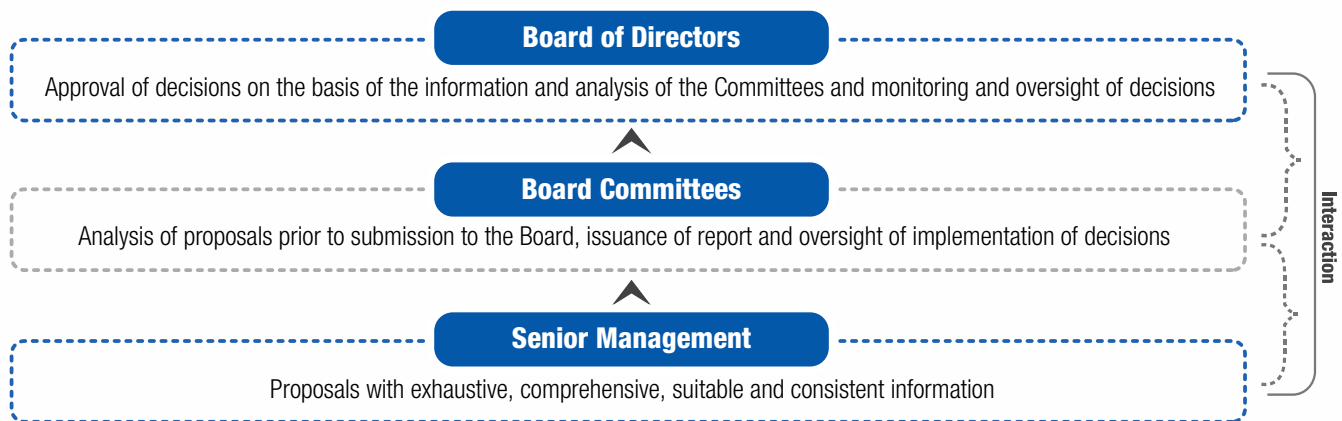


Integrated Report



1.9.a.ii) Role of those charged with governance and key personnel in the identification and prioritization of material matters

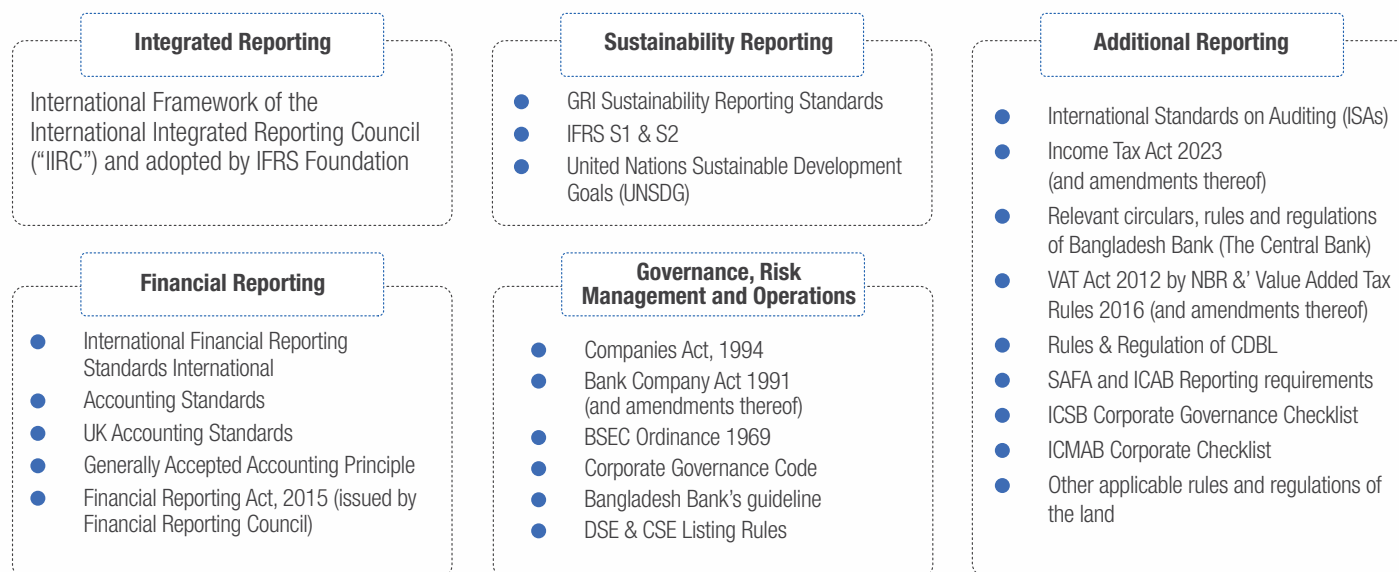
The Board and Senior Management Team are the key personnel in the identification and prioritization of material matters of Bank Asia. The senior management team prepares proposals after thorough analysis which is then reviewed by the Board Committee before being sent for final approval to the Board of Directors. Details on [page no. 254-256](#) under sub-headings 1.12-1.19.



1.9.b) Reporting Boundary

The report boundary of the year 2023 covers only the bank's operation run by corporate office, its branches, SME service centres and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and two others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channelling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities

1.9.c) Summary of the significant frameworks, standards and principles used to evaluate Bank Asia's material matters



2. RESPONSIBILITY FOR AN INTEGRATED REPORT

Statements from those charged with governance that includes:

1.a) Acknowledgement of the responsibility over the integrity of the integrated report

The Board and the management ensures that reasonable care has been taken in preparation and presentation of this Annual Integrated Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact. Details from [page no. 104-105](#) of AIR-23 under Integrated report.

2.b) Acknowledgement to the preparation and presentation of the integrated report

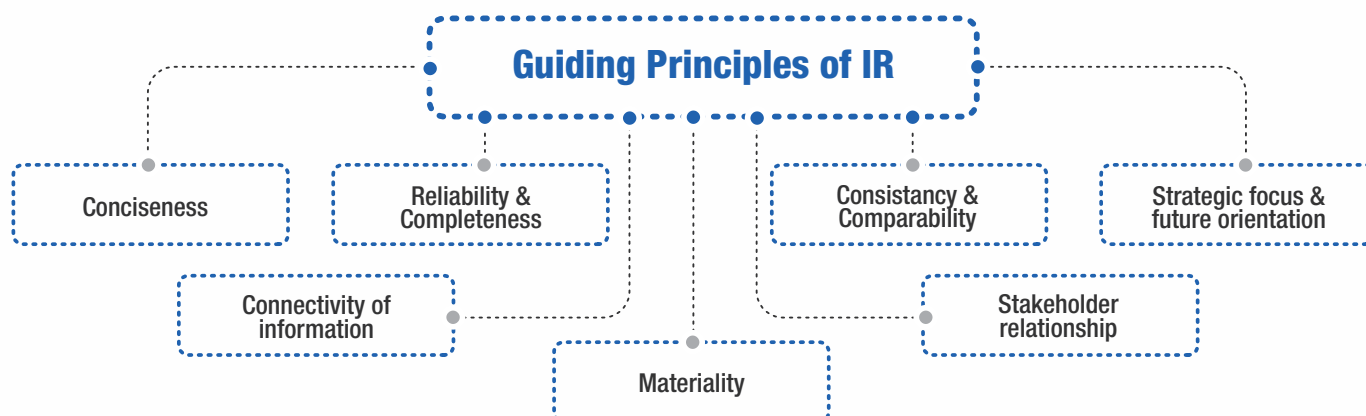
The Board and the management also ensures that reasonable care has been taken in preparation and presentation of this Integrated Annual Report and addresses all material issues and make fair presentation on Bank's integrated performance and its overall impact. Details on [page no. 247](#) of AIR-23 under Responsibility Statement of MD and CFO.

2.c) Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework

The Board and the management ensures that the Integrated Annual Report has been prepared pursuant to the checklist in accordance with the International Framework of the International Integrated Reporting Council (IIRC). Details on [page no. 104-105](#) of AIR-23 under Integrated report.

3. OTHER QUALITATIVE CHARACTERISTICS OF BANK ASIA'S INTEGRATED REPORT

Bank Asia Annual Integrated Report has been prepared in accordance with the Guiding Principles as laid out by the <IR> framework. Below is a brief outline of the key elements addressed by Bank Asia.



Integrated Report

3.1 Conciseness

Bank Asia has prepared the Annual Integrated Report 2023 in a concise manner but providing sufficient context to explain our organisation's strategies, governance practices, performance and prospects while ensuring the information provided is as relevant to the context as possible. The report provides cross-referencing where appropriate and kept repetition to a minimum if not avoided completely. However, where necessary, detailed explanation and/or referencing has been provided.

3.2 Reliability and completeness

Bank Asia's integrated report includes all material matters, both internal and external, in a balanced way and without material error. Bank Asia's overall material aspects of the six individual IR capitals as well as their capital trade-offs have been explained in their respective segments from [page no. 134-147](#) of AIR-23.

3.3 Consistency and comparability

Bank Asia has presented the data and information in a way that enables comparison with other organizations to the extent it is material to our organization's own ability to create value over time.

The deposit and advance strategy: this segment briefly highlights the position of Bank Asia's deposit and advances in comparison to the Banking Industry, and our strategies to create value over time. Details on [page no. 126](#) of AIR-23 under deposit and advance strategy

Export and import strategy: this segment briefly highlights the position of Bank Asia's Export and Import in comparison to the Banking Industry, and our strategies to create value over time. Details on [page no. 127](#) of AIR-23 under Export and import strategy

Horizontal and vertical analysis: Horizontal Analysis shows Bank Asia's financial Performance comparison over a period of years. We show a 5 (five) year comparison and took the values of the year 2019 as the base year. Details on [page no. 46](#) of AIR-23

Vertical Analysis shows the amount of line items as percentage figures taking a specific item as the baseline figure for analysis. For our Profit & Loss analysis the total revenue is considered as the base item, and for the Balance sheet the Total Asset is the base item. Details on [page no. 48](#) of AIR-23

Statement of NPL: This segment describes the total Classified Loans of the industry versus Bank Asia and the strategies for NPL management and recovery process. Details on [page no. 170](#) of AIR-23

Banking Industry: An overall highlight of the country's banking industry in terms of key financial indicators has been detailed on [page no. 69](#) of AIR-23

Bank Asia's environmental performance: This segment details the environmental friendly initiatives undertaken by Bank Asia, such as, Energy Savings, Waste Management, Reducing Carbon Footprint and some of our investment in Environmental friendly sustainable projects. Details on [page no. 214](#) of AIR-23

3.4 Connectivity of information

Our integrated report shows the value creation activities that describes the factors which affect the organization's ability to create value over time.

Value creation activities: This segment explains our overall banking activities that creates value over time by considering our external factors that impact our key business activities, how those are linked to the value we have created through our activities of and the overall outcome of our value creation process. All these factors are then interlinked with the relevant UN SDGs. Details on [page no. 132-133](#) of AIR-23

3.5 Materiality

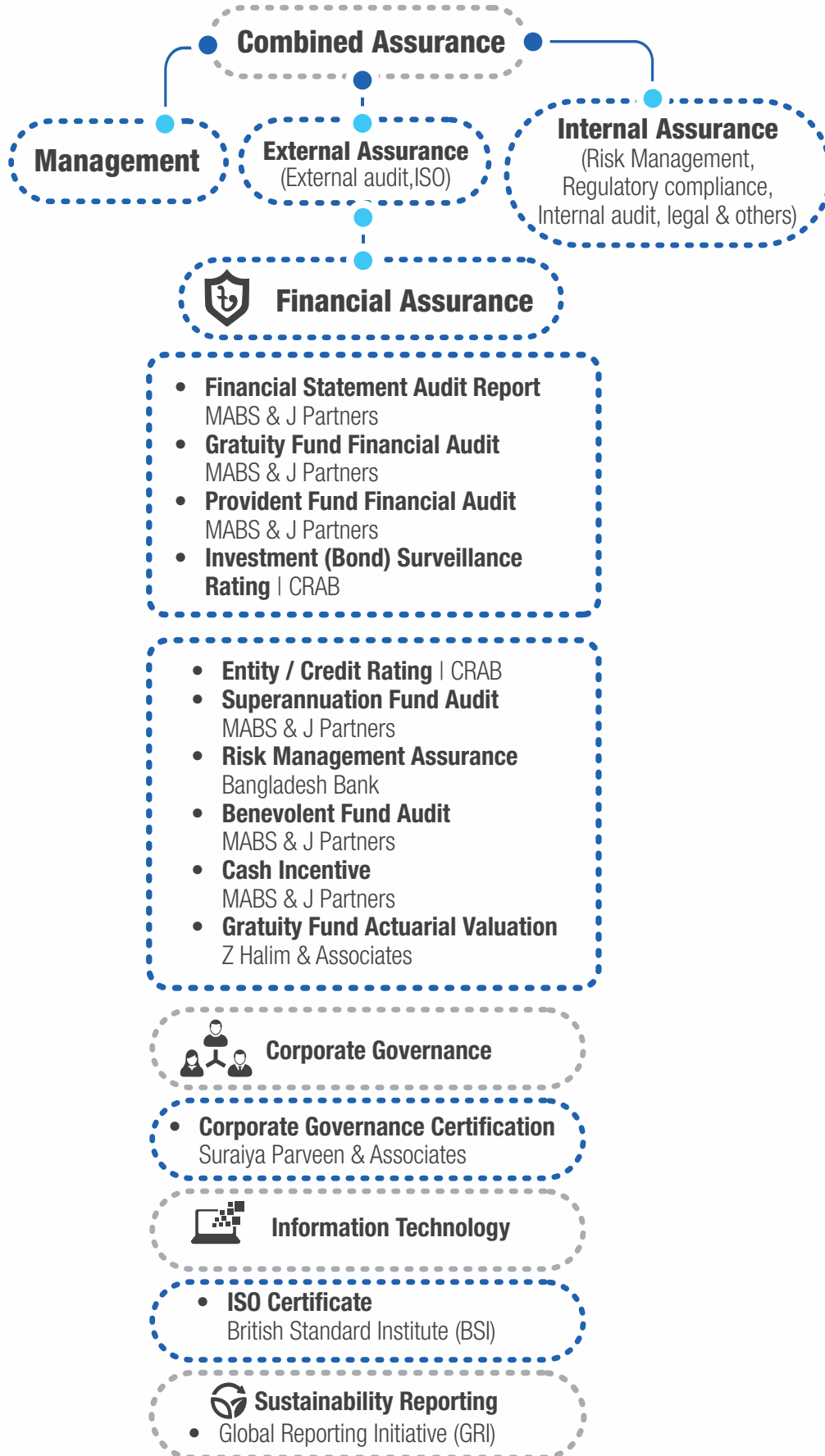
Bank Asia's integrated report discloses information about matters that substantively affect our ability to create value over the short, medium and long term

Material Aspects and Boundaries

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

3.6 Assurance on the Report

For maintaining proper transparency Bank Asia PLC. has always obtained Combined Assurance from the following perspective:



Strategic Plans & Business Outlook of Bank Asia

	Goals	Plans
Short-Term (< 3 years)	<ul style="list-style-type: none"> ● Strengthening bank's capital base to absorb future shock ● Maintain a sound asset portfolio and to curb NPL in acceptable level by ensuring cash recovery from NPL and write off loans ● Attract new customer segments ● Mobilization of low cost fund for business ● Improve customer satisfaction and achieve brand loyalty ● Increase productivity and engagement of employees ● Using digital based retail customer assessment, lending and documentation for faster loan process ● Special focus on non-funded business to earn substantial non-interest income and commission. ● Strengthen financial inclusion across Bangladesh ● Digital innovation to be more competitive 	<ul style="list-style-type: none"> ● Continuous communication with clients, fine tuning of internal credit risk grading rules to comply with the risk management strategy of Board, observe portfolio health with improved monitoring/ reporting tools ● Incentivize borrowers to get them rated to reduce risk weighted assets and raise capital when required ● Revisiting existing product lines, realignment to cater new customer segments and offer competitive rate ● Encouraging and refining customers to use internet/ app based banking service for money withdrawal, transfer etc., process reengineering to meet regular issues ● Run CASA campaign round the year and increasing rapport with local big corporates/ Govt. offices/ agencies ● Evaluating prospective borrowers ability by using different AI tools and do digital documentation ● Set up more clusters in divisional districts for quick loan assessment and approval, thus save turn-around time. ● Efficient use of all agent outlets, micro merchants, sub-branches etc. to collect small ticket deposit and loans ● Placing right people in right place, establish career planning for key roles, arrange objective based training and ensure due recognition etc.
Long-Term (> 3 years)	<ul style="list-style-type: none"> ● Diversify our portfolio & develop new products/services to generate additional income ● Build state of the art IT infrastructure ● Shifting bank's focus on business and change sector concentration from corporate to SME/Retail business ● Increasing market share for specific clientele, including students, NRB clients, freelancers, etc. ● Further improvement of customer service ● Become number 1 employee/ employer of choice among all the PCB's and create a sustainable work force ● Move closer to "net-zero equation" to reduce carbon footprints 	<ul style="list-style-type: none"> ● Continuous efforts and Investment on new banking product development by doing extensive R & D. ● Investment in new IT innovation and incorporate new value added services to provide better banking experience ● Selective growth in corporate business while accelerating in SME/Retail by maximum utilization of our diversified distribution channels ● Focus on digitization and make a strong brand presence in both physical and digital market. ● Development of AI/chat bot based customer service solution ● Invest in human capital by regular spending on local/foreign training & development program ● Increasing investments in green financing to leave a good impact in the environment and to build a better future

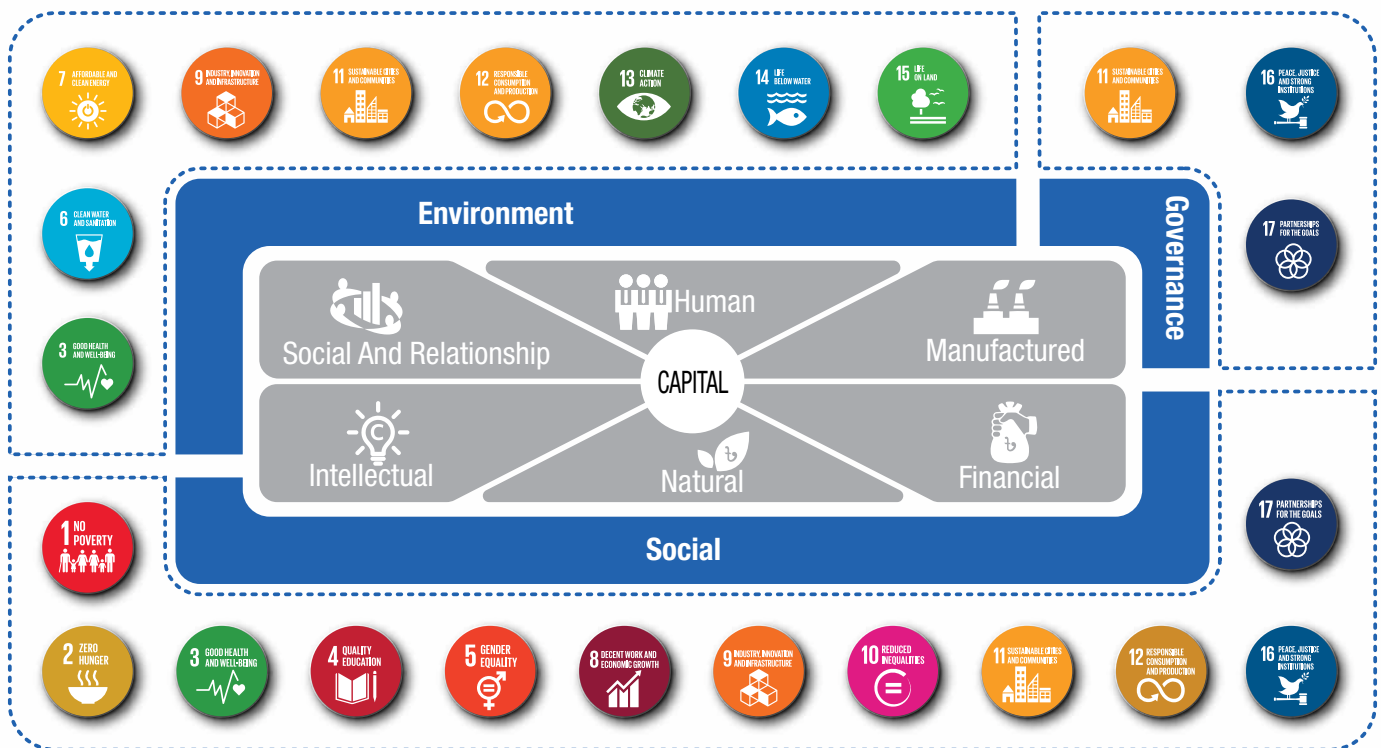
ESG Approach and our priorities

As an organization rooted in responsibility, we are committed to sound Environmental, Social and Governance (“ESG”) practices. Since its inception, the organization has been contributing to the banking industry in its sustainable development journey.

Having a strong ESG structure in place helps us to identify and manage sustainability-related risks, comply with regulations, and meet the expectations of customers, investors, and other stakeholders.

Our focus is on creating impact on the Sustainable Development Goals (SDGs), our Environment, Social, and Governance (ESG) programs supports for developing a better society.

This year, we further focused on green & sustainable financing, community and society, employment practices, customers’ feedback, ESG risks in lending, procurement practices, governance, transparency and accountability.



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

OUR INITIATIVES to reduce ESG risk



ESG Risk

Environment risk

This risk arises due to from climate change, natural disasters, and other environmental factors can affect the economic performance of borrowers, the value of assets, and the sustainability of operations. Therefore, managing environmental risks is essential for the long-term success of the banking sector.

- Replace disposal items with reusable items.
- The use of paper should be avoided.
- Conserve water and electricity.
- Support environmental friendly practices.
- Recycle waste to conserve natural resources.

Social Risk

We diligently examine the social risks related to our operations as a private commercial bank. Recognizing the profound impact of Environmental, Social, and Governance (ESG) factors on our stakeholders and society as a whole, we have integrated a rigorous approach to managing social risks into our corporate strategy. Our commitment to responsible banking extends beyond financial performance, encompassing ethical considerations and societal welfare. Social Issues such as workplace ethics, discrimination, unfair practices while engaging with stakeholders may result in this risk. Through robust risk assessment frameworks and proactive engagement with stakeholders, we identify and address potential social risks, including those related to community development, customer privacy, and employee well-being. We strive to cultivate trust and enhance the social fabric within the communities we serve by following steps:

- Impact Assessment
- Due Diligence
- Community Engagement
- Employee training and awareness
- Continuous Monitoring
- Collaboration and partnership

Governance Risk

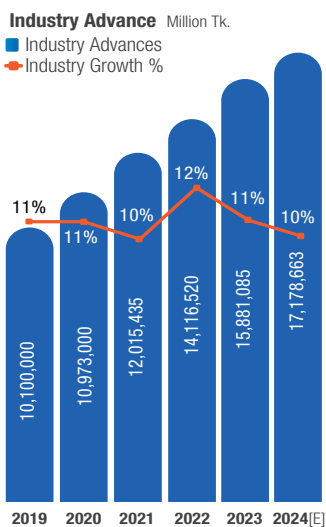
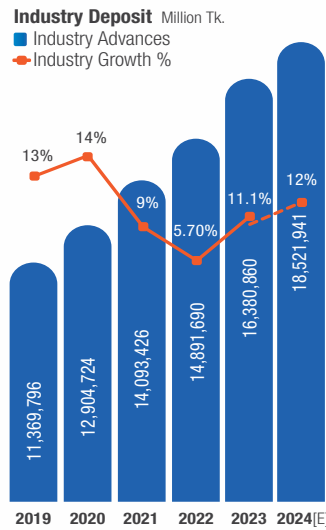
As a private commercial bank, we place utmost importance on maintaining robust governance structures and practices to ensure transparency, accountability, and ethical conduct throughout our operations. Through diligent oversight by our board of directors and adherence to regulatory standards, we mitigate risks associated with governance lapses, conflicts of interest, and compliance failures. Upholding principles of transparency and accountability, we have followed the below mentioned practices:

- Establish transparent government policies across the organization
- Board Oversight
- Independent Directors
- Compliance culture
- Transparency and Disclosure
- Stakeholder Engagement

Deposit and Advances Strategies

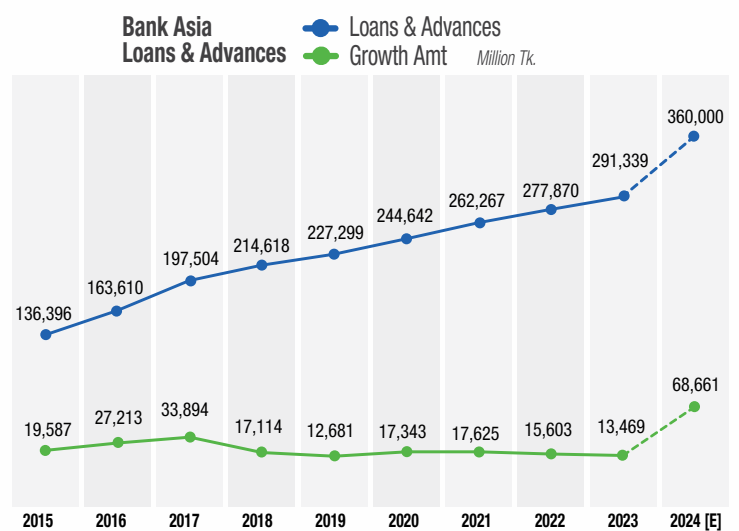
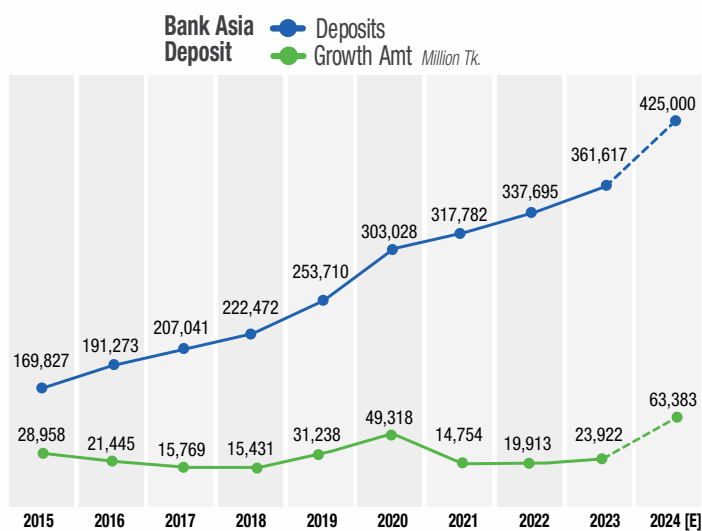
DEPOSIT STRATEGIES

- Offer Competitive Interest Rates on deposit products which will attract customers seeking higher returns on their savings/investment
- Identify and target specific customer segments that are likely to have higher deposit balances, such as small business owners, high-net-worth individuals, or retirees. Tailor marketing campaigns to address their needs and preferences
- Invest in our user-friendly digital smart app to make it more convenient for customers to deposit and manage their account from anywhere
- Engage with the local community through sponsorships, events, and charitable activities. Building a positive reputation and strong relationships within the community can attract new customers and enhance loyalty among existing ones
- Communicate with the present dormant customer to make their account regular
- Taping different government agencies e.g. Foreign Missions, Roads & Highway, LGED, Bangladesh Bridge Authority etc. and also other different corporate houses, e.g. Foreign Air Lines, Telecom companies etc. and maintaining regular intense social interaction with different segments of the society
- Cross Selling of different products including retail to corporate customers
- Offering cash management services, i.e. collection of institutional accounts and effective use of EFTN service to ensure fast & secure cash service.
- Boost deposit mobilization through agent banking activities



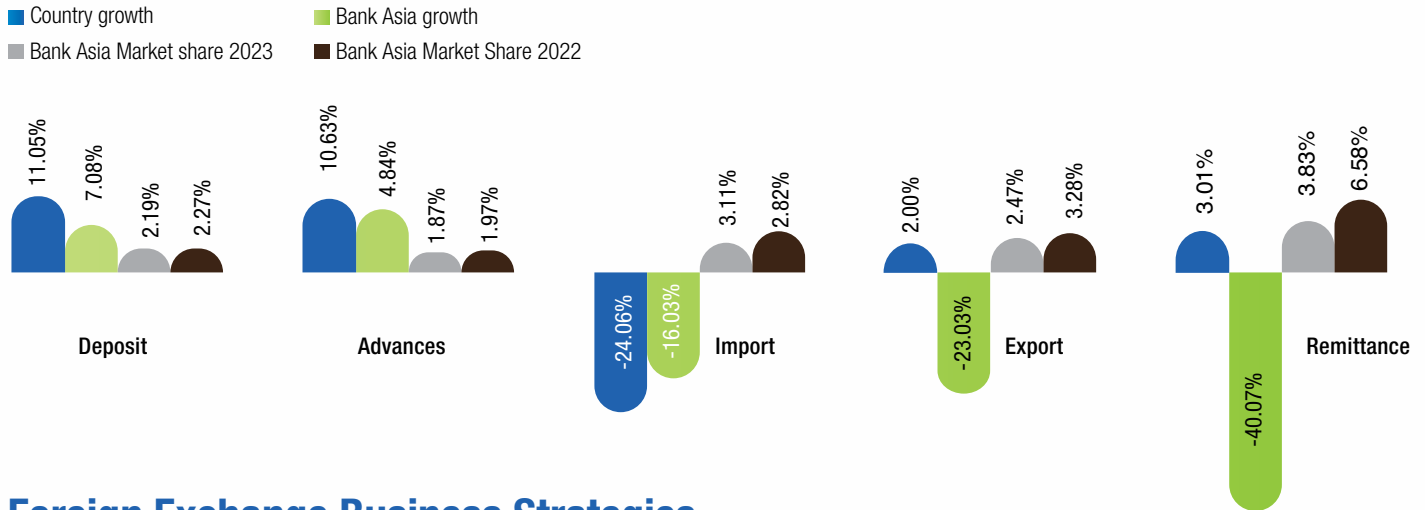
ADVANCES STRATEGIES

- Invest in digital technologies to streamline the loan origination process, reduce paperwork, and improve the overall customer experience
- Develop specialized loan products tailored to the needs of these markets, such as small business loans for startups, green energy financing, or healthcare industry loans
- Collaborate strategic partnerships with fintech companies, non-bank lenders, or industry associations to access new customer segments or leverage innovative lending technologies
- Strengthen relationships with existing customers to increase cross-selling opportunities for loans
- Explore opportunities for geographic expansion or diversification into new lending markets. Conduct market research to assess demand for loans in different regions or industries, and develop tailored marketing strategies to attract borrowers in these markets
- Backward linkage industries to be targeted which will provide a good source of SME business through availing the benefit of supply chain management
- More priority to export oriented industries to help increase forex flow, earn through multi channel which will help increase no cost fund of the Bank.
- Special attention will be given to expand SME credit portfolio to achieve relatively higher yields and also to reduce adverse effects of large volume defaults
- Risk Management techniques should apply to ensure strong internal control over business operation



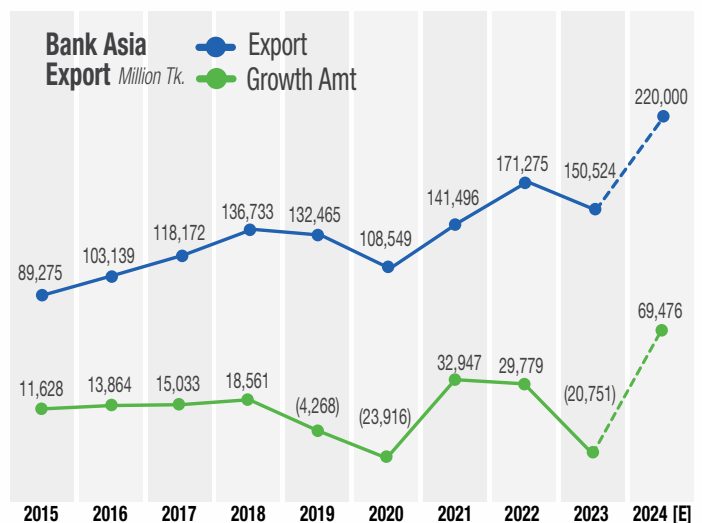
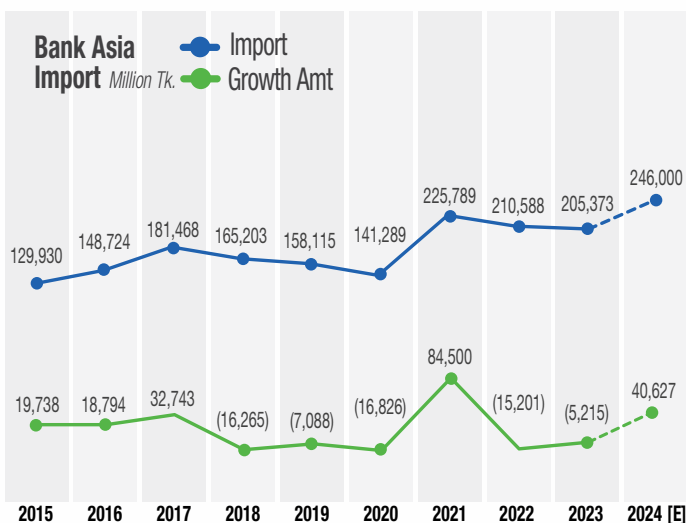
Country Position Vs Bank Asia Position

Percentage %



Foreign Exchange Business Strategies

- Considering dollar crisis Bank Asia prioritized import of essential commodities in order to ensure adequate supply in the market
- Expand our international presence by establishing partnerships and correspondent banking relationships with financial institutions in key trade corridors and emerging markets
- Invest in digital trade finance platforms that streamline and automate the trade finance process, from application and documentation to financing and settlement
- Arranging credit lines from international agencies at a competitive rate to facilitate international trade business particularly for import clients, thus strengthen foreign exchange reserve for the country
- Establishing bilateral business agreement with different European and Chinese counterpart banks to route their transactions into Bangladesh through our bank
- Boosting Bank Guarantee business in the form of Bid Bond with local repo offices in Bangladesh of the foreign contractors offering competitive rate to facilitate mega projects like Metrorail, Padma Bridge, Six lane and eight lane high ways etc.
- Marketing for not only established business houses but also the potential clients having strong entrepreneurship spirit to grow
- Garments sector will be more focused where tested and potential clients will be in the portfolio basket under the regime of calculative risk return trade-off
- Emerging ship building and ship breaking sectors will explore new opportunities which the Bank will tap for increasing international trade
- Industries having backward linkage will yield better opportunity and reduce risk exposure
- Focusing on service export sectors like IT and Education
- Establish new relationship with the exchange houses at different parts of the world to collect more remittance

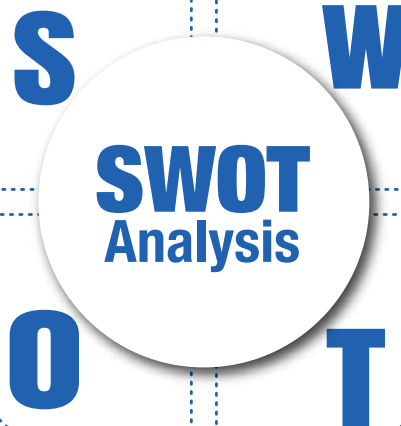


STRENGTHS

- Strong Capital Base
- Superior Asset quality with stable Credit Rating
- One of the top 8 strong banks in the industry (as per BB Report)
- Efficient Human Resource led by an expert Management
- Reached nationwide banking services through expansive network
- Cost to Income ratio is in minimal position
- Focused on new tech services, products and new areas of business
- Established regulatory compliance
- Built up Cyber security awareness and protection
- Recognized Brand Value nationally and internationally
- Effective Low and No cost (%) deposit mixing
- Prioritizing customer retention by providing better customer service
- Adaptability with changing environment

WEAKNESSES

- Dependency on industry culture
- Need to sufficient customers training toward new services
- Concentrated on large industrial sector
- Slower growth of foreign trade business



- Business expansion in emerging areas
- Unveil the insurance products in banking services
- Market driven Interest Rate Corridor by regulators
- Digital Banking : new dimension to develop new products
- Scope to increase Retail and CMSME loan

OPPORTUNITIES

- Unpredictable changes in World economy affected our economy miserably
- Rising numbers of habitual defaulters and economic disruption increases NPL
- Unprecedented depreciation of Taka Value
- Higher inflation
- Frequent Policy/ regulation change
- Limitations of Trade Finance
- Number of bank is higher in Bangladesh compared to the same size GDP of other country in the world
- Countries Credit rating downgraded for the first time

THREATS

Economic outlook

The global economy continues to recover from the pandemic, Russia's invasion of Ukraine and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite war-disrupted energy and food markets and unprecedented monetary tightening to combat decades-high inflation, economic activity has slowed but not stalled. Even so, growth remains slow and uneven, with widening divergences.

The global economy is limping along, not sprinting. With this backdrop, the International Monetary Fund (IMF) expects the world economy to grow at no more than 3.0% in 2024. Advanced economies—i.e., the United States, the Euro area, Japan, the United Kingdom, and Canada—are forecast to experience tepid growth at 1.4% in 2024. But many emerging economies should see higher growth on the back of strong consumer demand, younger demographics, and improving trade balances.

Global inflation is expected to drop to 5.2% in 2024, from a high of 8.7% in 2022, as per the IMF. In countries such as the United States, the labor market and consumer spending are showing signs of deceleration but are still elevated, challenging the targets set by central banks. In fact, the IMF predicts that inflation in almost all countries will remain above target rates.

A slowing global economy coupled with a divergent economic landscape will challenge the banking industry in new ways in 2024. Multiple disruptive forces are reshaping the foundational architecture of the banking and capital markets industry. Higher interest rates, reduced money supply, more assertive regulations, climate change, and geopolitical tensions are key drivers behind this transformation. Although recent efforts to combat inflation are showing signs of success in many countries, the risks brought to light by supply chain disruptions, rewiring of trade relationships, and ongoing geopolitical tensions will complicate economic growth worldwide. Extreme weather-related events, such as floods, heat waves, and hurricanes, may also cause severe economic disruption.

The year 2023 was indeed one of the most difficult ones in the recent history of Bangladesh economy, as it exhibited its weaknesses on various fronts. Supply disruptions and the spike in the prices of fuels and other commodities in the global market—caused by global events—pushed up costs worldwide, leading to high inflationary pressure. Notably, the government ambitiously projected that GDP growth would be 7.5 percent for FY24 even though there were difficulties towards the end of FY23. However, the IMF projected that our GDP growth would be six percent, while the World Bank estimated it would be 5.6 percent in FY24.

Although several countries have now been successful in reining in inflation through appropriate policy measures, Bangladesh is still struggling to do the same. Additionally, the country is now faced with multiple challenges such as a fragile banking sector, financial account deficit, volatility in the exchange rate, and depleting foreign exchange reserves. Due to these challenges, the macroeconomic stability that Bangladesh enjoyed for a long time due to high growth, relatively low inflation rate and strong external sector has been weakened.

Strategic Focus

Improved performance through capacity building and employee productivity revitalizing efficient service delivery, organizational effectiveness, strong public relations and customer satisfaction equipping employees with expertise, necessary skills and knowledge properly addressing employee motivation, satisfaction, health and morale to improve employee productivity altogether culminate performance of the bank.



BUSINESS KPI'S

Bank Asia has chosen some financial and non-financial Key Performance Indicators (KPIs) that are important for its future success. Financial KPIs: Proportion of SME portfolio, Loan loss rate, Cost Management, Net-operating Income Growth, Operating Income Mix, Cost to Income, Shareholder Returns. Non-Financial KPIs: Employee engagement, Brand perception, Customer satisfaction, IT performance & system reliability, Number of CASA customers, Proportion of non-interest income, Distribution outlet outside bank's own network.



BUSINESS KRI'S

Bank Asia has chosen some forward looking Key Risk Indicators (KRIs) to focus on emerging risk to recover, improve or maintain its performance. Bank Asia is committed to create good risk culture that includes clear guidelines, clear responsibilities and risk awareness programs to identify. KRIs: Emerging impediments to financial performance, regulatory status, Asset growth outpacing capital growth, increase in SMA in the bank's geographic location or customer cluster, increase in approvals of credit proposal exceptions, increase in percentage of interest only loans to total loans, significant changes in funding mix period to period.



CLUSTER PROGRAM FOR BRANCHES

Bank Asia implemented zonal mentorship concept involving Senior Management to monitor branches seamlessly with a view to managing core risks of the bank, optimizing the revenue streams (profitability), expediting credit approval process that will help achieve goals, make smart business decisions, overcome work place challenges and learn new skills.



CUSTOMER SATISFACTION

Bank Asia is sincere to create higher customer satisfaction and loyalty by its brand enhancement programs, personalizing banking, creating brand ambassadors, Online product innovation, measure and reduce customer effort, creating differentiated customer value proposition, conducting customer satisfaction survey for identifying client expectations as well necessary actions to be taken for service improvement.



GOING GREEN IN THE BANKING FUTURE

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



PROMOTING FINANCIAL INCLUSION

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



GIVING BACK

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

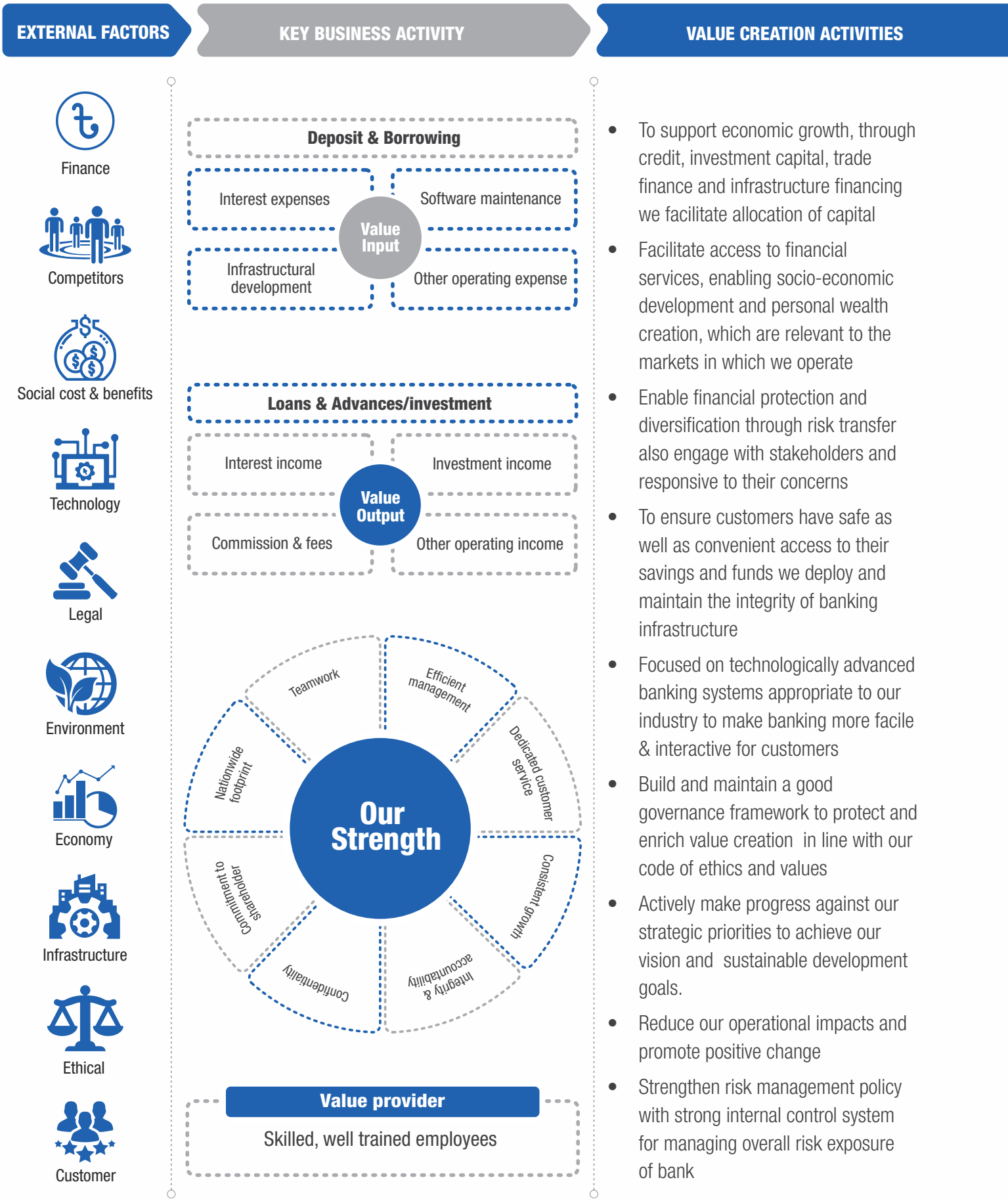


FOCUSING MORE ON SME SEGMENT

The SME segment of the country has been playing a critical role in diversifying the country's economy, improving production and creating job opportunities. It is also an important gateway for ensuring financial inclusion. In recent years Bank Asia has been shifting its focus from corporate clients to include more of the SME segment to enable economic development and ensure financial inclusion.

Resource allocation area	Human Resources	Office equipment (Tk.)	Floor space (sq. ft.)
Business Head	1	1,268,323	262
Branch Banking Services	1,483	1,880,922,330	388,450
Chairman, MD's & DMD's Secretariat	5	6,341,613	1,310
HR Planning & Manning	31	39,317,999	8,120
Operations Support	81	102,734,126	21,217
Finance Function	15	19,024,838	3,929
Treasury Function	11	13,951,548	2,881
Loan processing & supervision	433	549,183,661	113,418
International Operation	120	152,198,705	31,432
Information Systems	93	117,953,996	24,360
Board Secretariat	9	11,414,903	2,357
Internal Audit & Compliance	37	46,927,934	9,692
Channel Banking	432	547,915,338	113,156
Total	2,751	3,489,155,314	720,584

Our Activities and Values



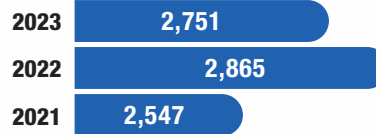
VALUE WE HAVE CREATED

- Being a financial institution engaging in banking activities, we are a part and parcel of economy and facilitate at a fundamental level of economic growth and social development of the economies we serve.
- We always believe that one of our greatest strength is Human Resource and for quality and value added service to the stakeholders, we frequently arrange training and development programs to our employees.
- Ultimately, the most significant outcomes of our business activities are contribution to socioeconomic development, which we are achieving through profitability and the amount of dividend and tax of Bank Asia in 2023 was Tk. 9,775 million.
- As the Basel Capital Accord (Basel III) requires banks to allocate financial capital to meet capital requirements, so we facilitate allocation of capital to support economic growth and in 2023 our reinvestment amount was Tk. 8,841 million .
- To protect and enrich value creation we had Tk. 10.49 million as environmental savings and as financial inclusion we are serving 6.38 million account holders through Agent banking program
- In order to keep positive impacts on lives we disbursed Tk. 5,713 million to 77,553 rural farmers.

OUTCOME OF VALUE CREATION

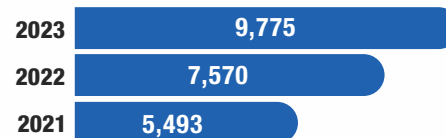
Number of Employees

We recruit talented people and train them so that they can increase the company's value by giving their best effort



Tax Amount (Million)

By paying taxes, we contribute directly to governments to build stronger economies



Environmental Savings (Million)

Our commitment gradually increasing over the years for maintaining eco friendly environment



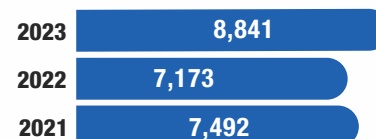
A/C of Agent Banking

Provide banking services to geographically dispersed poor segment of the society through Agent banking since 2013

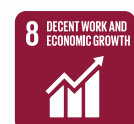


Reinvestment (Million)

Wealth is reinvested for further growth of our business, which ultimately benefit our stakeholders



SDGs



Our Capital, Our Strength to build a sustainable business



Financial Capital

Our Financial Capital is the pool of funds which includes our monetary resources such as funds arranged from valued depositors and shareholders in the form of deposits, equity and reinvestment which is for making loans, advances and investment.

Our fundamentally strong capital base, sustained business growth and consistent shareholder returns are the outcome of our disciplined approach towards raising, lending and managing our financial capital which includes deposits from customers, equity of shareholders, retained earnings and external borrowings among others.

- **8.24%** Return on Equity
- **0.51%** Return on Asset
- **16.45%** CRAR
- Tk. **40,695** million Capital

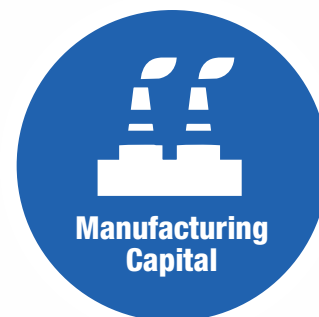


Human Capital

Our Human Capital refers to the skills and experience of our employees which enable Bank Asia to implement its strategies and deliver better services that create value to our stakeholders. Bank Asia focus on making industry-competitive, developing and motivated workforce.

Through continuous training and development programs, we further developed our workforce and enhance our human capital. This skilled and motivated workforce enables us to acquire new customers, serve and retain our existing & potential customers.

- **2,751** Employees
- **24,822** Manhours Training



Manufacturing Capital

Bank Asia's Manufacturing Capital includes all infrastructure created and utilized within our integrated business model. These include our regional footprint of banking operations, business processes and technologies etc. for providing effective, efficient and innovative services to our customers.

Manufactured capital facilitates our engagement with customers, people, the society and other stakeholders. Our distribution network comprising of branch banking & branchless banking or, Channel Banking constitute this capital. It also covers our IT infrastructure and security.

- **135** Branches
- **5,051** Agent Outlets
- **217** Own ATMs





Intellectual Capital

Our Intellectual Capital consists of intangible intellectual resources like brand image, knowledge & expertise based assets like skills and competencies of employees, innovative research and development team, market reputation that offers a competitive edge to Bank Asia. Structured network, qualitative database, emergent technologies like better software, good security systems are also used in our bank. It is an important factor for achieving success and helps to survive in the competitive environment.

- **306,938** Internet Banking users
- **425,531** Mobile APP user
- **1,32,000** Facebook followers



Natural Capital

The natural capital consists of the natural resources that are utilized in its value creation model and consumed to conduct our business for delivering our products and services as well. Our natural capital also impacted by the emissions & waste material that generates from the activities for conducting our business. We are always aware regarding environmental protection by minimizing environmental damages. We screen all our large loans to assess them for environmental and social risks. We are practicing to use renewable energy at our offices and reducing carbon offset print for ensuring green banking system

- **53,171** Sustainable finance Disbursement
- **96,579** No. of beneficiary
- Tk. **10.49** million Environmental savings

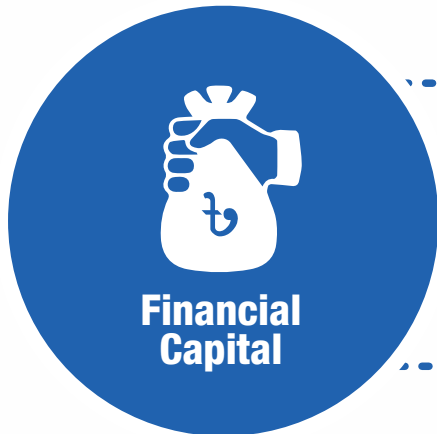


Social and Relationship Capital

Our Social and Relationship Capital refers to the long-term relationships we have created with our stakeholders like business partners, regulators, customers, shareholders which helps to build and maintain a strong social reputation and trust. Furthermore, to improve the underprivileged segment of the society the Bank always focused on investing in CSR activities.

- **CSR Tk. 326 million**
 - Health Tk. **227** million
 - Education Tk. **16** million
 - Disaster Management Tk. **32** million
 - Sports & Culture Tk. **10** million
 - Environment & climate change mitigation and adaptation Tk. **40** million





Financial Capital

Value Added Stage

Bank Asia use Financial Capital to expand business network & invest in various projects also provide diverse forms of deposit schemes through assessment in terms of risk exposure, capital adequacy, loan provision and regulators' instructions in advancing loans and making investment.

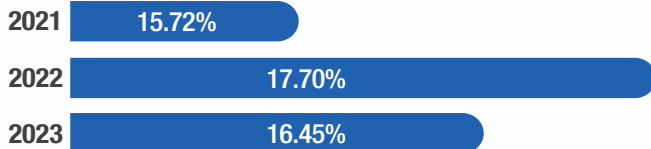
Initiatives

- Effective and responsible investment of shareholder's fund
- Managed treasury fund proactively
- Re-pricing the loans to reduce the cost of fund

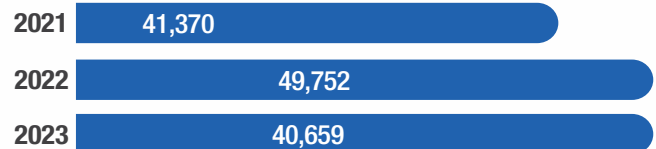
Challenges

- Maintaining sound asset portfolio
- Sluggish credit growth impacting lower lending opportunity
- Upkeep the spread to maintain profitability over the years
- Maintaining sustainable growth and financial stability

CRAR



CAPITAL (Tk. in million)



Value created in 2023

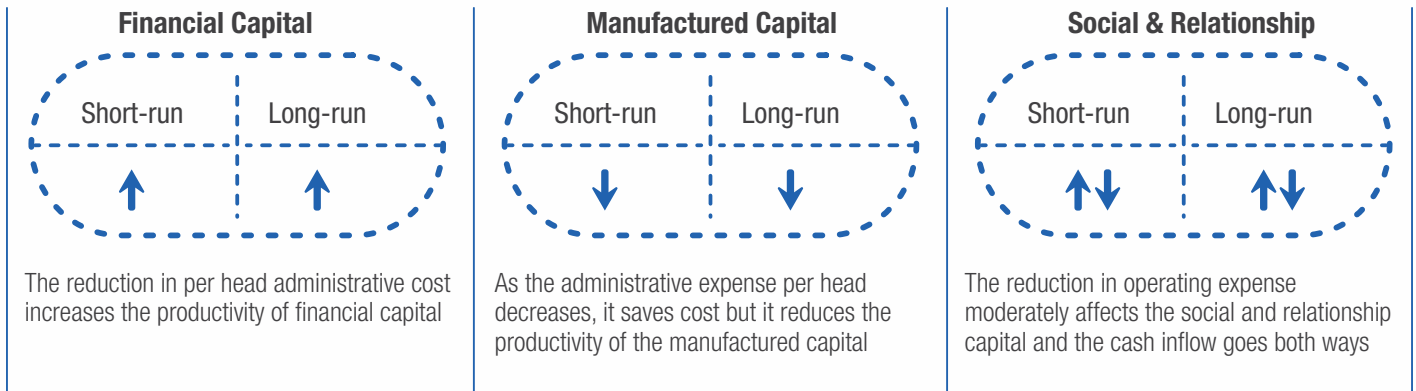
- Deposit grew by 7% and stood at Tk. 361,617 million whereas advance became Tk. 291,325 million with a growth of 5%
- Total assets of the bank became Tk. 474,229 million with a growth of 1.24%
- Provided financial access to marginal people through 5,051 Agent Banking outlet, 3,136 UDC (Union Digital Center), 58,136 Micro merchant outlets & other social safety net program



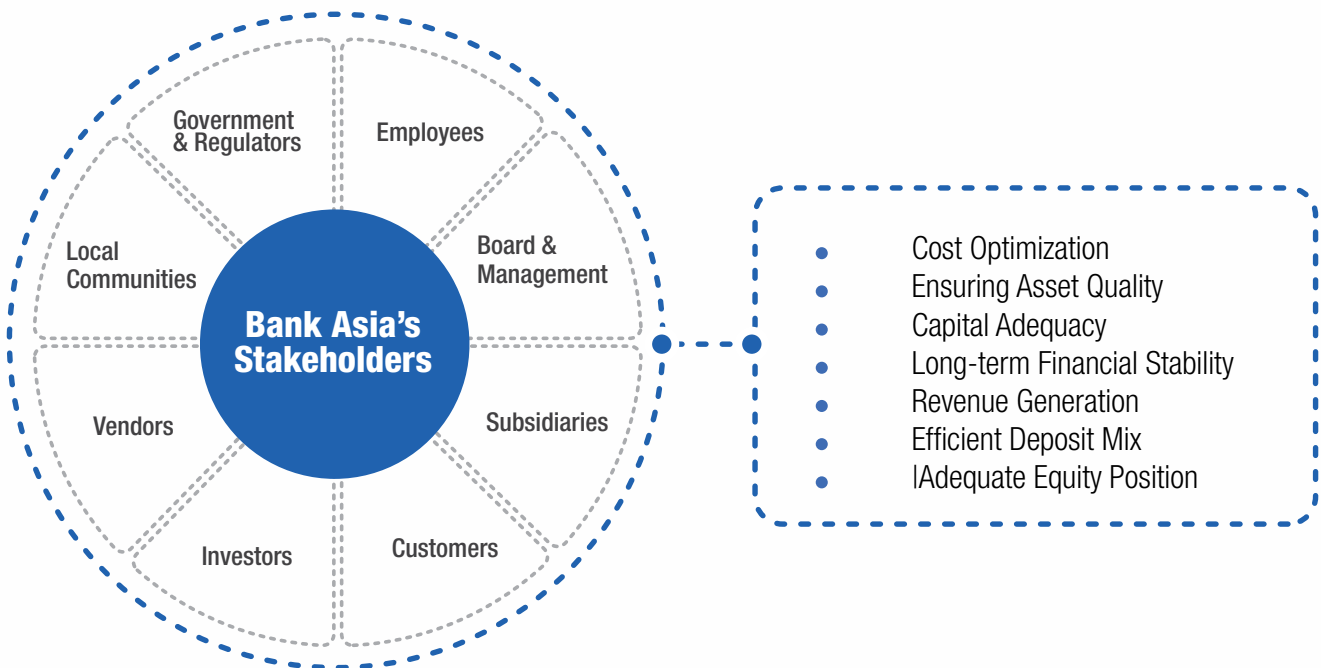
Akij Essentials Ltd. Side View financed by Bank Asia PLC.

Capital Trade-off

- Administrative expense saving



Material Aspects:



Quality of Loans

The goal is to provide loans selectively in order to keep the existing classified loans in a manageable state

Investment

A higher degree of importance is given to the investment portfolio to generate adequate income

Outlook Forward

Risk Management

Emphasis is placed on optimizing valuable collaterals and diversifying the business portfolio to ensure minimal risk with maximum return

Deposit Efficiency

The idea is to decrease the cost of deposit as the time goes by. Already, the High Cost deposit decreased by TK. 8,121 million indicating efficiency



Human Capital

Value Added Stage

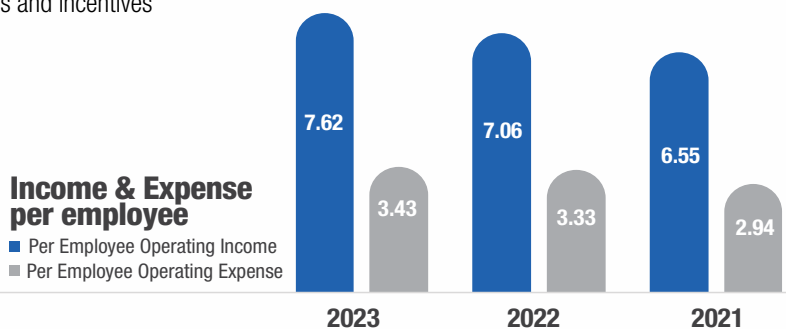
Bank Asia focuses on strong internal business process platform with output based infrastructural facility in all of the branches by creating & implementing technological innovation.

Initiatives

- Developing a structured system for unbiased performance evaluation
- Acquires fresh, talented and right employees in the right place
- Provides long term training and development opportunities
- Ensures safe, healthy and equitable environment for all employee
- Provides competitive remuneration
- Rewards performance based bonus and incentives

Challenges

- Evaluating employee appraisal process within due time
- Retaining experienced and skilled employees
- Developing human resources towards company's vision & growth
- Maintaining productivity and efficiency



Value created in 2023

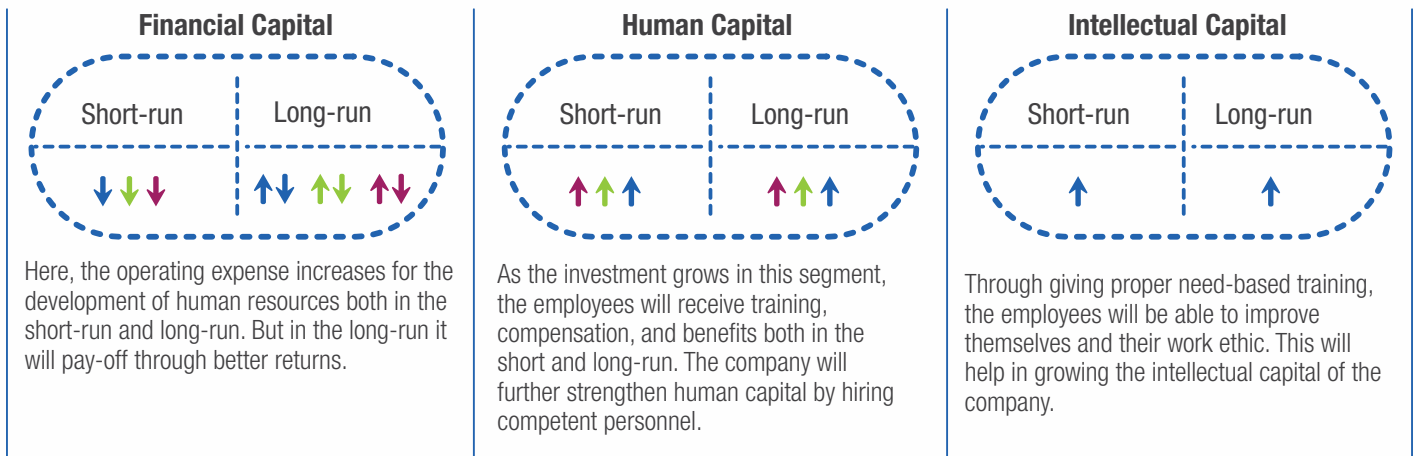
- Ensure a healthy environment for work which improves the performance of employees
- Provided transport facilities to the female employees
- Provided trainings to the employees as needed
- Implemented a brand new Human Resource Information System (HRIS): PeopleHub, one-stop location for all the various human resource needs of the employees
- Young and energetic human resources as 59.76% of staff members aged below 40 years



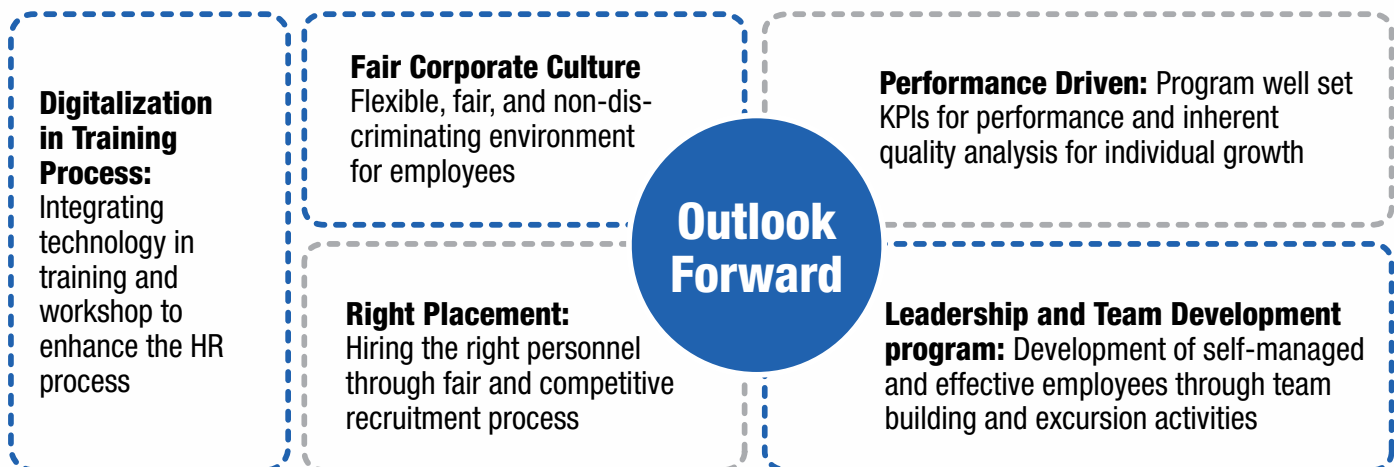
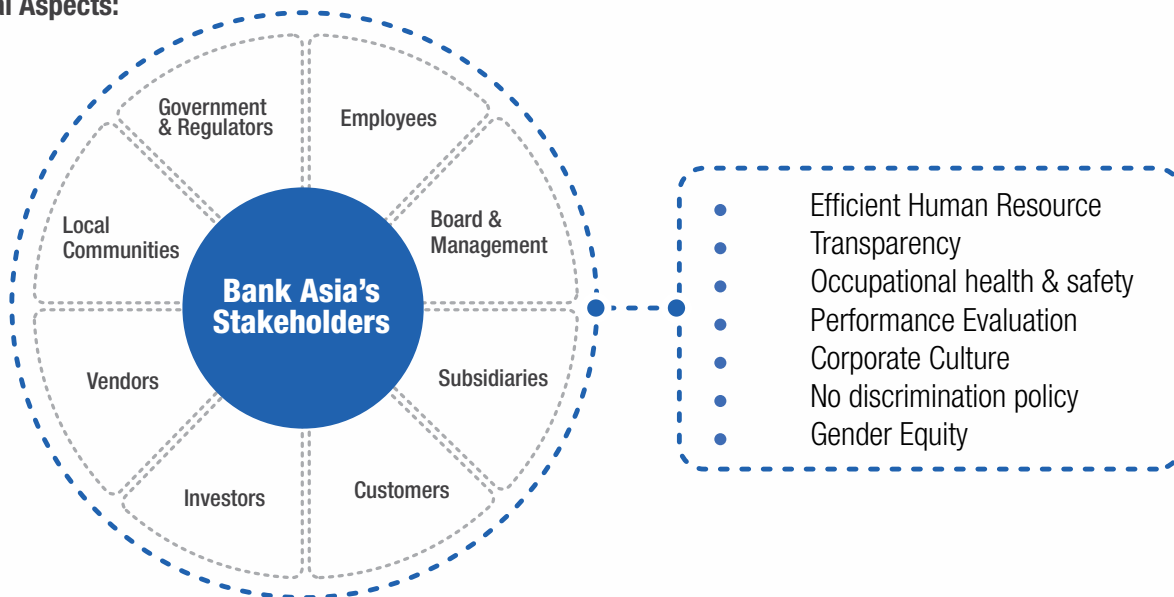
Conclusion ceremony of 60th foundation training

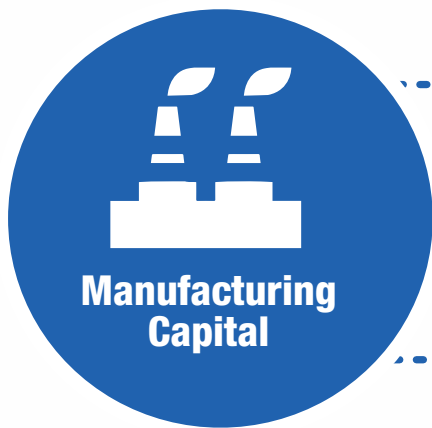
Capital Trade-off

- Training & Development Benefits Hiring new personnel



Material Aspects:





Manufacturing Capital

Value Added Stage

Bank Asia focuses on strong internal business process platform with output based infrastructural facility in all of the branches by creating & implementing technological innovation.

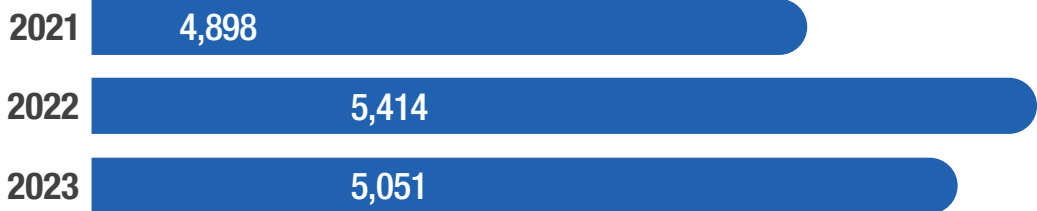
Initiatives

- Stay updated to adapt to changes and overcome the challenges
- Involvement in strategic planning
- Spreading the geographical boundaries through opening more channels
- Developing the technological requirements

Challenges

- Increasing infrastructure facility to support growth.
- Careful management of operation to address and protect the customer need.

No. of Agent Outlets



Value created in 2023

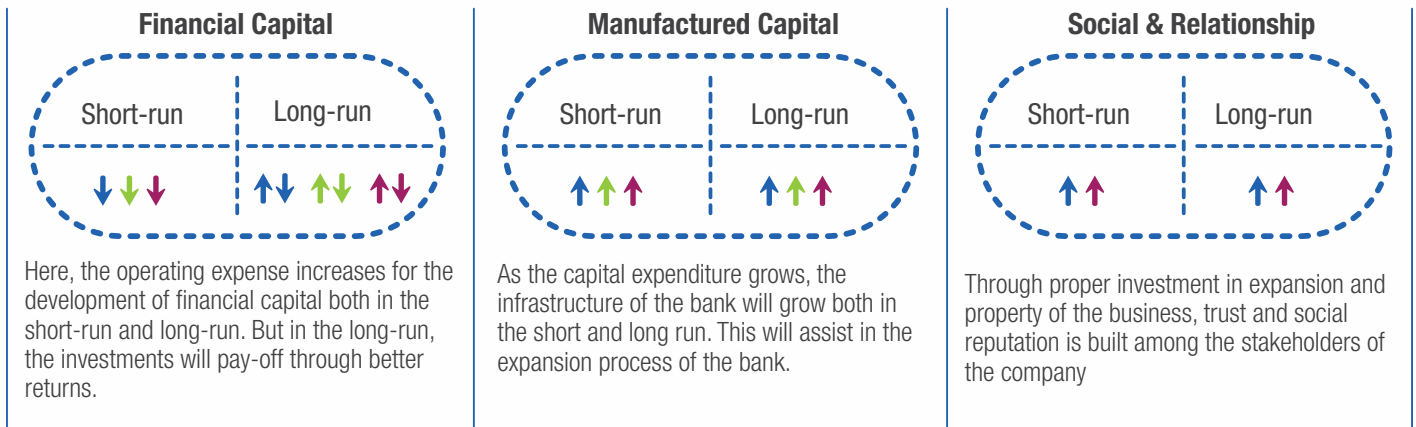
- Adoption of digital banking solutions (internet banking, smart app, e-payment solution, etc.) grew significantly throughout the pandemic
- Most of the branches were kept open during the lockdown periods
- ICT division developed remote working platform for to enable smooth working environment from their homes



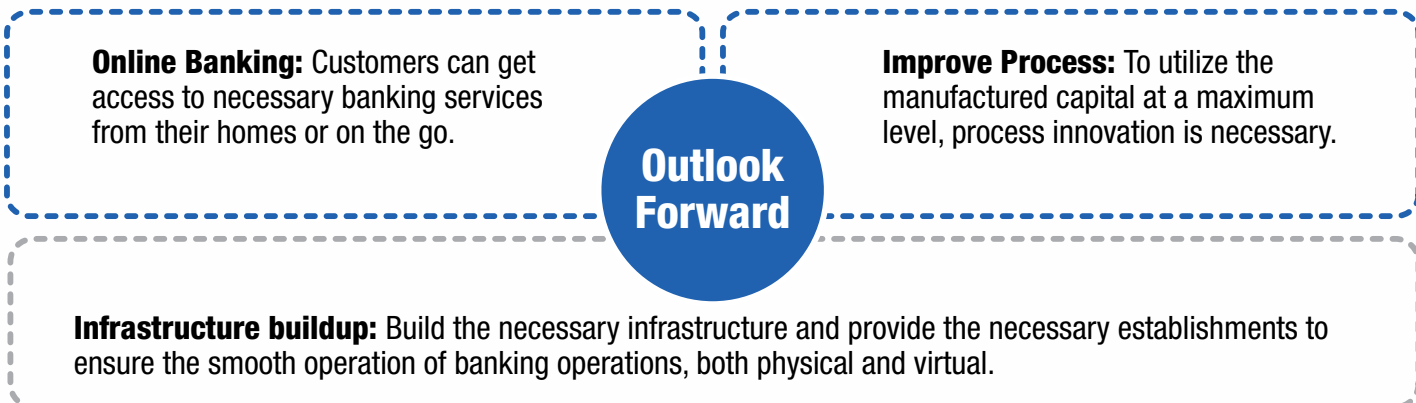
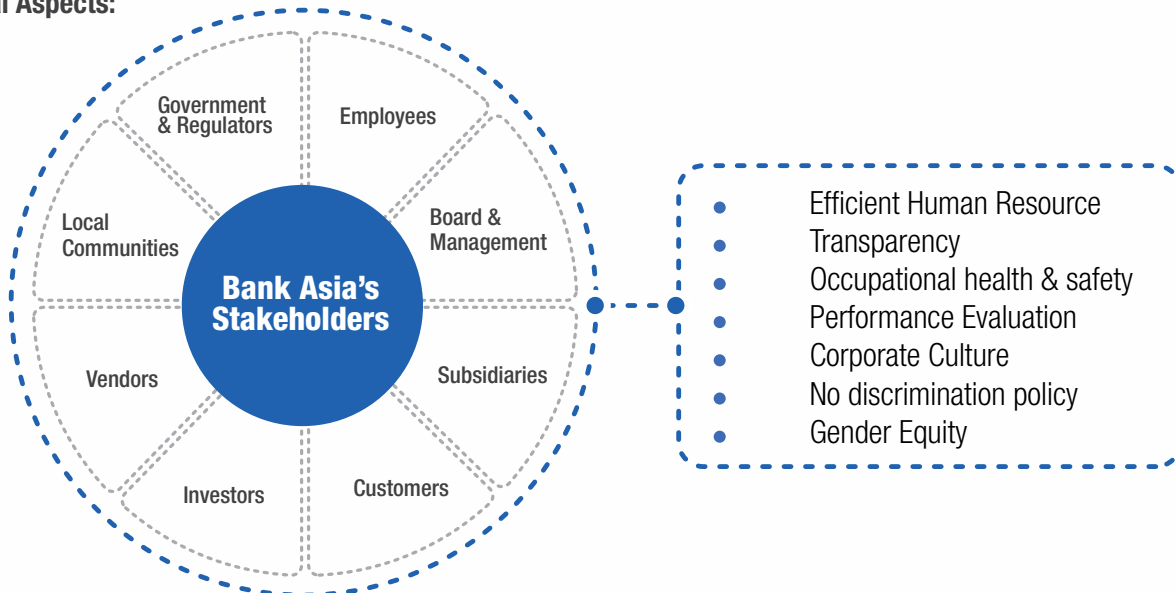
Launching program of SMART APP new version

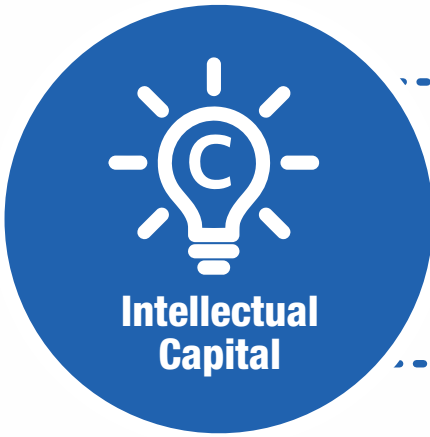
Capital Trade-off

- Investment in property, plant, and equipment
- Investment in expansion
- Investment in information technology



Material Aspects:





Value Added Stage

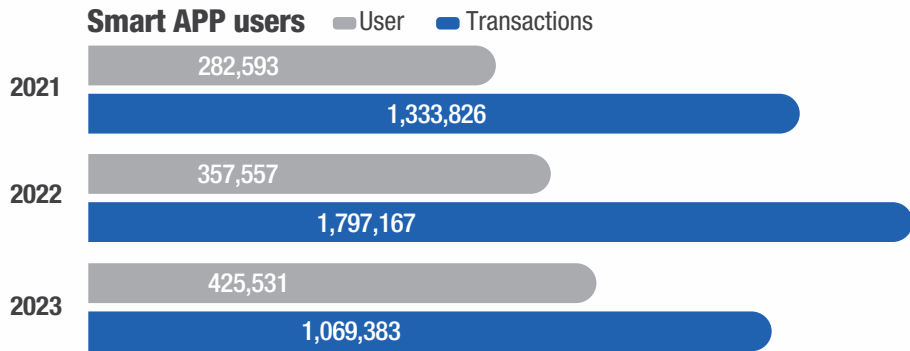
Bank Asia creates market reputation by introducing, expanding & diversifying product portfolio, reducing service waiting time, conducting customer service quality survey.

Initiatives

- Uses high quality and updated software, anti-virus, increased automation, and provides employee training
- Involvement in research and development and market analysis
- Offers unique products and services through innovation

Challenges

- Adopting the changes in technology
- IT and informational risk identification and management
- Ensure quality investment in technology infrastructure



Value created in 2023

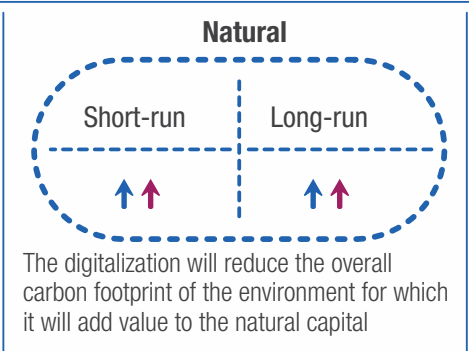
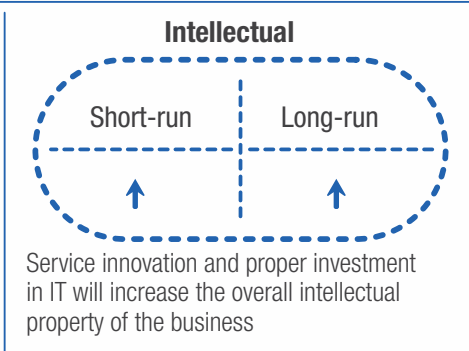
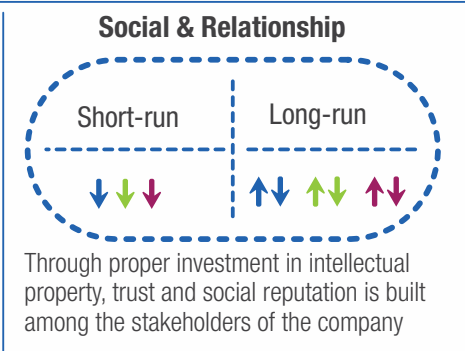
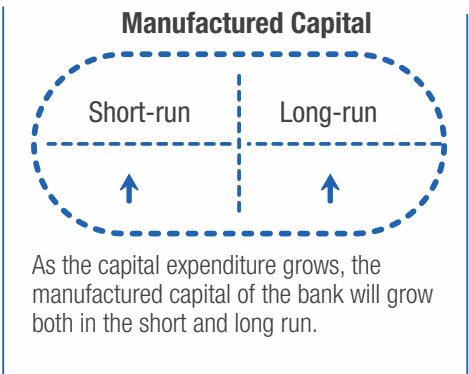
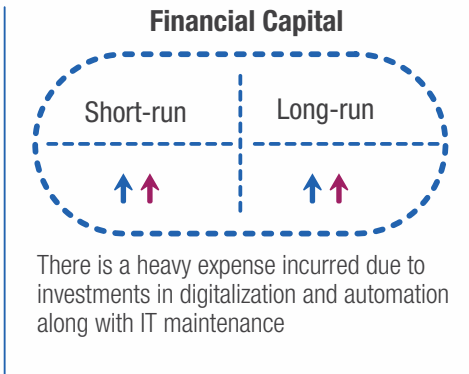
- Developed Artificial Intelligence Workforce (AIW)
- Implementation of Robotic Process Automation for real-time payments in order to channel remittance from abroad
- Implementation of Oracle RAC and Apex 19.2 for core banking system in order to enhance the operations of Agent Banking System



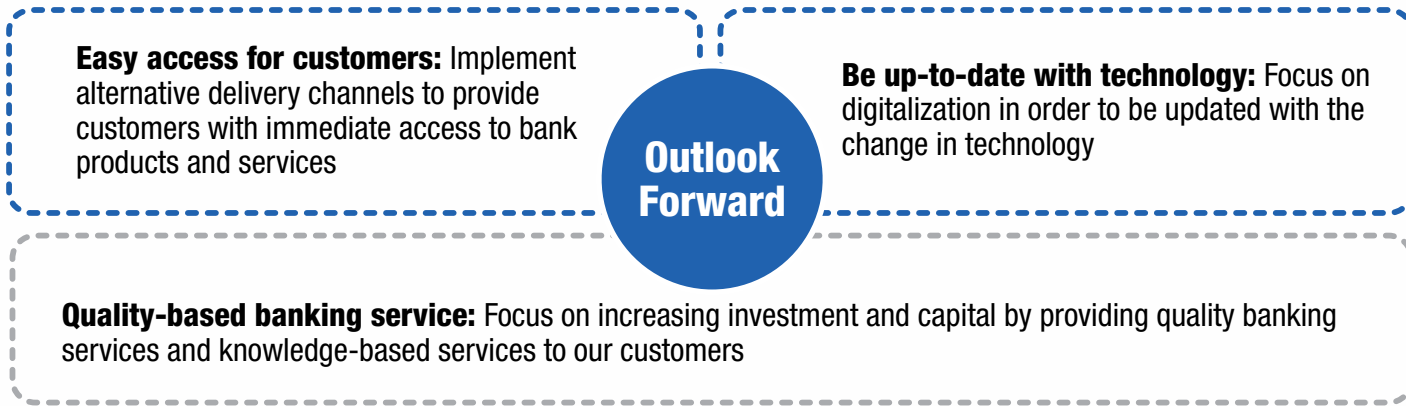
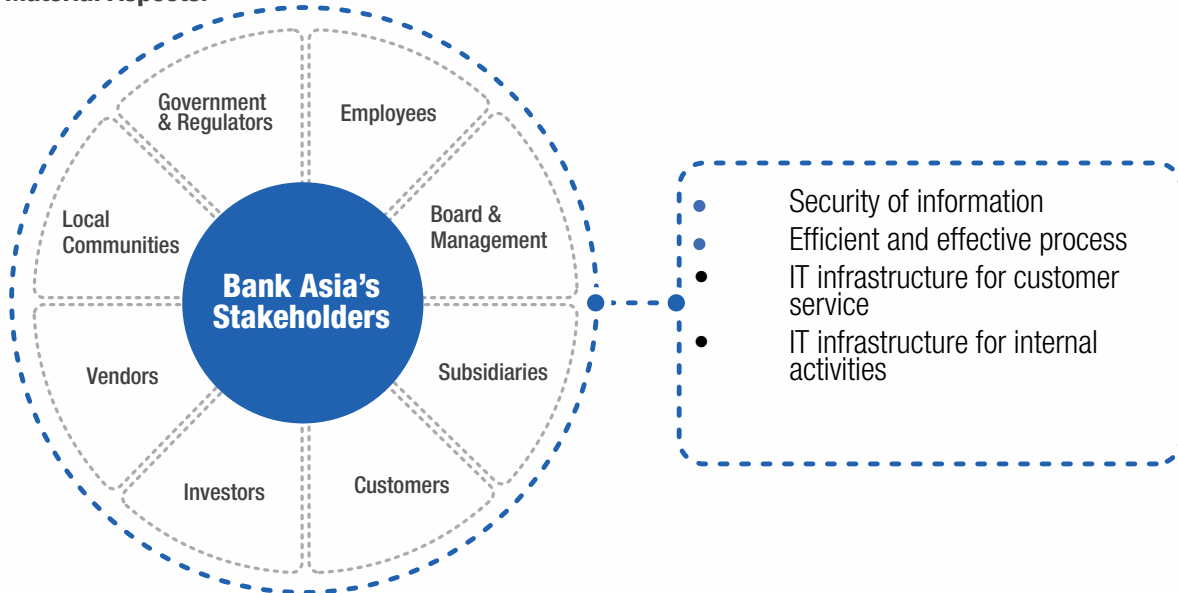
ICAB National Award

Capital Trade-off

- Digitalization and Automation
- Service innovation
- Maintenance of IT infrastructure



Material Aspects:





Value Added Stage

Bank Asia tries to create a public awareness on the preservation of natural capital, reduction of wastage and keep the environment free from pollution through its operational activities and by publishing Sustainability Report which conveys a unique message to our stakeholders each year.

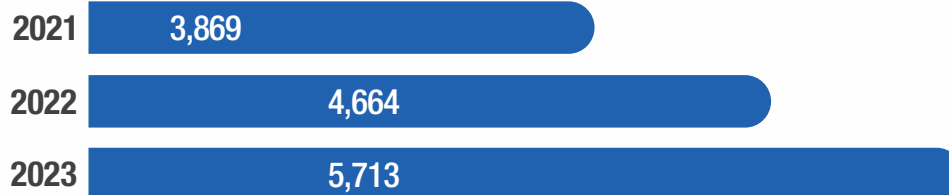
Initiatives

- Introduced E-products such as SMS banking, internet banking
- E- Commerce and payment solution
- Actively involved in green financing activities

Challenges

- Resource optimization to reduce energy wastage
- Maintain green and sustainable environment

Agricultural credit disbursement Tk. in million



Value created in 2023

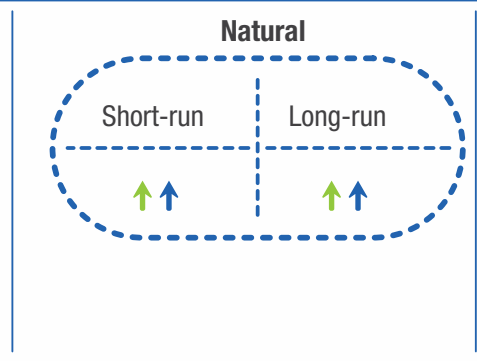
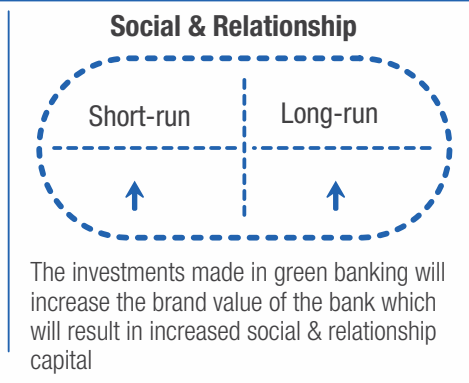
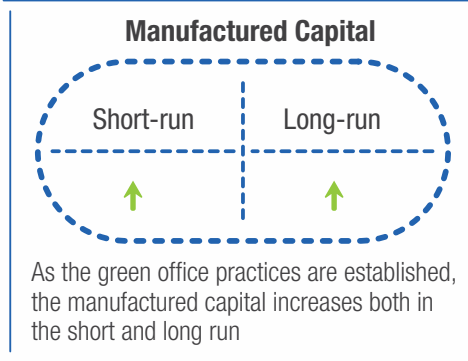
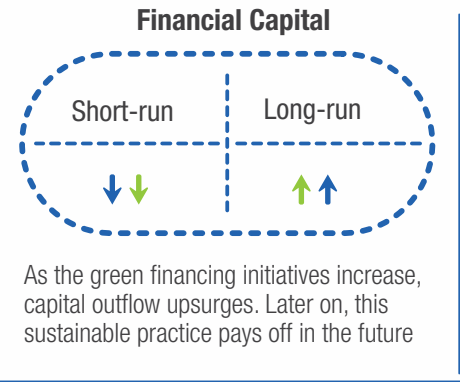
- Reduction of CO2 emissions by providing training to the employees through ZOOM, Cisco Webex & True Conference
- Net Saving from environmental activities is Tk. 10.49 million
- Disbursed Tk. 2,634 million for Green financing activities
- Disbursed Tk.50,537 million under Sustainable Finance scheme
- Tk. 1,074 million spent on renewable energy projects
- Disbursed Tk. 679.84 million for liquid waste management disposal



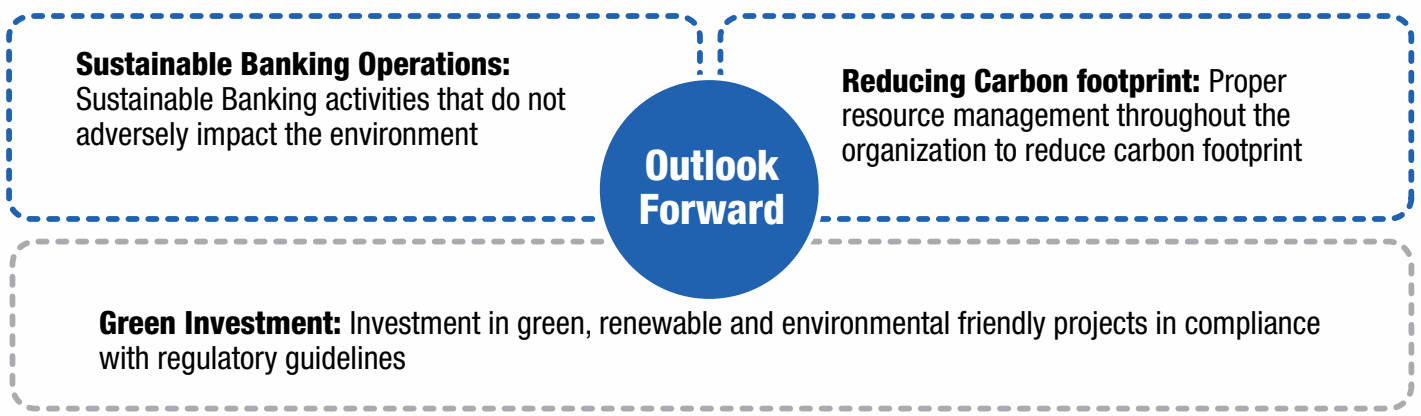
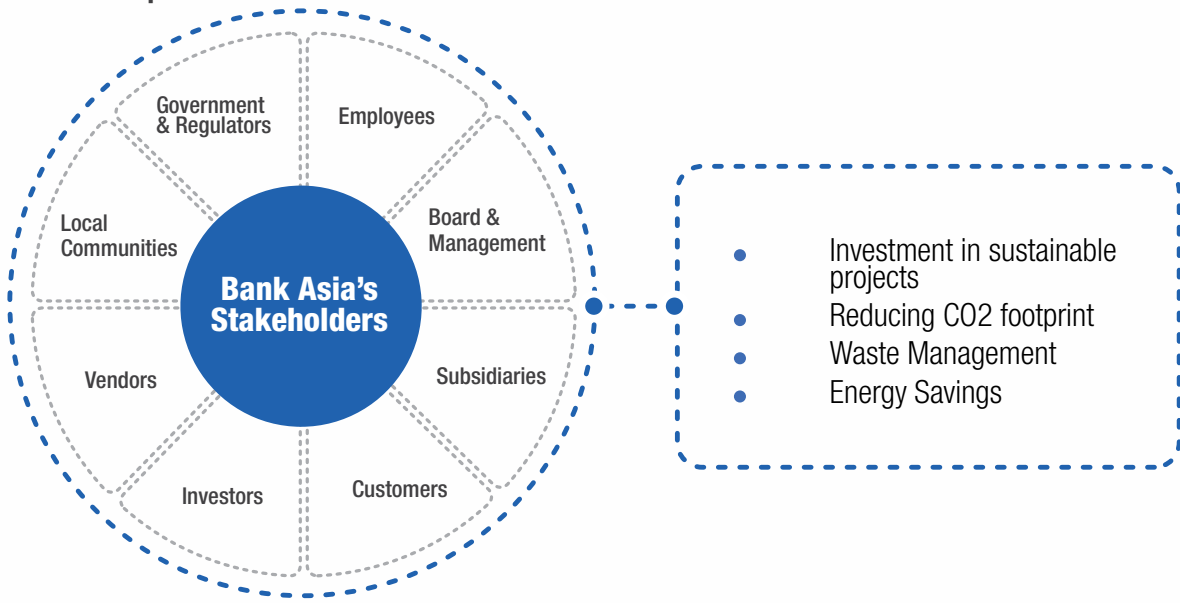
Echotex ETP financed by Bank Asia PLC.

Capital Trade-off

- Sustainable Green Banking establishments
- Sustainable Green Office practices



Material Aspects:





Social and Relationship Capital

Value Added Stage

Social and Relationship Capital is vital importance for the sustainable value creation of Bank Asia. We take a holistic approach to sustainable value creation with our customers, trade partners and merchants or communities by nurturing our long-standing relationships. Through CSR activities we work closely with various communities to improve their lives and livelihood opportunities.

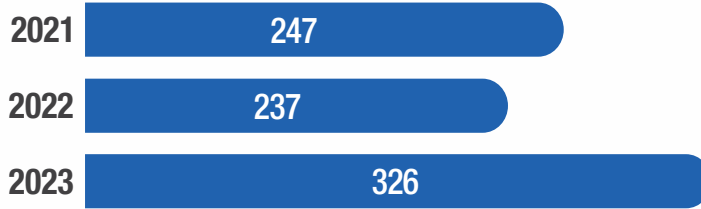
Initiatives

- 50 Bed indoor hospital at Ma Amiran Hospital and Diagnostic Centre
- Focuses on SDG through various CSR activities in different sectors
- Provides support to unprivileged people through social safety net program.

Challenges

- Empowering shareholders
- Evolving customer needs
- Addressing the shareholder's needs

CSR Tk. in million



Value created in 2023

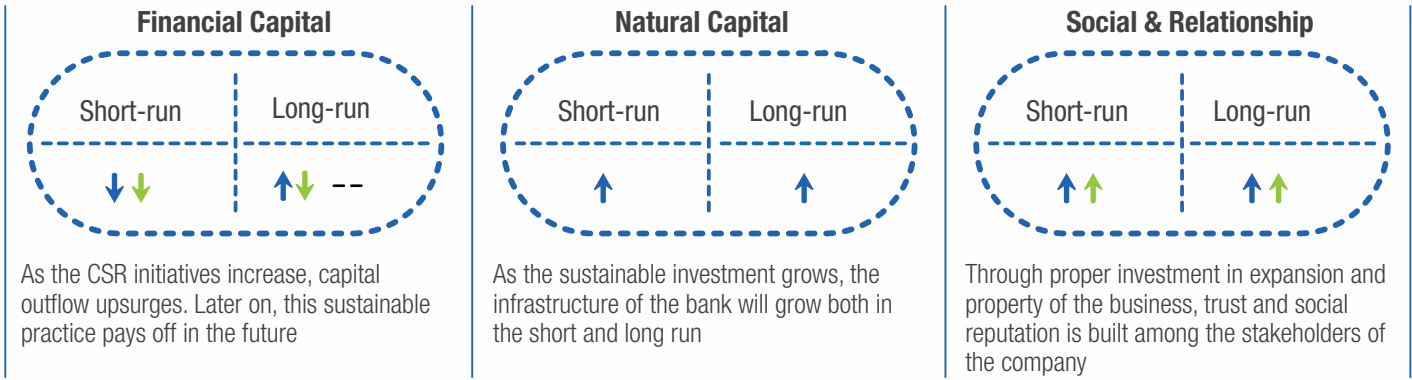
- Donated Tk. 200 Million for extension and modernization of Sheikh Fazilatunnessa Mujib KPJ Specialized Hospital
- Donated Tk. 26.61 million establishing & running hospital
- Provided Tk. 1.88 million under Bank Asia Higher Studies scholarship program
- Donated Tk. 10.75 million for PM's Education Assistance Trust
- Donated Tk. 32.41 million for disaster management
- Donated Tk. 40 million for Environment & Climate Change Mitigation and Adaptation



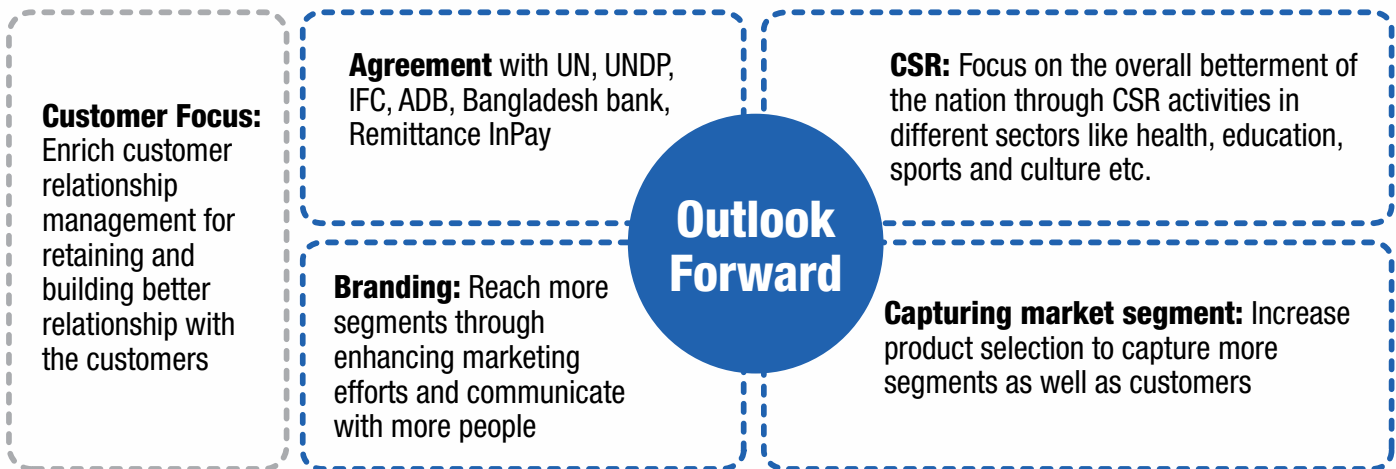
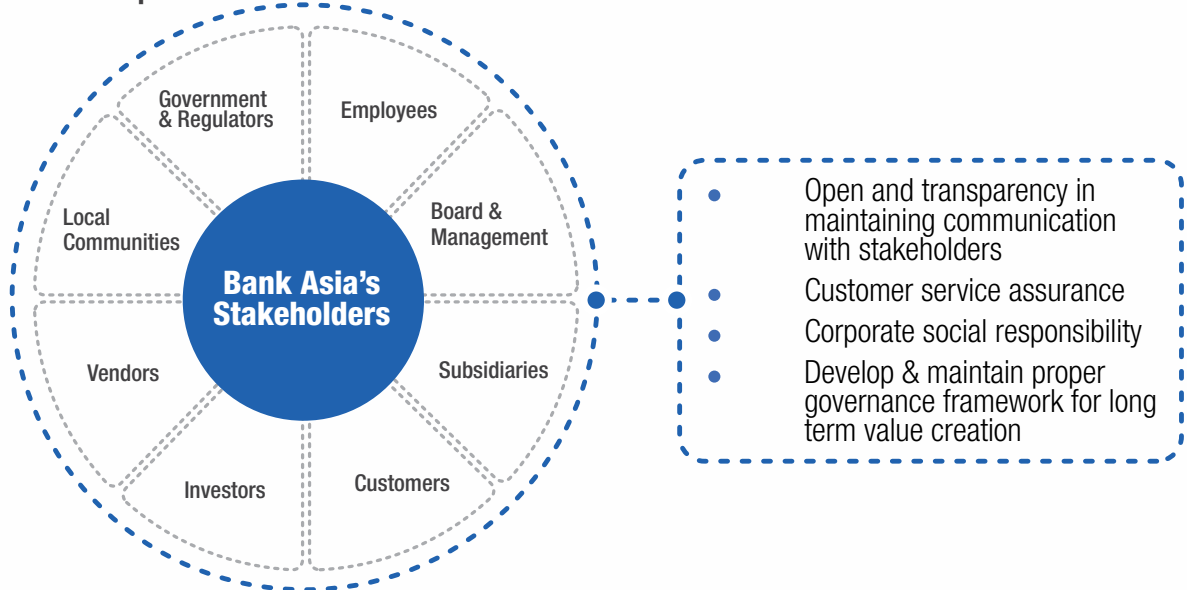
Patient's beds of Bank Asia Ma Amiran Hospital & Medical College

Capital Trade-off

- Efforts in increasing community service
- Customer service investments









Material Aspects:

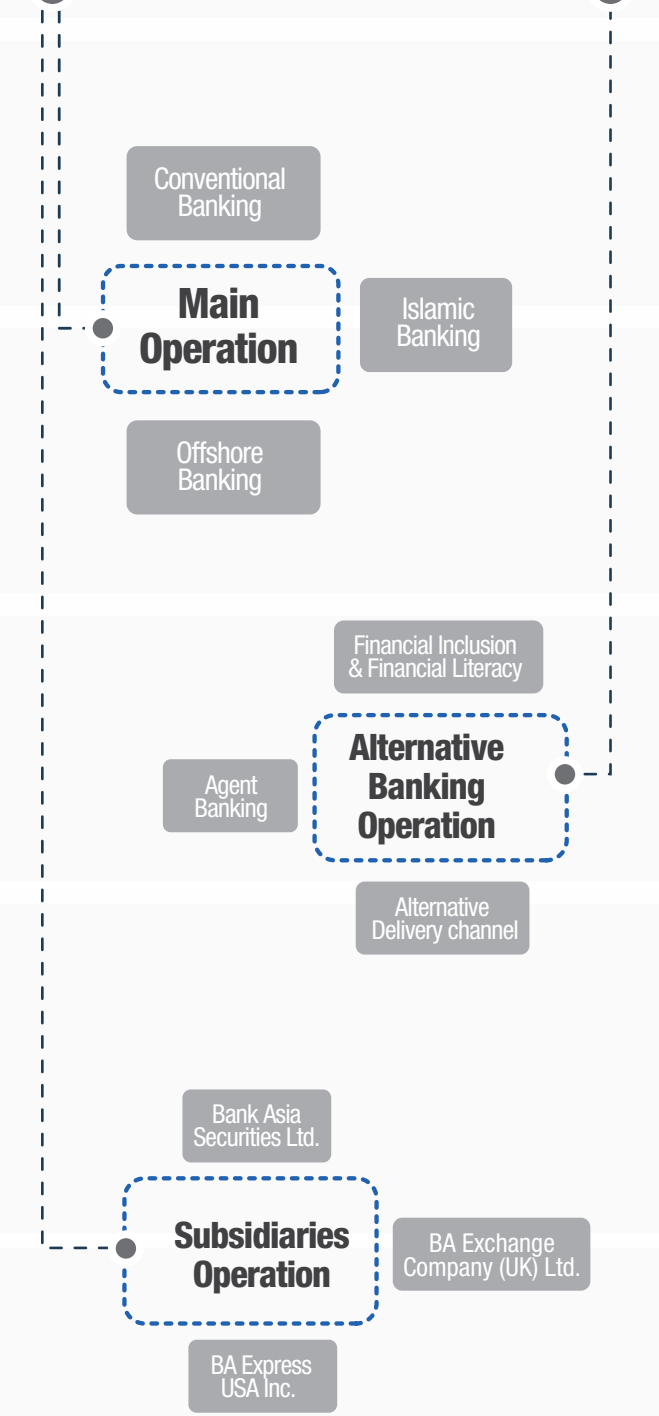


Our Business Model

Inputs

 <p>Financial Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Equity • Long term Debt • Capital Expenditure
 <p>Natural Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Environmental Management • Awareness Development • Sustainable Finance
 <p>Human Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Employee Training & Development • Employee Engagement Programs • Employee Benefits
 <p>Intellectual Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Research & Development • Technological Innovation
 <p>Social & Relationship Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Community Development • Stakeholder's Engagement
 <p>Manufacturing Capital</p>	<p>Investment on</p> <ul style="list-style-type: none"> • Infrastructural Development of Distribution channel • Information Technology (IT)

Business Operations



Activities

Output

Outcome

- Effective and responsible investment of shareholder's fund
- Diversifying the business portfolio
- Cost reduction initiatives
- Curbing CL ratio
- Supporting the entrepreneurs through CMSE
- Use deposit money to facilitate lending
- Minimizing risk through approved regulatory environment

- Payment to the Stakeholders
- Promoting financial inclusion
- Growth in operating profit
- Timely repayment of debt with stated return
- Transparency & integrity in financial reporting

- Sustainable growth
- Financial Stability
- Satisfactory Return

- Installed solar panels in 11 branches of Bank Asia
- Introduced E-products such as SMS banking, internet banking and payment solution
- Turned into eco-friendly banking system
- Adoption of SDG's
- Providing services through Online Credit Approval(OCAS) which helps in carbon sequestration of the planet
- Prioritize financing any eco-friendly projects

- Reduction of wastage through monitoring
- Management of liquid waste efficiently
- Reduction of energy and carbon footprint

- Raised awareness regarding conservation of energy, water, saving paper, etc.
- Generate value for clients through sustainable and innovative solutions
- Biodiversity preservation

- Established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner
- Create pool of talent and skilful managers by arranging development programs
- Ensures hygienic & congenial workplace for all employees
- Group Health Insurance for the employees
- Performance management & appraisals
- Yearly performance bonus for motivation

- Skilled and competent employee force
- Career growth and organizational development
- Talents and performances development
- Job satisfaction & career progression

- Creation of sustainable workforce
- Play a vital role in materializing the mission, vision, goals and objectives of the bank
- Increasing of profit through improved productivity & efficiency

- Involvement in research and development and market analysis
- Focus on build up capital through offering quality banking facilities and knowledge- based services
- Implemented Robotic Process Automation (RPA) for real-time payments
- Implemented Oracle Real Application Cluster and migrate Oracle Database 120.1.0.1 to Oracle Database 12.1.0.2 for the Bank
- Set-up arrangement with OPGSPs to bring the earned money by exporting service in nonphysical form

- Improved and innovative products launched
- Certified with ISO/IEC 27001:2013

- Expanding and diversifying product portfolio
- Quick service to the clients.
- A better prepared organization for facing disruptive business models

- Focuses on SDG through various CSR activities in different sectors
- Provides support to unprivileged people through social safety net program
- Empowering communities through Agri/Rural credit
- Established one of the largest agent banking network, with over 5,051 outlets opened across the country
- Being the pioneer of Agent banking in the country with the goal of serving the grassroots people, Bank Asia has built 5,051 Agent Banks and on boarded 58,000+ micro merchants, 1,097 Post Office Banking Outlets

- Empowering Shareholders
- Better Stakeholder relationship
- Partnership with UNDP under LGED Ministry
- Increasing number of outlets lower the operational cost and increase the popularity of agent banking

- Overall betterment of the nation
- Long term customer relationship
- Enriching brand visibility and reputation

- Introduced mobile app based service
- Stay updated to adapt changes and overcome the challenges
- Total 217 owned ATM and 14000+ shared ATM providing services
- Alternative delivery channel

- Strong internal business process platform

- Expand in the geographically dispersed segment

Risk Management Report

Below gives an overview of the locations of our risk disclosures.

RISK Management Framework

Page: 154-158

RISK Mitigation Methodology

Page: 159-163

Disclosure of RISK Reporting

Page: 164-168





From Chief Risk Officer's Desk

INTRODUCTION:

The overall financial environment as a whole is trending in a very rapid phase, resulting in increasing complexity and dynamism. This transition is introducing new risks along with opportunities, and that is ultimately affecting our current risk priorities. With our defined Risk Management Framework, the Board, Senior Management Team (SMT) and our people have consistently ensured informed risk decisions to support the delivery of our strategy.

During the year 2023, the global macroeconomic circumstance remained quite volatile with declining forecast of GDP1, slowdown in Asia-Pacific region, tightened monetary policy resulting in long-term interest rate hike etc. Nevertheless, the global inflation was in a gradual declining trend.

Overall macroeconomic trend of Bangladesh followed a similar trajectory like global circumstance. During 2023, upward adjustments in fuel and energy prices resulted in a notable sharp surge in the consumer price index (CPI) based inflation, followed by domestic price levels outpacing wage growth that ultimately resulted in persistent depreciation pressure on the Bangladeshi Taka. To curb the unexpected situation, a contractionary monetary policy was adopted. The effects of this contractionary stance became apparent as borrowing from banks became more expensive along with a deficit in the Balance of Payment (BoP). Additionally, this deficit contributed to the repayment of short-term private foreign borrowing, intended to avoid additional costs linked to rising base interest rates. Simultaneously, the central bank's active intervention in the foreign exchange market absorbed a significant portion of local currency, resulting in intensified liquidity pressure. The resulting dry liquidity situation within the banking sectors has triggered a steady rise in interest rates.

Looking ahead for 2024, the country aims to maintain an inflation target of 7.50% by the end of FY 2024. The country aims to ease pressure on the Balance of Payment and Current Account Balance through an ongoing trend of reduced imports, anticipated enhancements in remittance inflows, a slower pace of short-term external borrowing repayment, and increased inflows. The implementation of a crawling peg system aims to ease the instability of the exchange rate. Further to that, the recently implemented interest rate mechanism SMART (Six-month moving average rate of Treasury Bill) is likely to help ease the increasing liquidity pressure.

AN UPDATE ON OUR KEY RISK PRIORITIES:

2023 continued to present a challenging risk landscape, however, we faced this from an intrinsically strong position. Our risk management approach is at the heart of our business and is core to us achieving sustainable growth and performance. We have made progress on our key priorities, these being:

1. Strengthening the risk culture and conduct: We remain committed to promoting a healthy risk culture and driving the highest standards of conduct
2. Continuous enhancement of our information and cyber security (ICS) capabilities and governance: We have refreshed the ICT Risk Strategy by updating our ICS Target Operating Model to increase focus on accountability, risk ownership, change management and executive empowerment
3. Managing our environmental, social and governance (ESG) risk: We continue to advance risk management across the organization with end-to-end reviews of inherent risks and controls in line with our internal Environmental and Social Risk Catalogue
4. Financial Crime Risk: The bank is managing its financial crime risk within acceptable levels, including the Financial Crime Risk Type Framework, Risk and Control Self-Assessments and assurance reviews
5. Technology and Innovation: Our technology capabilities are delivering our strategy of being a digital driven second-line of defense function, supporting first-line driven risk management processes

CONTEMPORARY AND EMERGENT RISKS:

Contemporary Risks refer to themes that may have emerged but are still evolving rapidly and unpredictably, while Emergent Risks refer to unpredictable and uncontrollable outcomes from certain events which may have the potential to adversely impact our business. As part of our continuous risk identification process, we have updated the bank contemporary and emergent repository. Below are anticipated material risk of the bank for the year 2024:

- High inflation and Taka weaken
- Upwind trend of non-performing asset
- Global economic downturn
- Expanding array of global tensions
- Emerging markets sovereign risk
- Extended supply chain issues and key material shortages
- New business structures, channels and competition

RISK MANAGEMENT STRATEGY:

- Conduct thematic stress tests and portfolio reviews at a bank, peer, and business level to assess the impact of extreme but plausible events and manage the portfolio accordingly
- Vulnerable sectors are regularly reviewed and exposures to these sectors are managed as part of Credit Risk reviews
- Exposures that may result in material credit impairment and increased risk-weighted assets are closely monitored and managed
- Maximize utilization of Credit Risk mitigation techniques including security/collateral
- We remain vigilant in monitoring geopolitical relationships. Increased scrutiny is applied when onboarding clients in sensitive industries and in ensuring compliance with sanctions
- Close track on emerging trends, opportunities and risk developments in technology that may have implications for the banking sector
- Strategic partnerships and alliances are being set up with Fintechs to enhance our competitiveness



Rashidul Kabir Rajib
Chief Risk Officer

RISK MANAGEMENT FRAMEWORK

The risk management framework of Bank Asia PLC. is a structured approach to identify, assess, monitor, and manage risks in a consistent and integrated manner. It includes elements such as risk governance, risk appetite and strategy, risk identification and assessment, risk mitigation and control, risk monitoring and reporting, and risk culture and awareness. The framework helps the bank make informed decisions and take actions that support its strategic objectives while maintaining an acceptable level of risk.

The risk management framework is applied enterprise-wide and consists of three key elements

1. Risk Governance
 - a. Risk management governance structure
 - b. Risk management committees
 - c. Risk culture
2. Risk Appetite
3. Risk Management Tools

Key Components of our Risk Management Framework

BA's value and Risk Culture

Risk governance	The Board approves the risk appetite, plans of the Bank, establishing the 'tone from the top.' It receives guidance from the Bank Risk Committee.	
Roles and responsibilities	Three lines of defense model	Our model of 'three lines of defense' delineates roles and responsibilities for risk management. The independent Bank Risk and Compliance function play a crucial role in ensuring the necessary balance in risk/return decisions.
Processes and tools	Risk appetite ----- Enterprise-wide risk management tools ----- Active risk management: identification/assessment, monitoring, management and reporting	The Bank has established processes for identifying, assessing, monitoring, managing, and reporting risks, aiming to ensure that we stay within our defined risk appetite.
Internal controls	Policies and procedures ----- Control activities ----- Systems and infrastructure	Policies and procedures establish the minimum requirements for implementing the necessary controls to effectively manage our risks. ----- Operational and resilience risk management establishes minimum standards and processes for effectively managing operational risks and internal controls. ----- The Bank possesses systems and processes designed to facilitate the identification, capture, and exchange of information, thereby supporting activities related to risk management.

Risk Governance Structure of Bank Asia PLC.

The core objectives of risk management are to align the outcomes of risk-taking activities with the bank's strategies and risk appetite, ensuring a suitable balance between risk and reward to maximize returns for shareholders. To achieve these objectives, the bank relies on its enterprise-wide risk management framework as the foundational structure.

This framework undergoes continuous evaluation to ensure its relevance to the challenges and requirements of the global markets in which the bank operates, taking into account regulatory standards and industry best practices. While the risk management programs of the bank's subsidiaries adhere to the bank's risk management framework in substantial aspects, the execution methods may vary.

Bank Asia PLC. has established its own risk management framework, aligning with global and national-level risk management frameworks. This comprehensive framework incorporates board-level oversight, management-level oversight, and operational-level risk management structures to effectively manage risks across the bank. This approach reflects the bank's commitment to adapting and adhering to evolving market conditions and industry standards while ensuring a consistent and balanced risk-reward approach.

Components of Risk Governance Structure

The components of the RGF are as follows:

1. Board and Board risk committees
2. Senior management and executive level risk committees
3. CRO and the Risk Management department structure

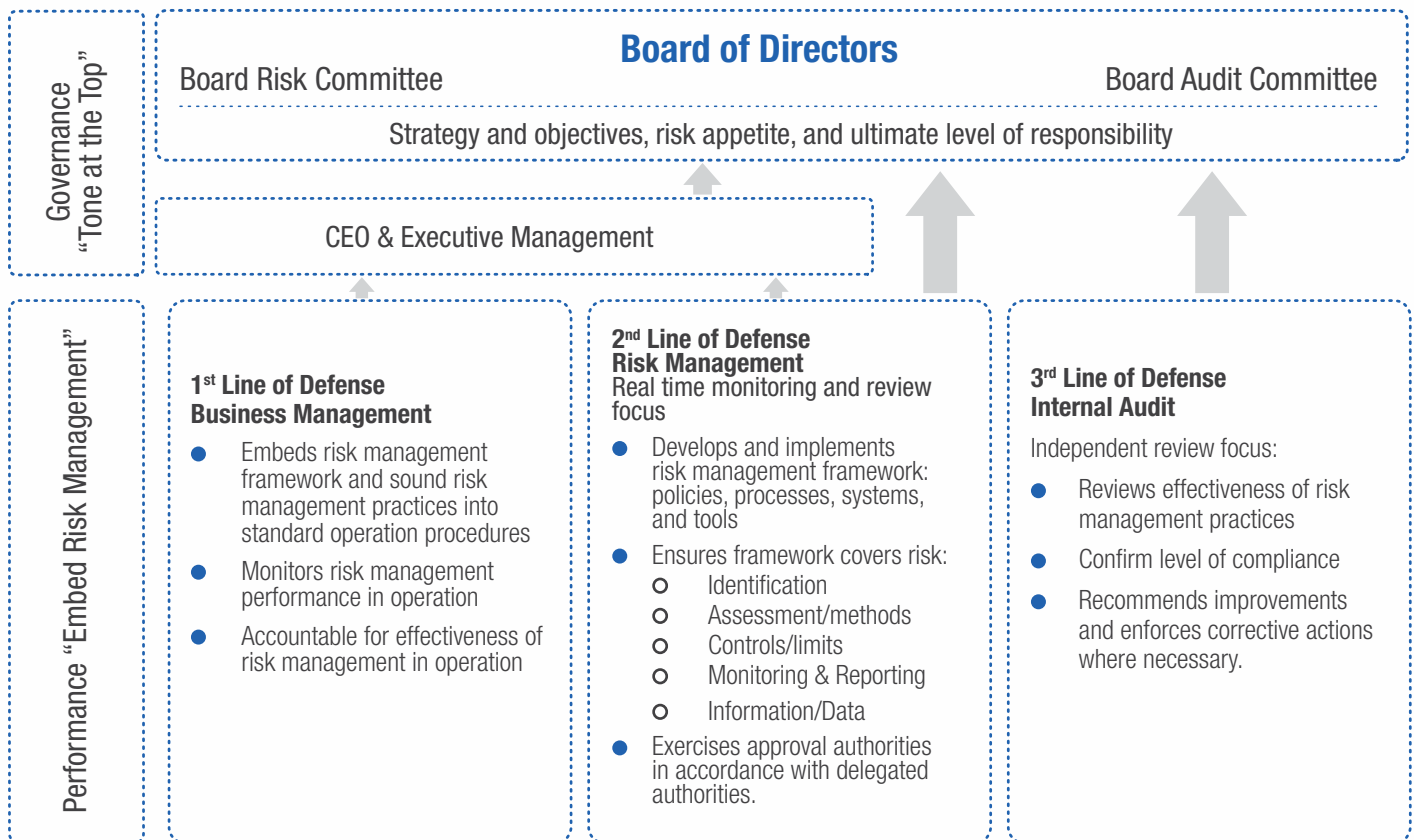
Bank Asia PLC has three level of structure in regards to managing risk.



Roles and Responsibilities	
Board	<ul style="list-style-type: none"> ● Approval of the Risk Management Framework, encompassing Risk Governance Policies and other pertinent policy documents related to risk management. ● Annual approval of BA's business and risk strategy, overseeing the implementation of business and risk targets. ● Acquiring a comprehensive understanding of the Bank's risk exposures, including sources of risk, potential financial and non-financial impacts, and remedial actions. ● Ensuring comprehensive coverage of all material risks within BA's risk management framework. ● Ensuring compliance with all relevant regulations. ● Verifying that BA's Risk Management Framework undergoes effective independent review by internal audit. ● Cultivating a risk management culture, supporting the Risk Management function, and collaborating with relevant committees to instill the right level of awareness throughout the entire Bank regarding risk management.
Board Risk Management Committee	<ul style="list-style-type: none"> ● Design and implement Risk strategy and policy ● Review, monitor and understand risk profile of the bank ● Review and recommend bank's risk appetite, limit and tolerance level ● Review of Management level operational risk structure ● Performance review and recommendation
Executive Risk Management Committee	<ul style="list-style-type: none"> ● Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis ● Determining general principal for measuring, managing and reporting the bank's risk ● Minimizing/controlling risks through ensuring proper implementation of the decisions; ● Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately; ● Oversee the development, implementation and maintenance of the bank's overall risk management framework and risk appetite, strategy, principals and policies ● Ensure bank's Risk Management practices are in line with regulatory benchmark and industry best practice
Supervisory Review Process Committee	<ul style="list-style-type: none"> ● Ensure that the bank has an internal process to identify and assess all relevant risks of the bank ● Vetting/recommending general principal for development of ICAAP document ● Ensure that capital is adequately allocated against the ICAAP outcome ● Error free and timely reporting of ICAAP outcome to Strategic layer and BB

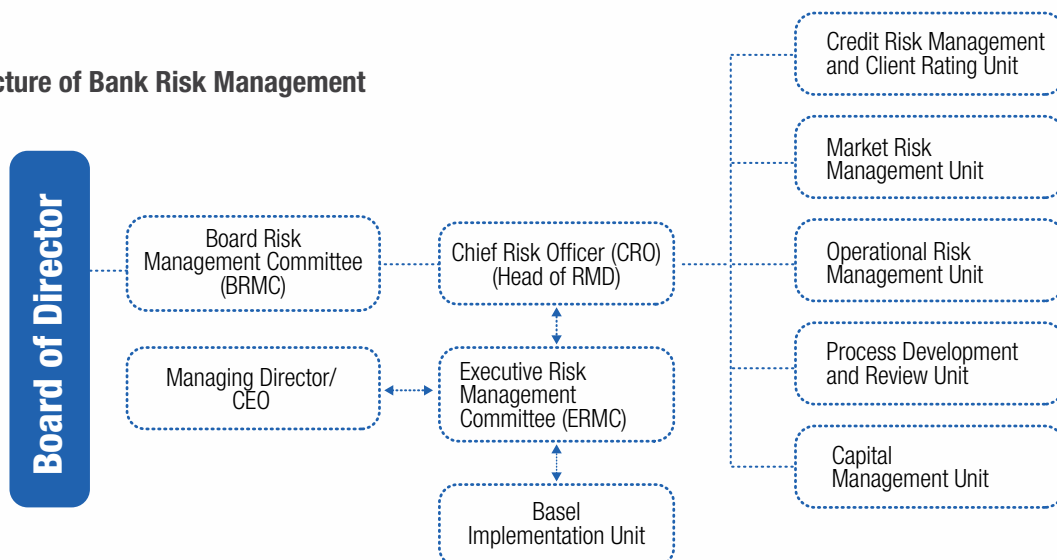
Bank Asia PLC employs the Three Lines of Defense (LoD) model for robust risk management:

- 1. First Line of Defense:**
 - **Responsibility:** Encompasses business units and functions responsible for daily risk management activities.
 - **Roles:** Front-line employees, supervisors, and managers play a key role in identifying, assessing, and managing risks in their respective areas of responsibility.
 - **Objective:** To manage risks effectively in the routine operations of the bank.
- 2. Second Line of Defense:**
 - **Composition:** Includes risk management and compliance functions.
 - **Functions:** Offers independent oversight, guidance, and support to the first line of defense.
 - **Purpose:** Ensures effective identification, assessment, and management of risks. Also, verifies compliance with applicable laws, regulations, and internal policies.
- 3. Third Line of Defense:**
 - **Consists of:** Internal audit functions.
 - **Role:** Provides independent and objective assurance about the effective functioning of the first and second lines of defense.
 - **Responsibility:** Assesses the adequacy and effectiveness of the bank's risk management and control processes.



Bank Asia PLC employs a comprehensive approach to risk management, with the first line managing day-to-day risks, the second line providing oversight and support, and the third line conducting independent audits to ensure the effectiveness of risk management processes. This Three Lines of Defense model helps enhance the bank's resilience and adherence to regulatory and internal standards.

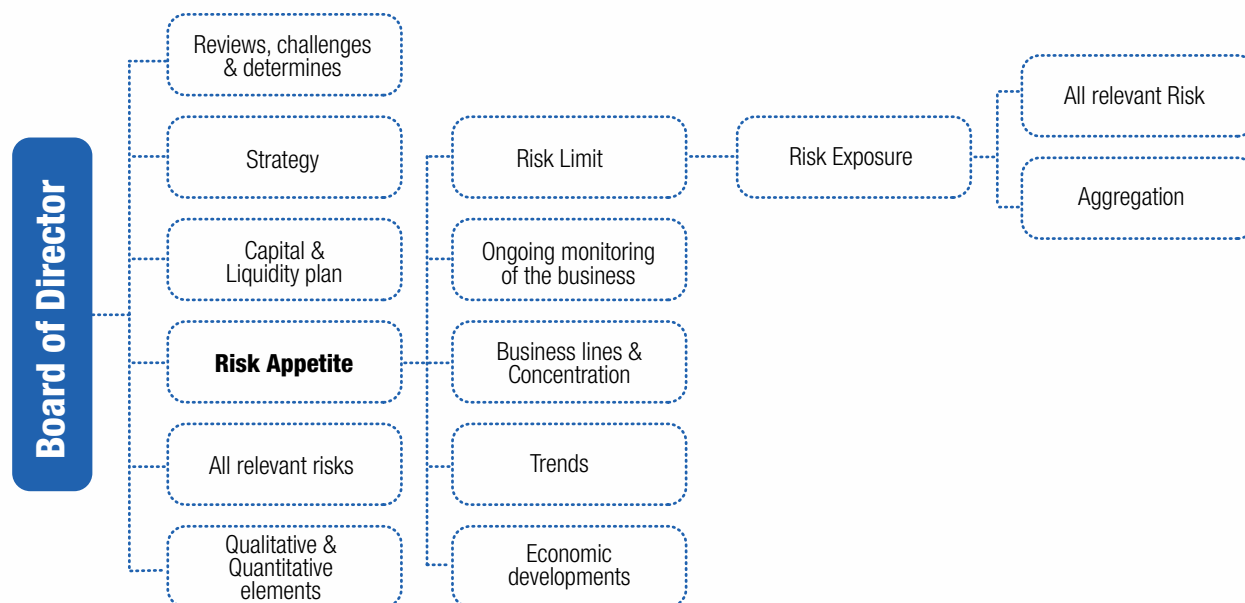
Structure of Bank Risk Management



Risk Appetite

Risk appetite denotes the level of risk a bank is willing to embrace to attain its strategic goals. This involves evaluating risks associated with different financial products, services, and activities and establishing guidelines to manage those risks within acceptable levels. Setting risk appetite is a process where the bank allocates risk capital effectively and establishes limits in alignment with its risk strategy. This ensures a comprehensive coverage of the bank's overall position, with main business units adhering to objectives set by the board of directors.

Recognizing its significance and regulatory requirements, the Risk Management Division of Bank Asia PLC formulates a risk appetite for each year. This framework is designed to foster a robust risk management culture, ensuring that risks are handled consistently with the bank's overall risk tolerance and strategic objectives. Similar to the previous year, Bank Asia PLC has expanded its risk appetite statement to include new areas. The establishment of parameter-specific risk appetite takes into account historical trends, Central Bank benchmarks, international benchmarks, and insights from senior management. This approach ensures a proactive and comprehensive stance in managing risks aligned with the bank's strategic goals.



Risk Culture of Bank Asia PLC

The way we handle risks is a crucial part of how our organization operates. It's rooted in our shared values, behaviors, and practices that guide how we think about risks in our decisions. We've been working on strengthening this risk culture by raising awareness and having strong leadership to carry out our plans. This progress is essential for reaching our target goals. We've outlined key principles that form the basis of our approach to risk culture. We've also set up a framework to assess these principles throughout the entire organization, considering the behaviors we want and the outcomes we expect. The Board of Directors regularly checks the risk profile of the Bank and its subsidiaries, and all senior leaders play a role in making sure we have a strong risk culture. In addition, the Bank ensures that every employee understands their responsibilities when it comes to the risks involved in their daily work. We've put in place a risk management framework that covers governance, with different committees and clear reporting lines to make sure the risk management unit operates independently. Tasks like defining our risk appetite, setting limits, performing risk management functions, planning our capital, creating risk management policies, and using systems to monitor the bank's risk are all part of how we govern risks at the bank.

Key material risks

The material risks facing the Bank per the Banks Risk Management Strategy (RMS), and how these risks are managed, are summarized below.

Risk types	Description	Managing the risk
Capital Adequacy Risk	Capital Adequacy Risk refers to the potential for financial loss when a bank is unable to uphold the necessary capital levels mandated by regulatory bodies and important stakeholders such as shareholders, debt investors, depositors, and rating agencies. This is crucial for supporting the bank's operations and aligning with its risk tolerance.	In handling Capital Adequacy Risk, we adopt a proactive strategy in Capital Management. This strategy aims to safeguard the interests of depositors, creditors, and shareholders through continuous assessment and Board approval of the level and composition of our capital base. This process is aligned with key policy objectives.
Compliance Risk	Compliance Risk pertains to the potential of not acting in accordance with laws, regulations, industry standards, codes, internal policies, procedures, and principles of good governance applicable to the Bank's operations.	<p>We employ several key features to effectively manage Compliance Risk within our Operational Risk and Compliance Framework. These include:</p> <ul style="list-style-type: none"> ● We utilize a Global Obligations Library to centrally manage key obligations. This system enables our change management capability, especially concerning new and revised obligations. ● We place a strong emphasis on identifying changes in regulations and the business environment. This proactive approach allows us to assess emerging compliance risks in advance. ● We stay informed about various circulars issued by Central Bank, such as SMART, Fx, Classification, Sustainable Financing, etc. We consistently updates the senior management team and the Board regarding these circulars. In addition to adapting our strategy, we bridge knowledge gaps, implement regulatory directions, and ensure continuous monitoring as integral parts of our risk management approach.

Risk types	Description	Managing the risk
Credit Risk	<p>Credit Risk is the potential for financial loss arising from the following factors:</p> <ul style="list-style-type: none"> ● Counterparty Obligations: The risk of a counterparty failing to meet its obligations. ● Credit Quality Decline: The risk of financial loss due to a decrease in the credit quality of a counterparty. <p>This risk encompasses the potential challenges associated with our lending activities to both business and retail customers. These challenges may be influenced by changes in laws, regulations, or other policies implemented by governments or regulatory authorities.</p>	<p>Our Credit Risk framework operates in a top-down manner, guided by established credit principles and policies. These credit policies, requirements, and procedures comprehensively address every stage of the credit life cycle. This includes aspects such as initial approval, risk grading, ongoing management, and the handling of problem debt.</p>
Liquidity and Funding Risk	<p>Liquidity and Funding Risk refers to the possibility that the Bank may encounter difficulty in fulfilling its payment obligations promptly. This includes challenges in repaying depositors or maturing wholesale debt, as well as the risk of the Bank lacking the necessary capacity to fund increases in assets.</p>	<p>Essential principles in handling our Liquidity and Funding Risk involve:</p> <ul style="list-style-type: none"> ● Short-term Liquidity Scenario Modeling: We employ scenario modeling that stresses cash flow projections across various survival horizons. This helps ensure the Bank maintains a positive cash flow over these periods. ● Long-term Structural Liquidity Assessment: We have long-term scenarios in place to assess the structural liquidity position of our balance sheet. ● Maintaining Adequate Unencumbered Assets: We hold suitable levels of unencumbered high-quality liquid assets that can be easily sold or pledged. ● Setting Limits for Net Cash Outflow: There are predefined limits to control the maximum net cash outflow within specified short-term horizons. ● Diversification of Funding: We diversify our funding sources by considering different types of depositors, instruments, and terms.
Market Risk	<p>Market Risk arises from our trading and balance sheet activities and represents the risk to the Bank's earnings due to:</p> <ol style="list-style-type: none"> 1. Interest Rates, Foreign Exchange Rates, Credit Spreads, Volatility, and Correlations: Potential financial impact resulting from changes in these factors. 2. Bond, Commodity, or Equity Price Fluctuations: Earnings vulnerability associated with variations in the prices of bonds, commodities, or equities. 	<p>We have established a comprehensive market risk management and control framework to bolster our trading and balance sheet activities. This framework includes an independent risk measurement approach designed to assess the extent of market risk within our trading and balance sheet portfolios. Through this method and associated analyses, we identify potential outcomes within a specified time frame, determine their likelihood, and allocate an adequate amount of capital to support these activities. This ensures a proactive and well-informed approach to managing market risk.</p>
Operational Risk	<p>Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. Unlike other risks faced by the bank, the operational risk is inherent in most of the processes and operations of the bank and cannot be separated from other risks.</p>	<p>We actively manage Compliance and Operational Risk with a primary focus on the well-being of our customers and the community, aligning with regulatory expectations. Our Compliance and Operational Risk Principles establish the foundational requirements at Bank Asia, guiding the development of policies, processes, and procedures for managing Compliance and Operational Risk by ensuring timely and appropriate identification, action, and monitoring.</p> <p>We adopt a risk-based approach to operational risk and obligations, promoting consistency in proactively identifying, assessing, managing, reporting, and escalating operational risk-related exposures. This approach respects the specific obligations in each jurisdiction where the bank operates. The day-to-day management of operational risk lies within the purview of business unit line management and staff.</p>
Strategic risk	<p>Strategic risk pertains to risks that impact or are generated by an organization's business strategy and strategic objectives. Potential losses may arise from the implementation of an unsuccessful business plan. For instance, strategic risk can emerge from making ill-informed strategic business decisions, executing decisions below the required standard, inadequately allocating resources, or responding inadequately to changes in the business environment.</p>	<p>We address and manage strategic risks within our annual strategic planning process, overseen by the Executive Committee and endorsed by the Board. In instances where the chosen strategy might elevate other Key Material Risks (such as Credit Risk, Market Risk, Operational Risk), the risk management strategies associated with these risks become the primary controls. This integrated approach ensures that strategic risks are thoroughly considered and addressed within the broader risk management framework.</p>
Technology Risk	<p>Technology Risk involves the potential for financial loss and/or non-compliance with laws resulting from insufficient or unsuccessful internal processes, personnel, or systems responsible for providing technology assets and services to customers and staff. This risk extends to technology assets and services delivered or managed by third parties, as well as external events. Notably, it encompasses Information Security and Cyber security, emphasizing the need to safeguard information held by the Bank against inappropriate modification, loss, disclosure, and unavailability.</p>	<p>We adopt a strategy to effectively handle Technology Risk by addressing operational risks arising from the use of technology. This includes managing risks related to cyber security and third-party providers. Our approach is designed to secure customer information and maintain service continuity within acceptable levels, thereby safeguarding the integrity and reliability of our technological operations.</p>

RISK MITIGATION METHODOLOGY

The success of banking operation largely depends on choosing the best equation between risk and return. This implies that by nature the banking operation is subject to various risks. However to ensure the sustainability, among all other factors creating value (i.e. return/profit) is a basic requirement for any financial organization. Keeping the uncertainty factor in mind each bank need to adopt a risk management framework that should be effectively enough to manage all material uncertainties to achieve the goal of the organization.

Risk Mitigation Plan

- Risk Appetite
- Internal Credit Rating
- Early Alert System & Overdue Management Routine
- Sectorial Lending Cap
- Risk Based Pricing

- Deferral Management Process and Documentation Review
- Policy/process review
- Operation process review and reengineering
- Capital Rationing
- Internal ICAAP

Risk mitigation approaches

Risk types	Governing documentation	Application to risk appetite limits/ tolerances
Credit risk	Credit policy manual, credit instruction manual, risk appetite	<ul style="list-style-type: none"> • Exposure to a single customer or group of related parties. • Industry concentrations (exposure and risk adjusted concentration limits).
Market risk	Asset liability management policy, Foreign exchange risk management policy and Treasury mid-office operating guideline	Various VaR limits, stress test results, equity and debt investment exposures. <ul style="list-style-type: none"> • Structural interest rate and foreign exchange exposure. • Duration analysis.
Liquidity and funding risk	Asset liability management policy, Fund transfer pricing policy.	Hold appropriate levels of unencumbered high quality liquid assets that can be readily sold or pledged; <ul style="list-style-type: none"> • Limits to control the maximum net cash outflow over specified short-term horizon; and • Diversification of funding by source, type of depositor, instrument, term.
Operational risk	Internal control & compliance policy, fraud & theft risk prevention & management policy, Information Communication Technology ICT security policy, outsourcing policy, AML policy, People management policy	Systematic identification, measurement, mitigation and monitoring of operational risk, <ul style="list-style-type: none"> • Minimization of residual operational risk; and • Expressed quantitatively by an aggregate loss limit
Reputational risk	Customer service & complaints management policy	Low tolerance for reputational, legal, or taxation risk arising from business activities, initiatives, products, services, transactions or processes, or from a lack of suitability of products for clients.
Environmental & social risk	Credit policy manual, Credit instruction manual	Ensuring that projects are developed in a socially responsible manner
Strategic risk	Risk appetite, annual budget, strategic, planning	It links the Bank's risk appetite framework with the enterprise strategy, business line strategies and corporate function strategies.

Risk Management of Bank Asia PLC

The Risk Management Division at Bank Asia PLC plays a crucial role in maintaining the bank's safety and stability by identifying, assessing, and managing risks in a thorough and integrated manner. Collaborating closely with other bank departments, the division ensures that risk management practices are seamlessly incorporated into all operational aspects. Its primary objectives include compliance with regulatory standards, safeguarding financial health, bolstering the bank's reputation, and optimizing operational efficiency.

Serving as the central hub for comprehensive risk management, the division comprises five subunits, with its head concurrently holding the position of Chief Risk Officer (CRO) for the bank. At the management level, there are four committees exclusively dedicated to risk-related

matters, complemented by a risk management committee at the board level. This organizational structure underscores the division's pivotal role in overseeing and enhancing risk management practices throughout the bank.

Structure & Reporting Line

- RMD consists of 05 units
- CRO act as Head of RMD and report to Board RMC
- CRO is member of all risk related committee of the bank
- CRO is the chairman of ERM C
- Managing Director is the Chairman of SRP Team
- At least quarterly risk reporting to Board RMC and Board

Particulars	Particulars
Credit Risk Management and Client Rating Unit	Is primarily responsible for finding out and recommending mitigation for all credit risk related issues of the bank. Major focus of the unit will be to ensure continuous understanding of any kind of changes in risk parameter and review of credit related activities of the bank to measure the performance of existing credit risk management tools. This unit is also responsible for developing internal client rating model and periodic credit related reporting of the bank management and Board Risk Management Committee.
Market Risk Management Unit	Is primarily responsible to identify, assess, manage, report and any risk arising from Asset-Liability mismatch, change in yield curve and/or market volatility (FX or equity investment).
Operational Risk Management Unit	Operational Risk Management Unit is primary responsible to manage any possible operational risk resulting from people, process, system and external forces.
Process Development and Review Unit	Process Development and Review Unit is basically a process reengineering unit. This unit will proactively review various operational processes (regardless of any specific risk) to identify any area of development. Based on such identification the unit will take necessary steps to enrich the process i.e. through policy/process development and eventual implementation, which can not only safeguard bank's asset but also contribute strongly towards profitability
Capital Management Unit	Capital Management Unit is primarily responsible to ensure execution of Pillar –II capital computation. More precisely the unit will develop methodologies/models to accurately calculate additional capital requirement on top of minimum capital requirement.

1. CREDIT RISK

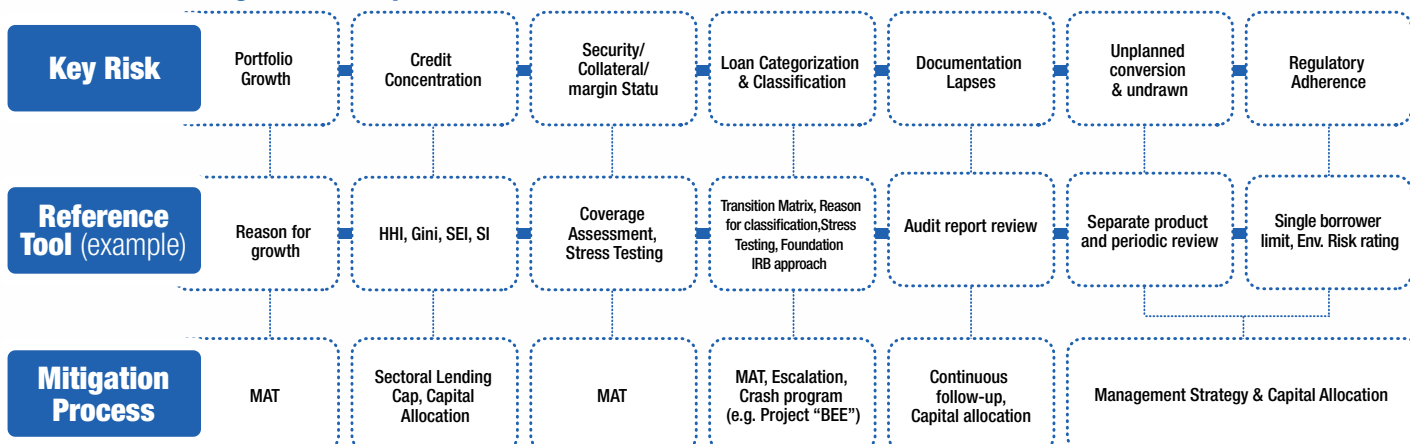
Credit risk is the potential risk that the bank may incur losses as a result of its borrowers or counterparties failing to repay their loans or meet their financial obligations. In other words, it is the risk of default by the borrower or counterparty, which can result in the bank losing the principal amount and interest on the loan. Effective credit risk management is essential for the financial health and stability of a bank. The BA use various techniques to manage credit risk, such as credit analysis, credit scoring models, risk rating systems, top 20 borrower analysis etc.

Approaches of Credit Risk Management

The following approaches are being used for calculating risk-weighted assets (RWA) for banks. These approaches are intended to ensure that banks hold sufficient capital to cover their credit and operational risks.

- 1. Standardized approach:** Bank Asia PLC used the standardized approach for calculating risk-weighted assets (RWA) of credit risk to determine the amount of capital bank must hold in reserve to cover potential credit losses. Under the standardized approach, banks assign a risk weight to each of its assets based on the credit rating of the borrower. The RWA is then used to calculate the minimum amount of capital that the bank must hold in reserve to cover potential credit losses. The higher the RWA, the more capital the bank must hold in reserve.
- 2. Internal ratings-based (IRB) approach:** This approach allows banks to use their own internal models to estimate the credit risk of their borrowers and counterparties. Under the IRB approach, banks assign probability of default (PD), loss given default (LGD), and exposure at default (EAD) to each loan or credit exposure. These inputs are then used to calculate the RWA. Risk Management division of the bank already has develop internal rating model for the implementation of IRB approach.
- 3. Advanced measurement approaches (AMA):** The AMA is an extension of the IRB approach. This approach is a more general framework for calculating RWA that allows banks to use a wide range of models and data inputs to estimate credit risk.

Risk Concerns & Mitigation Plan : Operational Level-Credit Risk



2. MARKET RISK :

Market risk is defined as the risk of losses against expected (fair) value of financial assets, liabilities and off-balance sheet items resulting from absurd market condition (e.g. macro-economic factors). The underlying risk is also considered as non-diversifiable risk, i.e. risk that cannot be avoided. In general market risk is often triggered by other forms of financial risks such as credit and market liquidity risks. For example, a downgraded of the credit standing of an issuer (e.g. share) could lead to a drop in the market value of the securities issued by the issuer. Furthermore, a major sale security by another holder could depress the price of the security.

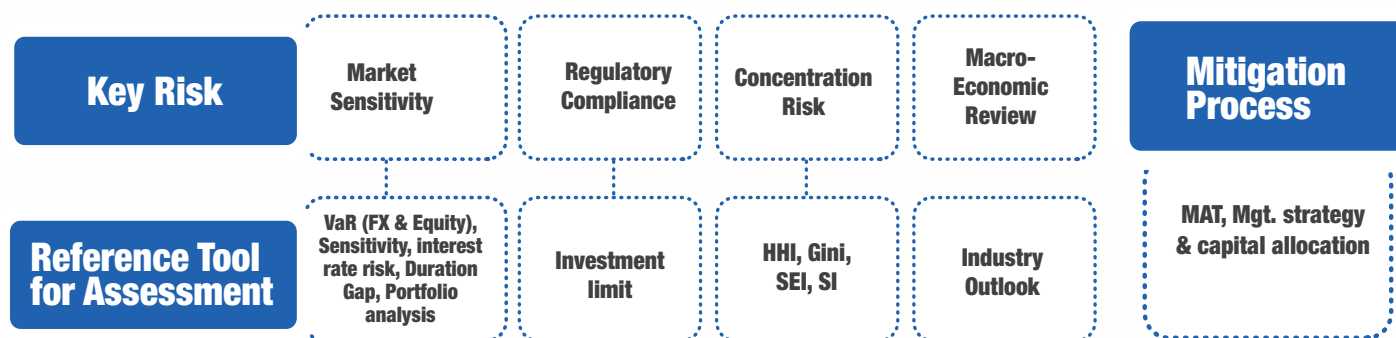
Approaches for Measuring Market Risk

There are several approaches for measuring market risk in banking, including:

1. Standardized approach: The standardized approach applies a set of pre-defined risk factors and sensitivities to determine capital requirements for market risk. The risk factors and sensitivities are based on the asset classes, including equities, interest rates, foreign exchange, and commodities. This approach is simpler and more transparent than the internal models approach, but it may not capture the full extent of market risk faced by banks.

2. Internal models approach: The internal models approach allows banks to use their own models to calculate capital requirements for market risk, subject to approval by regulators. The internal models approach is more risk-sensitive and can better capture the specific market risk exposures of individual banks. However, it requires a high degree of technical sophistication and validation.

Under both approaches, BA calculate daily value-at-risk (VaR) for each trading desk, based on a 99% confidence level and a 10-day holding period.



2.1 Interest Rate Risk arising from mismatches in the interest rate profile of assets, liabilities and capital instruments including basis risk arising from different interest rate benchmarks, interest rate re-pricing risk, yield curve risk and embedded optionality.

2.2 Equity risk is defined as losses due to changes in market price of equity held by the Bank. To measure and identify this risk, marks to market valuations of the equity instruments that are traded in secondary market are made. The minimum capital standard for equities is expressed in terms of two separately calculated charges for the “specific risk” of holding a long or short position in an individual equity and for the “general market risk” of holding a long or short position in the market as a whole.

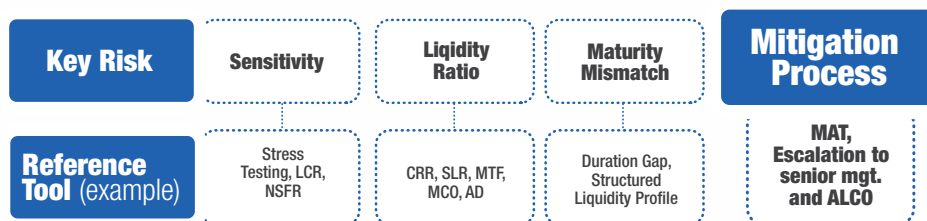
2.3 Foreign exchange risk arising mainly from our strategic investments which are denominated in currencies other than the BDT. Foreign exchange position is managed by treasury division. In the year ended 2023, Total Risk Weighted Assets for Foreign Exchange Risk is Tk. 72.08 million and capital requirement is Tk. 9.01 million.

2.4 Commodity risk is the risk of loss due to changes in spot and forward prices and the volatility of precious and base metals, and energy products. A commodity is defined as a physical product which is or can be traded on a secondary market, e.g. agricultural products, minerals (including oil) and precious metals. The price risk in commodities is often more complex and volatile than that associated with currencies and interest rates. Commodity markets may also be less liquid than those for interest rates and currencies and, as a result, changes in supply and demand can have a more dramatic effect on price and volatility. These market characteristics can make price transparency and the effective hedging of commodities risk more difficult. For spot or physical trading, the directional risk arising from a change in the spot price is the most important risk. However, banks using portfolio strategies involving forward and derivative contracts are exposed to a variety of additional risks, which may well be larger than the risk of a change in spot prices.

3. LIQUIDITY AND FUNDING RISK

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable costs or losses. An institution short on liquidity may have to undertake transactions at a heavy cost, resulting in a loss of earnings, or in the worst case scenario, the liquidity risk could result in bankruptcy.

A banking organization like Bank Asia PLC., where off-balance sheet exposure is significant, has a strong dependency on corporate deposits, or is experiencing step asset (i.e., primarily credit portfolio or investment book) growth, is exposed to a high level of liquidity risk. Liquidity risk should not be seen in isolation because financial risks are not mutually exclusive and liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc.



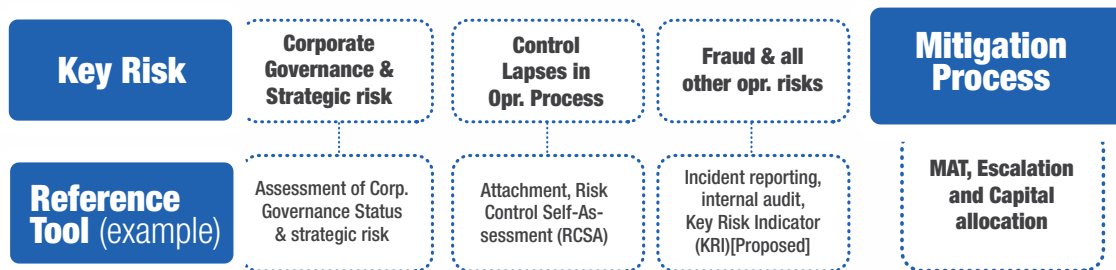
4. OPERATIONAL RISK

Operational risk represent the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. Unlike other risks faced by the bank, the operational risk is inherent in most of the processes and operations of the bank and cannot be separated from other risks. Operational risk in a bank is determined by the bank’s overall environment and culture, employee competence and integrity, management strategies and philosophies, the extent and degree of a process-centric approach to business, etc.

Approaches for Measuring Operational Risk:

The Basel Committee on Banking Supervision (BIS) has developed several approaches for calculating capital requirements for operational risk. These approaches are intended to ensure that banks have sufficient capital to cover potential losses arising from operational failures, such as fraud, misconduct, and system failures. Here are the main approaches for operational risk:

- 1. Basic Indicator Approach (BIA):** The BIA is the simplest approach and it involves calculating the capital charge as a percentage of the bank’s gross income. Under this approach, the bank apply a fixed percentage of gross income to determine the capital requirement for operational risk.
- 2. Standardized Approach (TSA):** The TSA applies a set of fixed risk weights to different business lines based on their perceived level of operational risk. The TSA assigns risk weights to each business line based on the size of the business line’s gross income.
- 3. Advanced Measurement Approach (AMA):** The AMA allows banks to use their own internal models to measure and manage operational risk. Under this approach, banks develop their own models to estimate potential losses from operational failures, based on internal data and external market data.



5. REPUTATION RISK

Reputation risk is the current or prospective risk to earnings and capital that arise from decline in the customer base, costly litigation due to adverse perception of the stakeholders. It originate from the lack of compliance with industry service standards or regulation, failure to meet commitments, inefficient and poor quality customer service, lack of fair market practices, unreasonably high costs and inappropriate business conduct. In a nutshell, “reputation risk arises from the failure to meet stakeholders’ reasonable expectation of bank’s performance and behavior”. Reputation risk is a subset of operational risk which can adversely affect the capital base if the driving forces of the risk turn worse. Banks assess reputational risk in ICAAP document under Pillar-2 by considering following key indicators:

- Credit Rating conducted by ECAs
- Internal fraud
- External fraud
- Non-payment or delayed payment of accepted bills (foreign & domestic)
- Quality of customer service.

Assessing above key indicators for all aspects bank maintains additional capital for that/those risk/risks.

6. ENVIRONMENTAL AND CLIMATE CHANGE RISK

Environmental and climate change risk refers to the uncertainty or probability of losses that originates from any adverse environmental or climate change events (natural or manmade) and/or the non- compliance of the prevailing national environmental regulations. This is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. Environmental and climate change risk can hamper the business stability of the borrowers in respect of both- i) profitability and ii) reputation. Consequentially, the extent of risk for the banks will be higher.

7. STRATEGIC RISK

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, non-adaptability/ less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequently hampers the capital base.

In this context, strategic risk possesses a significant space in the ICAAP of the banks, following aspects is considered:

- CAMELS rating – optimum level up to 2 (satisfactory)
- Operating expenses as % of operating income- optimum level up to 45%
- Classified loans as % of total outstanding loans- optimum level up to 5%
- Classified loan recovery as % of total classified loans- optimum level minimum 20%
- Written-off loans as % of total classified loans- optimum level up to 15%
- Interest waiver as % of total classified loans-optimum level up to 5%.

8. INTERNAL CONTROL & COMPLIANCE RISK

Internal control is the process, affected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies.

Bank's senior management is responsible for establishing a compliance policy that contains the basic principles to be approved by the board and explains the main processes by which compliance risks are to be identified and managed through all levels of the organization.

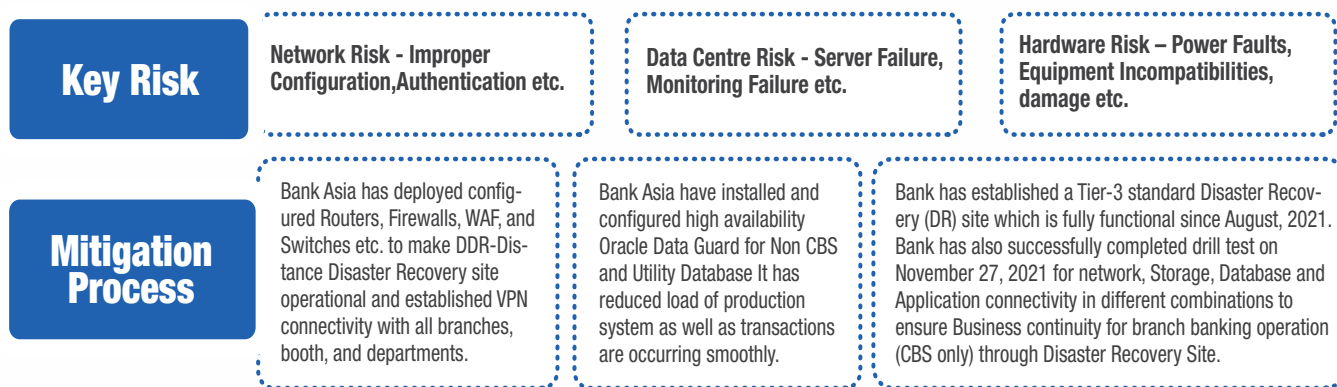
The board and management are accountable for the bank's compliance, the compliance function has an important role in supporting corporate values, policies and processes that help ensure that the bank acts responsibly and fulfils all applicable obligations.

9. MONEY LAUNDERING RISK

Money Laundering Risk can be defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. The bank has a designated chief compliance officer at Head Office and Compliance officers at branches who independently review the transactions of the accounts to verify suspicious transactions.

The convergence of several remarkable changes in the world markets propelled Money Laundering to become a worldwide problem. Bank Asia considers Money Laundering and Terrorist Financing Risk not only a compliance requirement of the regulatory bodies but also as one of its core business values. Bank Asia PLC included various activities with the existing to mitigate Money Laundering, Terrorist Financing and Proliferation Financing. For more information on how we manage our Money Laundering Risk, refer to Directors Report on pages 101.

10. INFORMATION TECHNOLOGY (IT) RISK



IT risk refer to Financial loss, disruption or reputational damage caused by failure of people, processes or technology that's leading to cyber-attack on critical systems and/ or unavailability of critical technology components.

Core Risk Assessment Procedure

The Central Bank has put in place six separate core risk guidelines (such as for credit, foreign exchange, asset liability management, internal control and compliance, information and communication technology, and anti-money laundering) to make sure that banks are good at managing risk as a whole. Bangladesh Bank does a core risk audit every year and gives core risk ratings for each area. The rating is also used as one of the parameters used to determine the CAMELS rating of the bank, and side by side, this rating is also used to determine the additional capital requirement under the BASEL regime. As per the direction of the central bank, BA has formulated a management-level committee for core risk management, and as per the guidelines, the risk management division of the bank has conducted core risk assessments on a yearly basis for internal rating, which is required to submit the central bank to ICAAP.

DISCLOSURE OF RISK REPORTING

Risk management report addresses the disclosure requirements of Basel III pillar 3, and materials risk that effect bank's earning, capital and shareholders' value and management action plan against that risks set out by Bangladesh Bank. Banks prepared its statement regarding capital adequacy statement in line with pillar I of Basel III on quarterly basis and submitted to Bangladesh Bank by following month both in solo basis and consolidated basis. Solo basis included Bank's conventional banking, Islamic banking and Off- shore banking. Consolidated basis included Bank and its three subsidiary companies i.e. Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc.

Risk Monitoring & Reporting

Risk Report: The monthly basis risk report focuses on risk aspects which requires immediate focus. The report is the core discussion point of various risk committees i.e. ERM, BRMC etc

Reports to Board/Board RMC: Meeting of Board RMC takes places on monthly basis and based on requirement of the committee various memos/process/policies are submitted mostly covering risk issues.

Comprehensive Risk Management Report (CRMR): The half-yearly paper covers 100+ parameters (specified by BB).

ICAAP: The yearly basis BBank report covers risk areas like documentation lapses, concentration, liquidity, reputation, environmental, settlement, core risk etc. Further to that the bank has developed it's own ICAAP which will be adopted during 2017 and expected to be executed on half-yearly basis.

Minimum Capital Requirement (MCR) Calculation

The Minimum Capital Requirement (MCR) is a process mandated by Basel to determine the necessary capital for a bank, considering credit, market, and operational risks. The Central Bank requires regular assessments, conducted quarterly. The Risk Management Division of the bank plays a crucial role in this process, analyzing trends, building predictive models for the overall MCR, and offering recommendations for improvement. The bank utilizes its own automated web-based system, developed by the Risk Management Division (RMD), to calculate MCR on a quarterly basis. This system factors in various parameters, such as branch-specific lending and the nature of lending (funded and non-funded), to determine the capital required for each 100 Taka of lending.

It's worth noting that by the end of 2023, the bank successfully maintained a Capital Adequacy Ratio (CAR) of 16.45%, indicating a robust financial position and compliance with regulatory requirements. This accomplishment underscores the effectiveness of the MCR calculation and risk management practices implemented by the bank's Risk Management Division.

Value at Risk (VaR)

Value at Risk (VaR) is a statistical metric used to assess the potential loss of an investment portfolio within a specific time frame and confidence level. It is commonly employed by financial institutions, including banks, as a risk management tool. VaR quantifies the maximum anticipated loss that an investment portfolio may experience with a specified probability over a defined period.

The Risk Management Division (RMD) of the bank has proactively developed a VaR model for both foreign exchange (Fex) and equity. The RMD consistently monitors the VaR of Fex and regularly presents reports to the Asset and Liability Committee (ALCO) through ALCO papers. This ongoing monitoring and reporting process help the bank stay informed about potential risks associated with its investment portfolios, facilitating informed decision-making within the ALCO.

Stress Testing

Stress testing is a vital risk management tool employed by the bank to evaluate the potential impact of adverse market conditions on its portfolio. The primary objective is to identify vulnerabilities in the bank's portfolio and ascertain the necessary capital reserves to withstand unfavorable market conditions. Following the guidelines of Bangladesh Bank, the Risk Management Division (RMD) conducts stress testing on a quarterly basis and presents the results to the Risk Management Committee of the Board.

Through sensitivity analysis in stress testing, the bank assesses potential impacts on its Capital Adequacy Ratio (CRAR) resulting from abrupt changes in business or market conditions. These conditions may include downgrades of performing loans, an increase in Non-Performing Loans (NPL) due to defaults by major borrowers, interest rate fluctuations, foreign exchange risk, equity shocks, among others.

As of 2023, the bank has demonstrated its ability to maintain a post-shock CRAR of at least 10% even under minor shock magnitudes. This indicates the bank's resilience and preparedness to withstand adverse market scenarios, ensuring the continued soundness of its capital position.

Individual Shocks	CRAR after Minor Shock (%)	
	Dec 22	Dec 23
Performing loan directly downgraded to B/L :Sectoral Concentration 1	18.90	16.80
Performing loan directly downgraded to B/L :Sectoral Concentration 2	18.89	16.84
Increase in NPLs due to default of Top large loan borrowers	16.49	14.21
Negative Shift in NPLs categories	18.88	16.70
Decrease in the FSV of the Collateral	18.92	16.78
Increase in NPLs	17.27	14.90
Interest Rate	17.59	16.09
FEX : Currency Appreciation	19.09	17.02
Equity Shock	18.85	16.76
Combined Shock	15.11	13.10

Gap Analysis

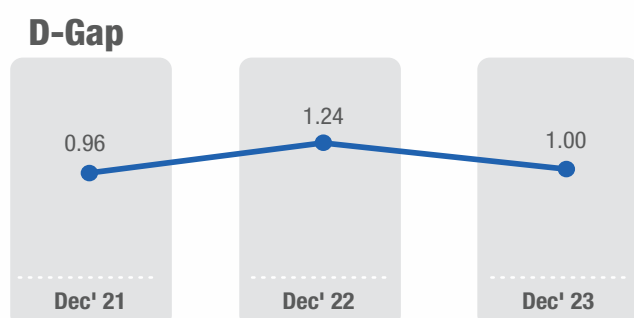
Gap analysis serves as a method for evaluating the potential impact of interest rate changes on a bank's balance sheet. The primary goal is to identify both the magnitude and direction of a bank's interest rate sensitivity, providing a quantitative assessment of the potential effects on the bank's earnings and capital. Bank Asia (BA) employs gap analysis to assess interest rate sensitivity, specifically focusing on repricing mismatches in the bank's non-trading operations.

In this analysis, Bank Asia categorizes interest rate-sensitive assets, liabilities, and off-balance sheet instruments based on their expected repricing dates, assigning them to defined time periods. This allows the bank to anticipate and quantify potential risks associated with changes in interest rates, ensuring a proactive approach to managing the impact on earnings and capital. Gap analysis is a valuable tool for banks to navigate interest rate fluctuations and make informed decisions to optimize their financial positions.

Duration GAP

Duration gap is a measure of the sensitivity of a bank's assets and liabilities to changes in interest rates. It represents the difference between the weighted average maturity of a bank's assets and liabilities. On a quarterly basis RMD performs stress testing with analysis of duration, gap, and sensitivity. The duration gap analysis helps to assess the impact of adverse interest rate movements on a bank's earnings and economic value. Through the year 2023, Bank Asia PLC was able to maintain its capital adequacy after minor shocks in all events.

Trend of Duration Gap



Supervisory Review Process under Basel accord

The second part of Basel III, called the Supervisory Review Process (SRP), is a way to figure out how much more capital a bank needs based on its risk profile and how well it manages risks. Under the Risk-Based Supervision Framework, the second pillar of Basel III is an important part of making sure that a bank has enough capital. The Internal Capital Adequacy Assessment Process (ICAAP) is the method used to decide if a company needs more capital. It is mentionable that ICAAP is a process that takes into account all those risk areas that are not reasonably addressed under Pillar I of Basel III while evaluating credit, market, and operational risks, as well as all those risk factors that are not covered under Pillar I. Bank Asia PLC has assessed the additional capital requirement on a yearly basis based on central bank guidelines, and the whole ICAAP process has been reviewed by the SRP team of the bank and approved by the Board of Directors..

Bank Asia's Risk Profile

SI	Risk Category	2023		2022	
		Tk. in million	Percentage	Tk. in million	Percentage
A	Credit Risk	212,689	86.04%	231,814	88.09%
i	On- Balance sheet	171,986	69.58%	176,962	67.25%
ii	Off- Balance sheet	40,703	16.47%	54,852	20.84%
B	Market Risk	7,412	3.00%	7,030	2.67%
i	Interest Rate Risk	5,733	2.32%	1,318	0.50%
ii	Equity Position Risk	1,607	0.65%	1,811	0.69%
iii	Foreign exchange	72	0.03%	3901	1.48%
C	Operational Risk	27,085	10.96%	24,309	9.24%
		247,186	100.00%	263,153	100.00%

Concentration Risk

Concentration risk arises for invest most or all of the assets to single or few individuals or entities or sectors or instruments. It indicates bank's failure to diversify its loan and investment portfolios, concentration risk emerges. Downturn in concentrated activities and/ or areas may cause huge losses to a bank relative to its capital and can threaten the bank's health or ability to maintain its core operations.

Bank assesses concentration risk in ICAAP document under Pillar-2 in following two ways:

i. Credit Concentration Risk: When the credit portfolio of a bank is concentrated within a few individuals or entities or sectors, credit concentration risk arises. Following individual concentration is considered for credit concentration risk:

- Sector wise exposure
- Division wise exposure (geographic concentration)
- Group wise exposure
- Single borrower wise exposure
- Top borrower wise exposure.

Sector wise concentration

Sector	2023		2022	
	Tk. in million	Percentage	Tk. in million	Percentage
Chief Executive and other senior executives	170	0.06%	187	0.07%
Agriculture	8,685	2.98%	7,409	2.67%
Industry	145,598	49.98%	138,476	49.83%
Constructions	6,283	2.16%	8,404	3.02%
Power, Gas, Water and Sanitary Services	17,912	6.15%	13,915	5.01%
Transport, Storage and Communication	4,877	1.67%	2,533	0.91%
Trade Services	51,512	17.68%	51,879	18.67%
Housing Services	19,587	6.72%	18,449	6.64%
Banking and Insurance	7,057	2.42%	4,857	1.75%
Professional and Misc. services	29,644	10.18%	31,761	11.43%
Total	291,325	100.00%	277,870	100.00%

Geographical concentration

Division	2023		2022	
	Tk. in million	Percentage	Tk. in million	Percentage
Dhaka Division	242,837	83.36%	228,942	82.39%
Chattagram Division	31,327	10.75%	32,305	11.63%
Khulna Division	4,436	1.52%	4,374	1.57%
Rajshahi Division	5,611	1.93%	5,567	2.00%
Barisal Division	1,109	0.38%	1,181	0.43%
Sylhet Division	3,086	1.06%	3,044	1.10%
Rangpur Division	2,303	0.79%	1,912	0.69%
Mymensingh Division	616	0.21%	545	0.20%
Total	291,325	100.00%	277,870	100.00%

Top borrower wise exposure

Sl. No.	Division	Name of clients	Outstanding (Taka) 2023			Outstanding (Taka) 2022		
			Funded	Non Funded	Total	Funded	Non Funded	Total
1		Doreen Power Group	3,199	3,566	6,765	-	-	-
2		ACI Group	4,806	1,041	5,847	-	-	-
3		Summit Group	2,207	3,380	5,587	-	-	-
4		BSRM	3,438	4,385	7,823	-	-	-
5		Bashundhara Group	4,890	3,623	8,513	4,426	509	4,935
6		CITY Group	5,566	2,779	8,345	4,561	1,275	5,836
7		Pran Group	3,863	3,779	7,642	3,418	3,674	7,092
8		Echotex Group	7,148	77	7,225	6,793	87	6,880
9		MAX Group	6,040	1,991	8,030	4,424	3,437	7,861
10		Akij GROUP	4,306	4,553	8,858	4,937	3,541	8,478
11		X-Index Group	1,565	4,424	5,989	1,024	4,579	5,602
12		Abul Khair	3,012	2,110	5,122	3,121	3,179	6,300
13		Meghna Group	-	-	-	5,267	1,885	7,152
		Total	50,040	35,706	85,746	37,972	22,165	60,136

ii. Market Concentration Risk: When the investment portfolio of a bank is concentrated within a few instruments or any instrument of few companies or any instrument of few sectors, market concentration risk arises. Following individual concentration is considered for market concentration risk:

- Instrument (financial securities) wise investment
- Sector wise investment in listed instruments
- Currency wise investment of foreign exchange portfolio.

Assessing concentration of above indicator for all aspects bank maintains additional capital for that/those risk/risks

1. Market Discipline

In line with Pillar III of Basel III, Bank prepared market discipline statements on yearly basis and submitted to Bangladesh Bank accordingly. Bank also disclosed market discipline in separate Annual Integrated report ([page no. 172](#)) and bank's websites

2. Risk Management Paper

Risk Management Report for different risk related issues are prepared and presented to top management and submitted to Bangladesh Bank. On the basis of said paper, awareness was created regarding different risks.

3. Capital Management of Bank

Bank's capital management framework serves to ensure that the bank (both in solo basis and consolidated basis) are able to maintain adequate capital level. The bank capital management objectives are to:

- Maintain sufficient capital resources to meet minimum regulatory capital requirements set by Bangladesh Bank in accordance with Basel III requirements
- Maintain sufficient capital resources to support the bank's risk appetite
- Cover unexpected loss of the bank and support the bank's credit rating
- Ensure the bank holds capital in excess of minimum requirements in order to achieve the target capital adequacy ratios set by management and approved by the board, to maintain minimum adequacy in stress situation.

Raising Tier II capital

Bank Asia is always keen to maintain sufficient capital base against doing business to support healthy growth of business and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap. Bank's CRAR (Capital to Risk weighted Asset Ratio) reached to 17.03% as on December 31, 2023 against required 12.50% including capital buffer of 2.50%.

7 Years Floating Rate Non-Convertible Subordinated Bond3 and Bond4 of each Tk. 5,000 million

To support healthy business growth and ensure compliance with the Basel III capital accord in line with Bangladesh Bank roadmap Bank Asia has completed all formalities further issuance of two Subordinated Bonds each of Tk. 5,000 million as Tier-2 capital. In this regard, Bank has already completed further issuance of two Subordinated Bonds each of Tk. 5,000 million as Tier-2 Capital in April 2017 and November, 2019.

Bank Asia 1st Perpetual Bond of Tk. 5,000 million

To bring the good business growth, Bank Asia has also taken decision for issuing perpetual bond of Tk. 5,000 million out of which Tk. 4,500 million under private placement and Tk. 500 million under public offer. In this regard, Bank Asia has raised fund of Tk.3,340 million under private placement and Tk.340.20 million under public offer totaling Tk.3,680.20 million.

4. Capital planning

Bank's capital planning is a dynamic, ongoing and forward-looking mechanism to incorporate changes in a banks strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy.

Capital planning assists the banks Board of Directors and senior management to:

- identify risks, improve banks understanding of overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
- identify vulnerabilities i.e. concentrations and assess their impact on capital,
- integrate business strategy, risk management, capital and liquidity planning decisions, have a forward-looking assessment of the bank's capital needs, including capital needs that may arise from rapid changes in the economic and financial environment.

Capital planning considers both short- term and long-term capital needs and is coordinated with a bank's overall strategy and planning cycles, usually with a forecast horizon of five years. Bank capital planning include following components:

- Identifying and evaluating risks
- Setting and assessing capital adequacy goals that relate to risk
- Maintaining a strategy to ensure capital adequacy and contingency planning
- Ensuring integrity in the internal capital planning process and capital adequacy assessments.

Key developments in 2023

In 2023, we proactively addressed risks linked to macroeconomic uncertainties, along with other significant risks detailed in this section. The following are the major initiatives to mitigate risks without obstructing growth prospects:

Diagnosis on Risk Management and Credit underwriting with International Finance Corporation (IFC)

Bank Asia PLC partnered with the International Finance Corporation (IFC) to enhance its risk management and credit underwriting. The collaboration aims to improve operational efficiency, strengthen risk management capabilities, and enhance overall customer service. The IFC is assisting in areas such as risk management assessment and credit and operations assessment. Several tasks, including the development of the Risk Appetite Statement framework and completion of a Risk Control Self-Assessment pilot project, have already been accomplished through this collaboration. The comprehensive support from the IFC is expected to bolster Bank Asia's risk management framework and operational processes.

Risk Appetite

Risk appetite refers to the extent and type of risk a company is willing to embrace, maintain, or assume. This inclination should align with business objectives and responsibilities to stakeholders. Similar to the previous year, the Risk Management Division of the bank has devised and established the risk appetite for the years 2023 and 2024, considering factors such as macroeconomic conditions, industry outlook, internal budget, historical trends, central bank benchmarks, international benchmarks, and the insights of senior management.

Bank Asia's risk appetite framework encompasses a risk appetite statement, identified risk areas, risk capacity, risk tolerance (an acceptable range of variation around risk appetite), and the current year's target aligned with strategic planning. The risk appetite statement, along with key monitoring mechanisms, ensures that the bank operates within appropriate risk boundaries.

Recovery Plan

A recovery plan is a detailed document outlining strategies and actions to be implemented in the face of significant financial distress or the potential failure of a bank.

The Risk Management Division of the bank has developed a comprehensive recovery plan in compliance with Bangladesh Bank guidelines, receiving approval from the board of directors. The primary aim of this plan is to ensure the bank can swiftly and effectively address financial stress, enabling a quick recovery in the face of potential failure or serious financial challenges. The bank's recovery plan stress model considers five possible stress scenarios, including withdrawal of deposits, asset quality downgrade, earnings shock, interest rate shock, and equity and investment shock. This proactive approach helps the bank anticipate and manage potential challenges, safeguarding its financial stability.

Counterparty Limit

The counterparty limit is the highest amount of exposure a bank is willing to accept from a single counterparty. Bank Asia PLC's Integrated Treasury is engaged in both money market and foreign exchange activities, involving borrowing, lending, and fund placements in local and foreign currencies. Establishing counterparty limits in both local and foreign currencies is crucial for commercial banks to manage and reduce risk.

Counterparty limits play a significant role in restricting risk exposure to specific counterparts. Bank Asia PLC regularly reviews these limits in accordance with its policies. The latest counterparty limit was set and approved during the 487th meeting of the Board of Directors on December 27, 2022.

Key points regarding the counterparty limit at Bank Asia PLC include:

1. The maximum limit is 15% of the regulatory capital of Bank Asia or 15% of the concerned bank's regulatory capital, whichever is lower.
2. There is no counterparty limit for counterparts with a CRG score of "substandard," "doubtful," or "bad and loss."

The Treasury Mid Office, with the recommendation of the Executive Risk Management Committee (ERMC) and the board, calculated the counterparty limit as per policy. It's important to note that an updated counterparty limit has been prepared and is awaiting board approval. This proactive approach helps the bank manage and mitigate potential risks associated with its counterparty exposures.

CONCLUSION

Bank Asia continuously followed international standard regarding managing risk as specified by Bank for International Settlement (BIS) in its core principles of effective banking supervision specially following along with others:

Principle 15 – Risk management process

Principle 16 – Capital adequacy

Principle 17 – Credit risk

Principle 18 – Problem assets, provisions and reserves

Principle 19 – Concentration risk and large exposure limits

Principle 20 – Transactions with related parties

Principle 21 – Country and transfer risks

Principle 22 – Market risks

Principle 23 – Interest rate risk in the banking book

Principle 24 – Liquidity risk

Principle 25 – Operational risk

The global economy continues to be volatile and under stress, and our continued commitment to sound risk management has proved to be effective as reflected in our strong capital and liquidity position. We recognize that maintaining and continually enhancing our risk management capabilities will be critical in the months ahead to ensure that the bank's financial and strategic objectives are achieved within approved levels of risk appetite.

সঞ্চয়ে গড়ি সমৃদ্ধ আগাধি

ব্যাংক এশিয়া
স্কুল ব্যাংকিং

মাত্র ১০০ টাকায়
অ্যাকাউন্ট খোলার সুবিধা



- আকর্ষণীয় মুনাফার অনুপাত/হার
- ফ্রি অ্যাকাউন্ট মেইনটেইনেন্স
- ফ্রি ডেবিট কার্ড (প্রযোজ্য ক্ষেত্রে)
- অভিভাবকের জন্য চার্জ ফ্রি লিংক অ্যাকাউন্ট
- পরীক্ষায় ভালো রেজাল্টে পুরস্কারের ব্যবস্থা
- উপার্জনকারী অভিভাবকের মৃত্যুতে মেধাবী অ্যাকাউন্টহোল্ডারের শিক্ষার জন্য আর্থিক সহায়তা
- অনলাইনে ব্যাংকের যেকোনো শাখা থেকে টাকা জমা করার সুবিধা

田 ব্যাংক এশিয়া

Statement on Non-Performing Loan (NPL) Management

Maintenance of quality assets is one of our core business. In this regard, SAMD at Bank Asia works in close collaboration with the divisions and branches to achieve the best results and outputs. There are two main reasons why financial loans default: either willful misconduct on behalf of the borrower or actual customer factors such as business collapse, death, natural disasters, pandemics, etc. The SAMD of Bank Asia is aggressive and relentless in its pursuit of willful defaulters and deliberate malfeasants, but it is sensitive and responsive in addressing legitimate challenges as well. SAMD brings delinquent accounts to the negotiation table, enhancing the possibilities of settlement. As the Bank manages and deals with public fund, it cannot wait for an unlimited period of time. In such a scenario, if the Bank's earnest negotiation efforts fail to produce a favorable outcome, the Bank has no alternative but to liquidate the mortgaged properties to repay the loan. Through the liquidation of collateral, SAMD has strived to resolve long-pending accounts in the last three years. As part of its NPL management role, SAMD plays a pivotal role in releasing classified/written-off funds to the bank, as well as releasing interest suspense and unpaid interest. SAMD's persistent efforts over the years have enabled the bank to significantly lower its NPL ratio while also ensuring that any recoveries from classified or written-off accounts considerably enhance the bank's profits.

Strategies for NPL Management & Recovery process

- Robust NPL supervision, follow-up, and monitoring, ensuring rescheduled and restructured loan accounts by applying on-site and off-site basis. In every NPL prone branch, a recovery unit must be formed and a weekly feedback to be taken by SAMD.
- Proper monitoring, follow up and supervision in pre-classification stage should be ensured by C&LL, EFD, ME, CMSE, CRM and other concerned departments.

- Human resources in SAMD should be allocated properly and optimum utilization should be ensured.
- Appropriate legal action to be initiated.
- Achievement of loan recovery Budget by the concerned Business Units as set by the Board.
- An emphasis is placed on the Legal Team and the involvement of a law firm with strong/expert credentials.

In addition recovery strategies are formulated based on analysis carried out by the following nine zones/units of the Division:

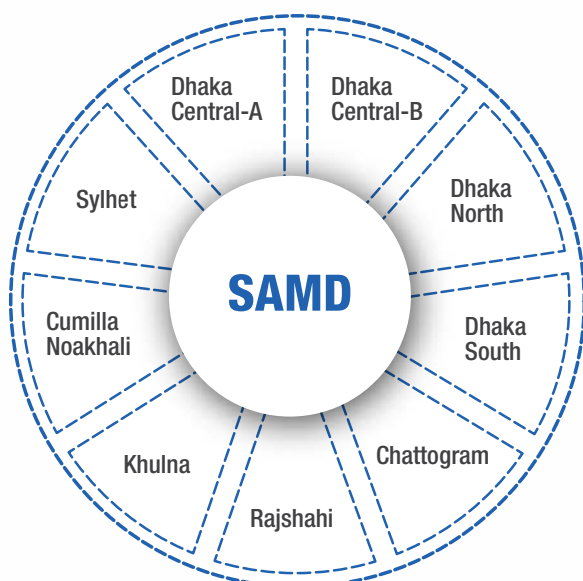
Benefits for creating these 9 zones:

- Focused approach
- Wider area coverage (all NPL Branches)
- Accountability of staff performance (KPI)
- Crossed training development & empowerment of SAMD team members
- Created collaboration among the SAMD staff
- Strong Branch connectivity and subsequent follow-ups
- Systematic distribution of NPLs based on volume, gravity & availability of talents/resources with SAMD

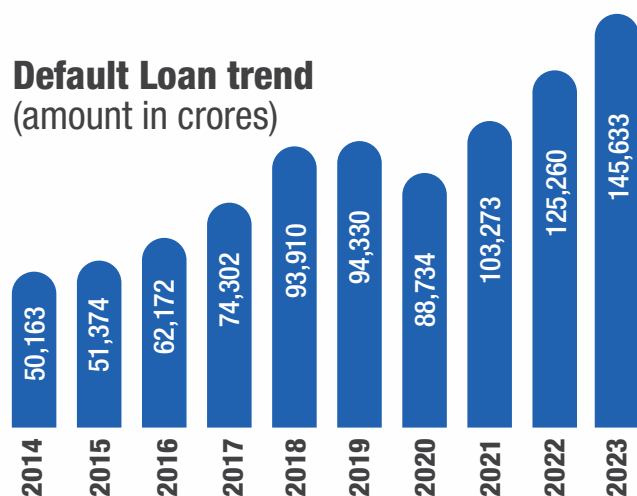
All the zones/units are working on different area applying standard recovery process towards achievement of their set goals. They are also keeping good contribution in the profitability of the Bank through recovery of NPL vis a vis release of Interest Suspense kept suspended against NPL accounts.

NPL Status of Banking Industry of the country

The amount of classified loans in the country increased to Tk. 1,456.33 billion in December 2023 from Tk. 1,206.57 billion in December 2022.



Default Loan trend (amount in crores)



NPL & Recovery Status of Bank Asia

The Bank ended the year (2023) with Non-performing loan (NPL) of Tk. 19,510.36 million which is 6.70% of the total loans & advances. We have now Tk. 2,199.54 million under stay order at the end of 2023.

- At the end of 2023, the Bank's total write off loans was Tk. 21,984.89 million against 306 accounts. The closing balance has increased due to addition of Tk. 4,779.59 million as newly write off loans. Mentionable that an amount of Tk. 326.05 million has been recovered from written-off accounts during 2023 and write-off outstanding was Tk. 20,123.81 million.
- During the year 2023, 87.80% of rescheduled loans remained unclassified (UC) i.e. cash recovery and installment payments of major rescheduled/restructured borrowers were regular. It may also be noted that the remaining 12.20% of rescheduled loans that were downgraded to classified status constitutes 30.60% of total classified loans. Management has already increased recovery initiatives from those defaulted loans.

Country vs Bank Asia

Amount in billion

Classified Loans	Bank Asia		Country	
	2023	2022	2023	2022
CL Amount	19.51	13.52	1,456	14
CL Ratio (in %)	6.70%	4.87%	9%	4.87%

NPL BY BANKS TYPE (June 2022)

Amount in billion

Types of Banks	Total CL	Required Provision	Provision Maintained	EXCESS(+)/SHORTFALL(-)	Provision maintenance ratio(%)
SCBs	744.5	332.22	225.34	-106.88	67.82%
SBs	47.5	23.93	24.46	0.53	102.21%
PCBs	736.4	629.23	516.67	-112.56	82.09%
FCBs	32	24.91	29.28	4.37	117.54%
TOTAL	1,560.4	1,010.29	795.75	-214.54	

In the year 2024, our strategic planning will be as follows:



We are optimistic that by deploying our above mentioned strategies, we will be able to keep the classified loan of the bank within 4.50% at the end of the year 2024.

Being one of the most compliant banks in the industry, Bank Asia is putting all out efforts to recover money from defaulted clients and stop fresh inclusion of CL. For success in that front, management is further streamlining its credit appraisal process, adopt negotiability, proper and timely legal actions and subsequent monitoring and follow up drives with its employees.



Basel III Pillar 3

Market Disclosure

**Minimum
Capital**

**Supervisory
Review**

**Market
Discipline**

Basel III Pillar 3 Market Disclosure

Annual Disclosure for the year ended December 31, 2023

The public disclosure of prudential information is an important component of Basel Committee on Banking Supervision's framework of capital measurement and capital adequacy, known as Basel III. Bangladesh Bank has specified the standard of disclosure through Guidelines on Risk Based Capital Adequacy (December 2010) which revised in Basel III Guideline on December 2014 with effect from January 2015. The standard aims to enhance the transparency in Bangladeshi financial market by setting minimum requirement for the disclosure of information on the risk management practice and capital adequacy.

In line with the Bangladesh Bank BRPD Circular no. 35 of December 29, 2010 as to Guidelines on 'Risk Based Capital Adequacy for Banks' and subsequent BRPD Circular 18 dated December 21, 2014 on 'Guideline on Risk Based Capital Adequacy', following detailed qualitative and quantitative disclosures are provided in accordance with the central bank directions covering scope of capital adequacy framework, capital of the bank, risk exposure and assessment methodology, risk mitigation strategies and capital adequacy of the bank.

To cope up with the international best practices and to make the bank's risk absorbent capital 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel II) was introduced from January 01, 2009 as a parallel run with BRPD Circular No. 10, dated November 25, 2002 (Basel I). At the end of parallel run, Basel II regime started from January 01, 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that, Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel III) vide its BRPD Circular 18 dated December 21, 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance.

Basel III Pillar 3 Market Disclosure

1. SCOPE OF APPLICATION:

Qualitative Disclosures

- a) The name of top corporate entity in the group to which this guidelines applies

Bank Asia PLC.

The consolidated financial statements of the Bank include the financial statements of i) Bank Asia PLC. ii) Bank Asia Securities Limited iii) BA Exchange Company (UK) Limited. and iv) BA Express USA Inc.

Bank Asia holds 99.99%, 100% and 100% shares of Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. respectively.

The bank has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to the bank.

A brief description of these institutions are given below:

Bank Asia PLC.

Bank Asia PLC. ("the Bank") is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994, governed by the Banking Companies Act 1991. The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange PLC. Chittagong Stock Exchange PLC. At present the Bank has 135 branches (131 branches, 4 SME/Agri branches and 4 SME service centers). Moreover, it has 15 sub-branches and 217 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in USA. The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

- b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group:

- (i) that are fully consolidated
- (ii) that are given a deduction treatment; and
- (iii) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted)

Bank Asia Securities Limited

Bank Asia Securities Limited, a majority owned subsidiary company of Bank Asia PLC. was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2nd Floor), 2 Dilkusha Commercial Area, Dhaka 1000 which has commenced its business on the 17 April 2011.

BA Exchange Company (UK) Limited

BA Exchange Company (UK) Limited was incorporated as a private limited company under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07314397 as a fully owned subsidiary company of Bank Asia PLC., BA Exchange Company (UK) Limited launched its operation in London on 16 May 2011. BA Exchange Company (UK) Limited attaches a fresh width to the Bank's remittance operation and expands its global presence for remittance services. Bank Asia stretched its business in United Kingdom through its wholly owned subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

BA Express USA Inc.

BA Express USA Inc. is fully owned subsidiary company of Bank Asia PLC. incorporated in New York State Department of Financial Services (NYSDFS) in USA. The company obtained license to receive money for transmission within USA and abroad and to transmit same, pursuant to the provision of Article 13-B of the USA Banking Law, subject to all rules and regulations made by the Superintendent of Financial Services of New York relating to such business, effective November 22, 2013. The company has started its commercial operation from June 01, 2014.

- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group

The rules and regulations of BRPD of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for the customers are equally applicable for the Bank in financing its own subsidiaries. Bank is following latest Bangladesh Bank circular in determining maximum amount of finance to the subsidiaries of the Bank

Quantitative Disclosures

- d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not applicable for the bank

2. CAPITAL STRUCTURE

Qualitative Disclosures

The composition of regulatory capital is different than accounting capital. In line with Basel regime the structure of regulatory capital consists of Tier 1, Tier 2 & Tier 3. However the capital structure of Bank Asia PLC. consists of only Tier 1, Tier 2 capital and Additional Tier-1 Capital.

Tier 1: The components of Tier 1 Capital are given below:

- Common Equity Tier-1
- Additional Tier- 1

Common Equity Tier-1: Common equity tier -1 consists of

- Paid Up Capital,
- Statutory reserve,
- General reserve
- Retained earnings,
- Minority Interest.

Additional Tier- 1:

- Non-cumulative irredeemable preference share
- Instruments issued by banks that meet the qualifying criteria for AT1 (the instrument is perpetual, i.e. no maturity date)

Minority interest (AT1 issued by consolidated subsidiaries to third parties)

Tier 2: Tier 2 capital consists of the following items:

Subordinated debts and general provision.

Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2.

Quantitative Disclosures

Million Taka

SI	Particulars	Solo	Consolidated
a)	Tier-I (Core Capital)		
a.1	Paid up capital	11,659	11,659
a.2	Statutory reserve	11,750	11,750
a.3	General reserve	8	8
a.4	Retained earnings	3,417	3,350
a.5	Minority interest in subsidiaries	-	0.010
a.6	Dividend equalization account	-	-
a.7	Others	-	-
a.8	Sub-Total (a.1 to a.7)	26,834	26,768
	Less: Regulatory adjustments	-	-
a.9	Reciprocal Crossholdings in the CET - 1 Capital of Banking, Financial and Insurance Entities	41	41
a.10	Others if any	-	-
a.11	Common Equity Tier -1 capital (Going-Concern Capital)/ Core Capital (a.8 – a.9)	26,793	26,727
a.12	Additional Tier 1 Capital	3,680	3,680
a.13	Total Tier- 1 Capital	30,473	30,407
b)	Tier-II (Supplementary Capital)	-	-
b.1	General Provisions for unclassified loans	6,178	6,178
b.2	General Provisions for Off-balance sheet exposure	1,390	1,390
b.3	General Provision for Covid-19	618	618
b.4	Asset revaluation reserves up to 50%	-	-
b.5	Subordinate debt	2,000	2,000

Basel III Pillar 3 Market Disclosure

SI	Particulars	Solo	Consolidated
b.6	Other reserve	-	-
b.7	Sub-Total (b.1 to b.6)	10,186	10,186
	Less: Regulatory adjustments	-	-
b.8	100 % of revaluation reserve for fixed assets, securities and equity securities	-	-
b.9	Total Tier-2 Capital Available	10,186	10,186
b.10	Maximum Limit Tier-2 Capital Available(Tier-2 capital can be maximum up to 4.0% of the total RWA or 88.89% of CET-1, whichever is higher) Considering Para 3.2 (v) including foot note no. 9 of RBCA Guidelines	18,323	18,223
b.11	Excess Amount over Maximum Limit T-2	-	-
b.12	Total Tier- 2 Capital	10,186	10,186
c)	Tier-III (Eligible for market risk only)	-	-
c.1	Short-term subordinated debt	-	-
c.2	Sub-Total (c.1)	-	-
d	Total Eligible Capital (a.13+ b.7+ c.2)	40,659	40,593

3. CAPITAL ADEQUACY

Qualitative Disclosures

Capital Calculation Approach

With regard to regulatory capital computation approaches (Minimum Capital Requirement) the bank is following the prescribed approach of Bangladesh Bank. Below are risk wise capital computation approaches that the bank is currently applying:

- *Credit Risk* - Standardized Approach (SA)
- *Market Risk* - Standardized Approach (SA)
- *Operational Risk* – Basic Indicator Approach (BIA)

Capital of the Bank

In parallel to business growth, the bank effectively manages its capital to meet regulatory requirement considering the risk profile. Below are few highlights:

- Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) including buffer is 12.50%, whereas as on December 2023 the CRAR of the bank was 16.45%.
- During the same period Minimum Capital Requirement (MCR) of the bank was Tk. 24,719 million and eligible capital was Tk. 40,659 million; i.e. the bank hold TK. 15,940 million surplus capital.

A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities

Reduction of Capital Requirement through increasing Rated Clients

As per Basel-III norms capital adequacy i.e. buffer capital is a must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. Under the Standardized Approach of the RBCA guidelines of Basel-III, counterparties credit rating are determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the guideline, the rated exposures of a bank will reduce the Risk Weights and the regulatory capital requirement as well as create the room to expand the business of the bank. This will also enable the bank to assess the creditworthiness of the borrowers as well, to an acceptable level.

To withstand these challenges, the Board of Directors & the Senior Management of the bank emphasized rigorously round the year on corporate borrowers credit rating to lower our risk profile as well as to reduce the capital requirement of the bank. Accordingly, the Risk Management Division (RMD), CRO along with the branches has taken all-out efforts to increase the number of corporate borrower's exposures rated. They are constantly taking the initiatives through guidance of the Senior Management; series of meetings, correspondence, awareness program with the allied concerns i.e. branches of the bank & ECAIs.

Quantitative Disclosures

Million Taka

Sl.	Risk Category	Solo	Consolidated
Details of Risk Weighted Assets (RWA)			
a	Credit Risk		
a.1	On- Balance sheet	171,986	172,102
a.2	Off- Balance sheet	40,703	40,703
a.3	Total Credit Risk (a.1+a.2)	212,689	212,805
b	Market Risk	7,412	8,900
c	Operational Risk	27,085	27,332
	Total RWA (a.3+b+c)	247,186	249,036
Details of Risk wise Minimum Capital Requirement (MCR)			
a	Credit Risk	-	-
a.1	On- Balance sheet	17,199	17,210
a.2	Off- Balanced sheet	4,070	4,070
a.3	Total Credit Risk (a.1+a.2)	21,269	21,280
b	Market Risk	741	890
c	Operational Risk	2,709	2,733
	Total Minimum Capital Requirement	24,719	24,904
	Total Maintained Capital	40,659	40,593
	Total Capital Surplus	15,941	15,689
Details of Tier wise Capital of the Bank			
1	Tier- 1 Capital	30,473	30,407
2	Tier- 2 Capital	10,186	10,186
3	Tier- 3 Capital	-	-
	Total Capital	40,659	40,593
	Total Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital / RWA)	16.45%	16.30%
	Tier 1 CRAR (Tier 1 Capital / RWA)	12.33%	12.21%
	Tier 2 CRAR (Tier 2 Capital / RWA)	4.12%	4.09%
	Capital Conservation Buffer (2.5% of RWA)	6.33%	6.21%

Basel III Pillar 3 Market Disclosure

4. CREDIT RISK

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, including:

Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in reference to BRPD Circular No.14 dated September 23, 2012, BRPD Circular No. 19 dated December 27, 2012 and BRPD Circular No.03 dated April 21, 2019 on the captioned subject.

1. Any Continuous Loan or Demand Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid instalment (s) will be treated as past due/overdue after six months of the expiry date.

2. A Continuous Loan, Demand Loan, Fixed Term Loan or any instalment(s)/part of instalment(s) of a Fixed Term Loan which will remain past due/overdue for a period of:

a. 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)".

b. 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".

c. 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)".

3. Loans have to be treated as defaulted loan as per section 5(GaGa) of the Banking Companies Act, 1991 and to be reported accordingly as per formats given in BRPD Circular No.08 dated August 02, 2015. In this regard, a portion of the "Sub-standard (SS)" loans will be reported as defaulted loan.

We kept all other instructions of BRPD Circular No.14 dated September 23, 2012 and its subsequent modifications unchanged.

Definitions of past due and impaired (for accounting purposes)

Description of approaches followed for specific and general allowances and statistical methods

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer					
House finance	1%	1%	20%	50%	100%
Loans for professionals	2%	2%	20%	50%	100%
Other than housing finance & professionals to setup business	2%	2%	20%	50%	100%
Short-term agri-credit and micro credit	1%	0%	5%	5%	100%
Small and medium enterprise finance	0.25%	0.25%	20%	50%	100%
Others	1%	1%	20%	50%	100%

In addition Special general provision COVID-19 should be kept between 1 to 2% as per BRPD Circular Letter No. 53, Dt. 22.02.2022.

Qualitative Disclosures

The Bank has structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for credit approval in line with the recommendation from credit committee consisting of the senior management of the bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, policy formulation & implementation, green finance, issuance & sanction advice are the major activities of CRM division. Separate segments for Corporate, Retail, SME, Credit Cards have been formed under CRM division in order to diversify the credit risk. Moreover, towards mitigating the risks and to reduce turnaround time, Bank Asia has developed a robust credit approval system in which all the loans based on their size are approved and disbursed through newly established clusters and also through Corporate Office in centralized system. The credit proposals recommended by branches are scrutinized by CRM division. Sanctions are conveyed to the Branches after getting approval from various dedicated authority, Head of Credit, Managing Director and Board of Directors if needed. Limits are loaded into the system by Credit Administration Department but it is not operative until the branch complies all the terms and conditions incorporated in the sanction advice. The above arrangement ensures the segregation of duties & responsibilities and thus minimizes the credit risk.

To stream line the overall credit portfolio, the bank has taken various initiative, for example, complete separation of business and risk, supervision of fresh credit proposal from branch through business wings at corporate office, empowerment of CRM and other risk management wings, digitization of loan documentation management process etc. Further to the above credit proposal format is also redefined as it is one of the key tools to maintain quality portfolio since its informs us risk, credit requirement, performance, liability position, compliance, financial position, environmental issues, effective rate of return, details of business etc. of the customer to mitigate credit risk.

The standardized approach is applied for risk weighting of exposure as per directive of Bangladesh Bank. It requires banks to use risk assessment. The Bank is following Internal Credit Risk Rating (ICRR) manual for assessing a borrower and making decisions of disbursing loans and advances/ investments while nominating the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. Maximum counterparty/group exposure are limited to 15% (funded) of the bank's capital base as stipulated by BB where a higher limit is required for projects of national importance subject to prior approval of Bangladesh Bank. The single borrower exposure limit has been increasing day by day of the bank with the increase of the total capital of the bank. But the management of the bank is exercising the prudential limit to a single borrower in order to minimize concentration risk of the bank considering the security coverage, satisfactory performance, credit risk grading status, earning potentials, capital requirement, etc. against the limit.

Discussion of the Bank's credit risk management policy

Basel III Pillar 3 Market Disclosure

Quantitative Disclosures

Particular	Outstanding
b) Total gross credit risk exposures	291,325
Chief Executives & Others senior executives	170
Agriculture	8,685
Industry	145,599
Constructions	6,283
Power, Gas, Water and Sanitary Services	17,912
Transport, Storage and Communication	4,877
Trade Services	51,512
Housing Services	19,587
Banking and Insurance	7,057
Professional and Misc. services	29,644
c) Geographical distribution of exposures	291,325
Dhaka Division	242,837
Chittagong Division	31,328
Khulna Division	4,436
Rajshahi Division	5,611
Barisal Division	1,109
Sylhet Division	3,086
Rangpur Division	2,303
Mymensingh Division	616
d) Industry or counterparty type distribution of exposures	291,325
Chief Executive and other senior executives	170
Agriculture	8,685
Food Manufacturing	20,412
Beverage industry	626
RMG industry	25,663
Textile industry	21,211
Wood cork and allied products	77
Furniture and Fixture	260
Paper and paper products	5,235
Leather and leather products	2,511
Rubber products	6,708
Chemical and chemical products	1,646
Basic metal products	18,826
Electrical machinery and apparatus	3,308
Other manufacturing industries	28,749
Ship building	116
Ship breaking	1,831
Pharmaceutical	8,420

Million Taka

Particular	Outstanding
Constructions	6,283
Power, Gas, Water and Sanitary Services	17,912
Transport, Storage and Communication	4,877
Trade Services	51,512
Housing Services	19,587
Banking and Insurance	7,057
Professional and Misc. services	29,644
Others	-
e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure	291,325
Repayable on demand	47,694
Not more than 3 months	46,478
More than 3 months but not more than 1 year	89,805
More than 1 year but not more than 5 years	88,027
More than 5 years	19,321
f) By major industry or counterparty type	-
Sector wise past due loan classification categories:	
Sub- Standard	1,781
Doubtful	1,052
Bad and Loss	16,677
Total	19,510
Specific and general provisions	21,798
Total General Provision:	6,178
Total Specific Provision:	15,620
g) Gross Non Performing Assets (NPAs)	-
Non Performing Assets (NPAs) to Outstanding Loans Advances	19,510
Movement of Non Performing Assets (NPAs)	6.70%
Opening balance	11,928
Additions	14,646
Reductions	(7,064)
Closing balance	19,510
Movement of specific provisions for NPAs	
Opening balance	10,517
Less: Write-off	(4,020)
Add: Recovery from previously written off	326
Transfer from General Provision	4,585
Add: Provisions made during the period	4,174
Add: Provisions made during the period OBU)	38
Closing balance	15,621

5. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures	
Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	<p>Investment in equity mainly for capital gain and cash dividend income purposes. Besides these, Bank has some investment for relationship and strategic reasons.</p> <p>Investment in equity securities are broadly categorized into two parts:</p> <p>i) Quoted Securities that are traded in the secondary market (Trading Book Assets).</p> <p>ii) Unquoted securities are categorized as Banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future. And securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at updated NAV basis.</p>
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	<p>The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. Equity investments must therefore go hand in hand with a good risk management plan in place. In an uncertain marketplace like the present, investor cannot afford to place all hope in only one thing. Therefore, it is very important to protect the total investment value by means of diversification.</p> <p>Bank Asia has been operating in the capital market of Bangladesh since 2009. The Bank invested in shares both in primary as well as secondary market. Bank Asia has been started its own portfolio operation from May 04, 2010. Since then the Bank was mainly involved in "Own Portfolio Management" activity.</p> <p>Investments in shares of Bank Asia are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The Bank recognizes that no investment is totally free from risk and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best interest of the Bank.</p> <p>The Management of the Bank has constituted an Investment Committee / team comprising of members from the senior executives of the Bank who have sound experiences and knowledge on Capital Market activities.</p> <p>Investment team of Bank Asia reviews status of the own portfolio investment on regular basis and follows top-down approach where they review and analyze economy outlook, sectoral growth and specific company analysis. Company specific risk is minimized through proper diversification. To manage market risk, we follow economic research. Moreover, it has been noted that, the major source of market risk comes from the frequent change of regulation. Thus, it is important to maintain close relationship with the regulatory body and keep aware if there is any upcoming regulation change.</p> <p>Our investment in shares are being monitored and controlled by the Investment Committee are reflected in accounts through proper methodologies and accounting standards of the local & international. Investments are valued on mark to mark basis on a particular period.</p>

Basel III Pillar 3 Market Disclosure

Quantitative Disclosures

Million Taka

Sl.	Particular	Amount
a)	a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value:	
a.1	Value of quoted shares	
	Cost price	1,030
	Market price	803.50
	Value of unquoted shares	
	Cost price	144.30
	Market price	73.90
b)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	Nil
c)	Total unrealized gains (losses)	-
	Total latent revaluation gains (losses)	-
	Any amounts of the above included in Tier 2 capital.	-
d)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	
d.1	Specific Risk	803.5
d.2	General Market Risk	803.5
d3.	Total (d1+d2)	1,607

6. INTEREST RATE RISK IN THE BANKING BOOK

Qualitative Disclosures

The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement

Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively affected with the change in the Interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis.

Bank has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interests rate changes i.e. 1%, 2% and 3%.

Quantitative Disclosures

Million Taka

Sl.	Particular	Amount		
1	Market Value of Assets	464,634		
2	Market Value of Liabilities	436,957		
3	Weighted Average of Duration of Liabilities (DL) in years	0.91		
4	Weighted Average of Duration of Assets (DA) in years	1.85		
5	Duration GAP (DA-DL) in years	1.00		
6	Yield to Maturity (YTM -Assets)	8.99%		
	Yield to Maturity (YTM -Liability)	3.68%		
	Magnitude of Interest Rate Change	1%	2%	3%
7	Fall in Market Value of Equity	(4,241)	(8,483)	(12,725)
Stress Testing		Minor	Moderate	Major
8	Regulatory capital (after shock)	37,775	33,533	29,291
9	RWA (after shock)	241,734	237,493	2,33,251
10	CRAR (after shock)	15.63%	14.12%	12.56%

7. MARKET RISK

Qualitative Disclosures

Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
Methods used to measure Market Risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.
Market risk Management system	The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. Alco meets at least once in a month.
Policies and process for mitigating Market Risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

Quantitative Disclosures

Million Taka

Particular	Amount
The capital requirement for:	
Interest Rate Risk	573.27
Equity Position Risk	160.70
Foreign Exchange	7.21
Commodity Risk	-
Total capital requirement against Market Risk	741.18

8. OPERATIONAL RISK

Qualitative Disclosures

Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board oversees the activities of Internal Control & Compliance Division to protect against all operational risk.
Performance gap of executives and staffs	Bank has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. BA's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.

Basel III Pillar 3 Market Disclosure

Qualitative Disclosures	
Potential external vulnerable events	Considering the increasing complexity of banking operation resulted from various trending macro economic scenario and excessive competitive environment, it is unlikely to completely avoid potential external vulnerable events. However, through effective risk management operation the impact from potential external vulnerable events are quite minimum.
Policies and processes for mitigating operational risk	Operational risk, defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. It is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. The Bank Asia PLC. manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry. Bank Asia PLC. has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with central bank requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes. On top of that, as part of recent development, the bank is in the process of adoption of globally recognized operational risk assessment tools, e.g. Risk Control Self Assessment for assessment of all possible operational risk and adoption of Key Risk Indicator (KRI) to help the bank to set operational risk trigger parameters.
Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosures		
	<i>Million Taka</i>	
Particular	Solo	Consolidated
Capital Requirement for Operational Risk under MCR	27,085	27,332

9. LIQUIDITY RATIO

Qualitative Disclosures	
Views of BOD on system to reduce liquidity Risk	<p>Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types:</p> <ul style="list-style-type: none"> a) Funding liquidity risk: The risk that a firm will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition b) Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market <p>Banking organization, where off-balance sheet exposure is significant or has strong dependency on corporate deposit or experiencing step asset (i.e. primarily credit portfolio or investment book) growth is exposed to high level of Liquidity risk. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequence of other financial risks such as credit risk, interest rate risk, foreign exchange risk etc.</p>

Qualitative Disclosures

In the perspective of Bangladesh, identifying and monitoring the driving factors of liquidity risk is viewed from the following aspects:

Regulatory Liquidity Indicators (RLIs):

- Cash Reserve Requirement (CRR)
- Statutory Liquidity Ratio (SLR)
- Medium Term Funding Ratio (MTFR)
- Maximum Cumulative Outflow (MCO)
- Advance Deposit Ratio (ADR)/Investment Deposit Ratio (IDR)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)

Methods used to measure Liquidity Risk

Bank's own liquidity monitoring tools:

- Wholesale Borrowing and Funding Guidelines
- Liquidity Contingency Plan
- Management Action Trigger (MAT)

Computation of Capital Charge against Liquidity Risk: If annual average of any RLIs of any bank falls below Bangladesh Bank's requirement the bank will be required to maintain additional capital for that RLI (or those RLIs).

As per Bangladesh Bank guideline management maintain sufficient CRR and SLR.

Liquidity Risk Management System

In December 2014, the Bangladesh Bank started to two new liquidity metrics as part of the implementation of Basel III. These are a short term liquidity stress metric, the Liquidity Coverage Ratio (LCR), and a longer term funding metric, the Net Stable Funding Ratio (NSFR). Banks have to maintain LCR and NSFR are at a minimum of 100%.

Policies and processes for mitigating Liquidity Risk

Bank Asia PLC. Asset-Liability Management Committee (ALCO) has responsibility for monitoring liquidity measures and limits. Liquidity is maintained in excess of the maximum cumulative outflows calculated within these stress tests. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk.

Quantitative Disclosures

Million Taka

Particular	Amount
Liquidity Coverage Ratio (LCR)	199.88%
Net Stable Funding Ratio (NSFR)	110.19%
Stock of High quality liquid assets	127,471
Total net cash outflows over the next 30 calendar days	63,774
Available amount of stable funding	365,224
Required amount of stable funding	331,462

Basel III Pillar 3 Market Disclosure

10. LEVERAGE RATIO

Qualitative Disclosures	
Views of BOD on system to reduce excessive leverage	<p>In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:</p> <p>a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy.</p> <p>b) reinforce the risk based requirements with an easy to understand and a non-risk based measure.</p> <p>The policy for Leverage Ratio including on and off balance sheet exposure and capital related policy. The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.</p>
Policies and processes for managing excessive on and off balance sheet leverage	<p>There are approved limits for instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against such risk.</p>
Approach for calculating exposure	<p>Calculation of Leverage Ratio</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$ <p>The exposure measure for the leverage ratio will generally follow the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank:</p> <ol style="list-style-type: none"> On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/ deficit on available for sale (AFS)/ Held-for-trading (HFT) positions). Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. Netting of loans and deposits is not allowed.

Quantitative Disclosures

Particular	Million Taka	
	Solo	Consolidated
Tier-1 Capital (A)	30,473	30,407
Exposure measure :		
On balance sheet exposure	458,621	461,028
Off balance sheet exposure	69,354	69,354
Less: Regulatory adjustment made to Tier I capital	41	41
Total exposure (B)	527,933	530,341
Leverage Ratio (A/B)	5.77%	5.73%

11. REMUNERATION

Qualitative Disclosures

Name, composition and mandate of the main body overseeing remuneration:

Managing Director, Senior Management Team (SMT) & Chief Human Resource Officer (CHRO) governs the remuneration related policies and practices in alignment with the bank's short & long term objectives. They play an independent role, operating as an overseer; and if required, make recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of Senior Management, 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 policy, procedures and practices aligned with the Bank's strategy and applied consistency for all employee levels.

A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches:

a. Information relating to the bodies that oversee remuneration.

Remuneration Committee of Bank Asia also oversee its two foreign subsidiary i.e. BA Exchange Company (UK) Limited and BA Express USA Inc. and one local subsidiary i.e. Bank Asia Securities Limited.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group:

Risk Takers are senior employees who can take, or influence the taking of material risk for Bank Asia or for a material business unit.

Designation	No of Employee
Managing Director	01
Additional Managing Director	02
Deputy Managing Director	07
Senior Executive Vice President	10
Executive Vice President	8
Senior Vice President	16

Basel III Pillar 3 Market Disclosure

Qualitative Disclosures

Key features of remuneration policy :

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

Bank Asia compensation program focuses on individual short-term goals vis-a-vis long-term success and overall profitability of the Bank. Both our short-term annual incentive and long-term compensation plans promote our pay-for-performance philosophy, as well as our goal of having a meaningful amount of pay at-risk, and we believe both plans provide us a competitive advantage in the acquisition and retention of talents.

Objectives of remuneration policy :

The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits. Performance is judged, not only on what is achieved, but also on how it is achieved as well as alignment with the Bank's values.

b. Information relating to the design and structure of remuneration processes.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any change that was made:

The remuneration committee reviewed the firm's remuneration on 2022 and revised the remuneration by conducting a survey considering the following facts:

- Oversee Bank's remuneration position and revise the structure according to the competitive market
- Align compensation strategy with business strategy
- Determine the percentage of increment at each job grade
- Get acquainted with inflation in the economy

Based on the survey, Banks changes the remuneration on Compa-Ration based of its existing employees

A discussion of how the bank ensures that employees dealing with risk and its compliance are remunerated independently of the businesses they oversee :

Control function of internal control and compliance directly responds of Audit Committee of the Board and dotted report to the Managing Director. Credit Risk Officer reports to Managing Director directly.

Qualitative Disclosures

An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed):

A balanced scorecard approach has been adopted by the Board with real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-a-vis set target of a given year. We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors.

A discussion of the ways in which these measures affect remuneration:

The way in which each individual contributes to or impacts on the key criteria differs depending on the area of the business/target activities in which they operate and nature of activities specified by the management. These differences are reflected in the expected outcomes and performance indicators developed for each individual employee/role and satisfactory performance against these indicators is required to qualify for annual increment of remuneration, performance bonus, promotion and other benefits.

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration:

Since the implementation of real-life SMART KPI to evaluate the contribution of all individuals, no change has been taken place.

An overview of main performance metrics for bank, top-level business lines and individuals:

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

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

A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance:

Yearly performance bonus, salary increment, staff house building loan are directly linked with employee's individual performance.

A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.

Variance performances like performance bonus, salary increment are determined by the outcome of scorecard in prescribed KPI of the individual.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

e. Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.

Bank Asia provides its Employees incentive compensation delivered in the form of deferred cash awards, subject to performance based on Key Performance Indicators (KPI).

Basel III Pillar 3 Market Disclosure

Qualitative Disclosures

A summary of Short-term and Long-term compensation plan are given below:

Total Compensation = Fixed Pay (Salary)+Variable Pay (Bonus)+Variable Pay (Long term incentive)

Form of variable remuneration offered by Bank Asia:

Cash Form:

Short-Term Incentives / Rewards

1. Yearly fixed and incentive bonus;
2. Yearly Increment;
3. Business accomplishment financial award;
4. Special Increment for special assignments/accomplishment;
5. Car, fuel and car maintenance allowance for executives;
6. Cash Risk allowance for cashier;
7. Charge allowance for Head of Branches

Long-Term Incentives / Rewards

1. Provident fund;
2. Gratuity;
3. Benevolent fund
4. Employee house building loan with minimum interest rate
5. Provident fund loan with minimum interest rate
6. Periodically salary review (enhancement)
7. Furniture allowance for executives
8. Yearly professional membership fees for professional certificates holder

Non-Cash Form:

Short-Term Incentives / Rewards

1. Medical insurance coverage for self, wife and two children;
2. Accelerates promotion for top talents;
3. Study leave

Long-Term Incentives / Rewards

1. Foreign training award;

- f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

Quantitative Disclosures

Particular	<i>Million Taka</i>	
g. Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Meeting regarding overseeing the remuneration was held on need basis.	
h. Number and total amount of guaranteed bonuses awarded made during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year	No.	Amount
	2	351
		Nil
		Nil
i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	
Total amount of deferred remuneration paid out in the financial year.	Nil	

Basel III Pillar 3 Market Disclosure

Quantitative Disclosures

j. Breakdown of amount of remuneration awards for the financial year to show:

- fixed and variable

Breakdown of Remuneration is as follows
(Taka in million):

Particular	Amount
Basic salary	2,007
Allowances	1,813
Festival bonus	351
Gratuity	380
Provident fund contribution	193
Performance bonus	500
Total	5,245

- deferred and non-deferred.

Nil

- different forms used (cash, shares and share linked instruments, other forms).

All the remunerations are provided in the form of cash

k. Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.

Nil

Total amount of reductions during the financial year due to ex post explicit adjustments.

Nil

Total amount of reductions during the financial year due to ex post implicit adjustments.

Nil

Summary Sustainability Report

Mercury Contamination
Go Mercury-Free to Create a
Toxic-Free Tomorrow

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Achievement for Sustainability Report



CONTENT INDEX
ESSENTIALS SERVICE

2023



Bank Asia produces separate full scale *Sustainability Report* every year following GRI Guidelines including GRI Content Index and page reference. For more details visit : www.bankasia-bd.com

Bank Asia achieved Asia Sustainability Reporting Rating (ASRR) by NCCR and ICSP, Jakarta, Indonesia

- 'Silver Rank' in Asia Sustainability Reporting Rating (ASRRAT) 2023 by NCCR and ICSP for Sustainability Report 2022
- Bank Asia has been granted 'Gold Rank' in ASRR 2022 by NCSR and ICSP for Sustainability Report 2021
- Bank Asia has been granted 'Gold Rank' in ASRR 2021 by NCSR and ICSP for Sustainability Report 2020
- Bank Asia has been granted 'Gold Rank' in ASRR 2020 by NCSR and ICSP for Sustainability Report 2019
- Bank Asia has been granted 'Gold Rank' in ASRR 2019 by NCSR and ICSP for Sustainability Report 2018
- Gold Rank- Best Sustainability Report in ASRR 2018 - 14th SRA 2018 for Sustainability Report 2017
- 'Winner-Best Sustainability Report in Overseas category' - 13th SRA 2017 for Sustainability Report 2016
- Best Sustainability Report in Bangladesh - 12th SRA 2016 for Sustainability Report 2015
- Best Sustainability Reporting Award 2015, Runner up 1 in Overseas Category for Sustainability Report 2014
- Sustainability Reporting Award 2014 (SRA 14) for Most Impressive Report 2013 for Sustainability Report 2013
- Sustainability Reporting Award 2013 (SRA 13) for Most Progressive Report 2012 for Sustainability Report 2012
- Commendation for the first time - 9th SRA for Sustainability Report 2012

Sustainable Banking Operations

Key Highlights 2023

Disbursed **Tk. 1.88** million under Bank Asia Higher Studies Scholarship



EDUCATION

56 students received support under this program



Agent Banking

5,051 agent outlets out of which **91%** in rural areas covering **64** districts of Bangladesh



AGRI/RURAL CREDIT

77,553 rural farmers were financially supported

Disbursed **Tk. 5,712.62** million as Agriculture & Rural credit



REMITTANCE

USD.124.50 million disbursed around **336,482** freelancers



Paperless Banking

Delivered **14,98,320** no. of E-Statements to customers



Human Capital

24,822 Man-hours of training for human capital development



SMART App Internet Banking

1,069,383 transactions completed Worth **Tk. 17,396** million (approx.)

Internet Banking User **306,938**

Mobile App. user **425,531**



Cash Transactions

76% done through ATMs



Green Banking

Under Green Finance, distributed **Tk. 2,634.23** million to **182** people

We distributed **Tk. 1,072.20** million in Renewable Energy and Energy & Resource Efficiency segment



Sustainable Finance

Under Sustainable Finance distributed **Tk. 53,171** million to **96,579** people



Message from the Managing Director

For Bank Asia, sustainability is a core value that governs our operations and choices. Our goal is to sustainably generate wealth for our stakeholders in an ethical manner. Sustainable business practices are essential as Bangladesh works towards a thriving economy, particularly to spur growth and guarantee the viability of our economic landscape.

I am pleased to share Bank Asia's 2023 Summary Sustainability Report, which is centered around the topic of "Mercury Contamination". Mercury contamination poses significant risks to public health and the environment. Mitigating this requires rigorous monitoring, regulatory measures, and adopting cleaner production technologies. Public awareness campaigns and collaborative initiatives are essential for promoting responsible handling of mercury-containing products. This report outlines how we set standards in sustainable development that influence economies, communities, and the environment.

Sustainability: Drive towards a Better Tomorrow

Bank Asia promotes a low-carbon economy and contributes to long-term sustainable development. Since 2011, we have implemented measures to enhance energy efficiency across our business centers, achieving substantial cost savings and reducing our carbon footprint, resource consumption, and waste generation. For instance, Green Banking initiatives by the Cards Division, such as E-Statements, SMS Banking, and email correspondence, resulted in net savings of Tk. 10.49 million in 2023. Additionally, we are committed to using renewable energy.

In 2023, Bank Asia allocated Tk. 2,634 million to 182 borrowers as part of our Green Finance initiative. We also extended Tk. 50,537 million in credit facilities to support 96,937 borrowers through sustainable linked finance, demonstrating our commitment to environmental sustainability and responsible lending practices. This investment helps businesses enhance operational efficiency and reduce costs by leveraging renewable energy sources, allowing them to adopt environmentally friendly practices without compromising their bottom line.

Prioritizing Society First

Bank Asia spent Tk. 326 million on various CSR activities to contribute to social, economic, and environmental development. Specifically, we allocated Tk. 227 million to healthcare, Tk. 16 million to education, Tk. 40 million to environmental and climate change programs, and Tk. 32 million to disaster management.

Financial Inclusion: Bridging Financial Gaps

As a pioneer in financial inclusion, Bank Asia has operated agent banking for nine years in Bangladesh. Our experience in agent banking and collaboration with ABAK (formerly EBK) has refined our ability to provide services for all Government Social Safety Net Programs. Through strategic partnerships with the Social Welfare Department, we now serve beneficiaries such as senior citizens, widows, the disabled, and others. We take pride in pioneering Micro Merchant services, with a network spanning 58,136 locations nationwide. These Micro Merchants efficiently distribute Social Safety Net allowances through secure banking channels, ensuring transparency and reliability.

In 2023, we enhanced our focus on women's empowerment through digital financial inclusion and literacy initiatives, aiming to improve their financial well-being and independence.

Investing in Human Assets

As a service-oriented organization, we recognize human resources as our primary asset. To foster personal growth and development among our employees, Bank Asia offers extensive training and development programs. In 2023, we dedicated 24,822 man-hours to training sessions covering various operational and behavioral aspects to enhance our human capital.

Awards and Recognition

We are pleased to share that our commitment to transparency has been acknowledged with the 'Silver Rank' in the Asia Sustainability Reporting Rating (ASRRAT) 2023. This prestigious recognition, conferred by the National Centre for Sustainability Reporting (NCSR) and the Institute of Certified Sustainability Practitioners (ICSP), underscores our dedication to clarity and openness in our 2022 Sustainability Report.

Finally, I extend our heartfelt gratitude and honor to all our stakeholders; whose contributions have been instrumental to advancing Bank Asia's vision for an unceasing future in Bangladesh.



Sohail R K Hussain

Managing Director

Report Parameter



Time Period

January 1, 2023 to
December 31, 2023



Reporting Cycle

Annual



GRI Guideline Followed

Gri Standards



Most Recent Report

Sustainability
Report 2022



In Accordance Option Chosen

In Accordance
'Core'

Reporting Scope

This report intends to touch upon all significant environmental, economic and social impacts resulting from Bank Asia's activities in the financial year 2023. This is our Twelfth Sustainability Report and there is no significant changes regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report.

Boundary of the Report

The report boundary of the year 2023 covers only banks operation run by corporate office, its branches, SME service centers and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and two others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channeling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

Feedback

We welcome any feedback on our sustainability reporting. For further information and comments, please contact Sustainability Reporting Team of the Bank led by Mr. Mohammad Ibrahim Khalil, FCA, Chief Financial Officer, Mr. Md. Shamim Hasnat, CSRS, FVP, Group Finance; Mr. Mahub-Ul Anam Khan, CSRS, FAVP, Group Finance and Ms. Nahid Tania Khan, CSRS, SEO, Group Finance. They may be reached through

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

Triple Bottom Line

PEOPLE



Bank Asia always plays a very dynamic role in contributing to the society through its CSR program, which are thoroughly illustrated in CSR section. In the context of value creation model for its employees, the bank has made footprints by achieving: Operating profit and Net profit per employee was Tk. 4.23 million and Tk. 1.34 million respectively during 2023. 24,822 man-hours training (both physically & virtually) have been provided to 2,170 employees in 2023 in home and abroad. Bank Asia works with a wide range of suppliers, vendors, agents and others. To create value the Bank works with them through collaboration by applying its own policy and practice for selecting these suppliers and others.

PLANET



As one of the strategic focuses of Bank Asia, 'going green' movement includes efficient energy consumption, paperless office, financing renewable energy etc. Bank Asia's achievements in green initiatives are detailed out in other parts of the report. As greening of mind, training provided to staffs regarding green banking under foundation and other trainings course in 2023

PROFIT



During 2023, Bank Asia generated economic value addition of Tk. 944 million.

Strategic Focus for Sustainability

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

GOING GREEN IN THE FUTURE OF BANKING

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

PROMOTING FINANCIAL INCLUSION

GIVING BACK

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

CUSTOMER SATISFACTION

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

Corporate Profile

Bank Asia PLC. was incorporated on September 28, 1999 as a private commercial bank with the aim of contributing for the development of the economy by bringing superior quality, technology driven banking products and services. In 2001, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. At the beginning of the year 2002, the bank again acquired the Bangladesh operations of Muslim Commercial Bank Limited of Pakistan. Bank Asia has associated Islamic banking, Off-shore banking, Agent Banking, Post Office Banking, Social Safety Net Program, Rural Finance, Digital banking program and many more specialized services with its core banking activities. To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7 ATM service and many other e-products. Bank Asia maintains an environment of strong corporate governance that helps to maintain its excellent brand image; reflected by consistent financial performance for its stakeholders. To attain sustainability, we focus more on strategic priorities measured by quantitative and qualitative determinants. Besides maintaining a steady growth, Bank Asia always prioritized in the structural and moral development of the society. From the very beginning the bank has started its Corporate Social Responsibility (CSR) activities for the development of our country's unprivileged segments in the areas of education, health, environment, sports, arts & cultures and the likes.

Nature of Ownership and Legal Form

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

Number of countries where the organization operates

Bank Asia runs its operation only in Bangladesh. However, the Bank has two fully owned subsidiaries in overseas. Among these subsidiaries, 'BA Exchange Company (UK) Limited' and 'BA Express USA Inc.' facilitate as speedy and dependable medium for remitting the hard-earned money of expatriates back home. 'BA Exchange Company (UK) Limited' started its operation in London on May 16, 2011. The 3rd subsidiary of Bank Asia 'BA Express USA Inc.' started its operation on June 1, 2014 in New York. It has also opened its 2 new overseas branches in Jamaica and Brooklyn for remittance channelling to Bangladesh.

Banking Channel

Currently we have 135 branches, SME service centers & 15 subbranches across the country spread over different zones that includes 131 branches, 4 SME agricultural branches and 4 SME service centers. Geographically 69 are placed in capital Dhaka, 39 in Chattogram, 7 in Sylhet zone, 7 in Khulna zone, 6 in Rajshahi, 4 in Rangpur, 2 in Barishal, and 1 in Mymensingh. All these branches and SME centers are efficiently supervised and monitored by Zonal heads who take care of their overall performance indicators on a regular basis. Due to the low operational cost as well as increasing popularity of agent banking operations, Bank Asia is emphasizing on adding new agent outlets. There are total 5,051 agent outlets in 64 districts. Agent banking network outreaches the customers through individuals, passport, institutions, UDC, Post office. Post Office Banking is new inclusion in the financial ecosystem. At present there are 1,097 on-boarded agents. Bank Asia has Automated Teller Machine (ATM) that provides banking services to its customers 24 hours a day, 7 days a week and 365 days a year. In our total 76% cash transactions of Bank Asia are done through its 217 own ATMs and more than 14,000+ shared ATMs all over the country. In terms of Internet banking, currently we have more than 306,938 active users.

SCALE OF THE REPORTING ORGANIZATION

As of the end of 2023, our Bank's operating profit is Tk. 11,638 million and total assets are Tk. 474,241 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 17.03%

MEMBERSHIP WITH ASSOCIATIONS

- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Associations of Banks (BAB)
- Association of Bankers Bangladesh (ABB) The Institute of Bankers Bangladesh (IBB)
- The American Chamber of Commerce in Bangladesh (AMCHAM)
- Bangladesh Foreign Exchange Dealers Association (BAFEDA)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Money Market Dealers Association
- Metropolitan Chamber of Commerce and Industry
- Baridhara Cosmopolitan Club
- Islamic Banks Consultative Forum (IBCF)
- Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIB)
- The Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain

Number of employees	2,751
Number of branches	135 (131 branches, 4 SME/Agri branches and 4 SME service centers), 15 sub-branches
Total operating income	Tk. 21,069 million
Total debt & equity	Tk. 443,414 million & Tk. 21,069 million
Number of ATMs	217 own ATMs and more than 14,000+ shared
Number of credit cards	157,435
Number of VISA debit cards	979,898

Bank Asia's Service Network

Branch Banking

Branches **131**

Sub branches **15**

SME Centers **4**

SME/Agri branches **4**

Branchless Banking

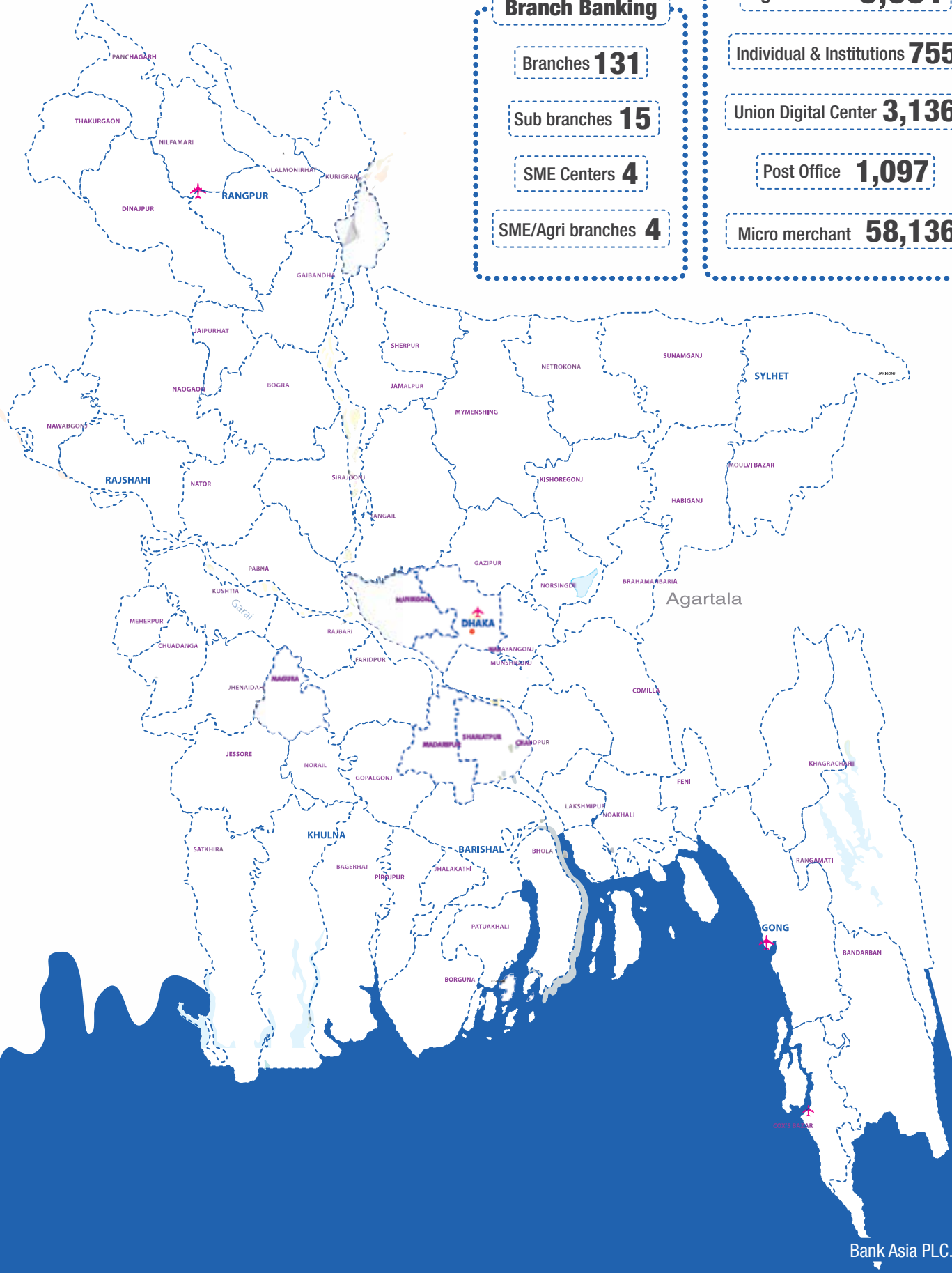
Agent outlet **5,051**

Individual & Institutions **755**

Union Digital Center **3,136**

Post Office **1,097**

Micro merchant **58,136**



Primary Brands Products & Services

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

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

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

Digital Nano Loan



Launching program of the Digital Nano Loan



ডিজিটাল ন্যানো লোন

In the rapidly evolving landscape of digital banking, thrilled to introduce a ground breaking concept 'Digital Nano Loan'.

Nano Loans embrace financial inclusion, welcoming individuals with varying credit histories. Digital banking meets unparalleled convenience with Nano Loans. Embrace the future of lending, where financial support is at your fingertips. Welcome to a new era of financial empowerment!

Imagine a financial world where accessing a small loan is as seamless as a tap on your smartphone. Nano Loans revolutionize the borrowing experience, offering swift and hassle-free solutions for your immediate financial needs. No lengthy paperwork or cumbersome processes; just a few clicks to unlock the funds you require.

In reference to the approval BRPS(PADS)800(4)/2023-3307 dated May 2, 2023, we have launched the piloting of new micro loan "Digital Nano Loan" on June 14, 2023 to transform its' business with the rapidly changing technological environment and to give customers better banking experiences and facilitate their access to formal financial services.

Achievement

- Successfully running Pilot phase & it totally End to End Digital process with application, approval, disbursement process & early settlement.
- Bank Asia accorded Fintech Innovation on Digital Lending under the category of Honorable Mention.

No of loan A/C **915** nos

Outstanding of Loan Tk. **25.84** million

Products & Services



RETAIL BANKING PRODUCTS

Deposits

Low Cost/No Cost Deposit Accounts

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

Term Deposit (s)

Fixed Deposit Regular	School Banking Account
	Duranto

Scheme Deposit (s)

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



Consumer Finance

House Finance <ul style="list-style-type: none"> Shapner Abash Griha Shaj Shapner Kuthir Shapner Nirman Nijer Bari 	Unsecured Personal Loan <ul style="list-style-type: none"> Proyojon RMG-Proyojon Chuti (Travel Loan) Sheba (Hospitalization Loan) Student Support Loan Wage Earner's Support Purnata (Senior Citizen Support) 	Consumer Durable Loan <ul style="list-style-type: none"> Green Energy Loan Shabolombi (Loan for Professionals) Loan for Landlords
		Auto Loan <ul style="list-style-type: none"> Shapner Bahan Motorcycle loan Bicycle loan



Credit Card

VISA Visa Signature Credit Card (with Priority Pass) VISA Platinum Credit Card (with Priority Pass) VISA Gold Credit Card VISA Classic Credit Card Virtual Card VISA Prepaid Hajj Card Gift Card	MASTER Mastercard World Elite (with Lounge Key) Master Titanium Credit Card (with Lounge Key) Master Gold Card Master Silver Card Shadhin Card Prepaid Travel Card	Islamic Credit Card : Salamah Platinum Card (with Priority Pass) OTHERS LankaBangla Card Cheque
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ISLAMIC BANKING PRODUCTS

Deposits

Al Wadiah Current Account (AWCA)	Smart Junior Saver (School Banking) Account	Mudaraba Term Deposit Account (MTDA) for different tenure
Mudaraba Savings Account (MSA)	Mudaraba Savings Account (MSA) - Smart	Corporate Term Deposit Account (CTDA) for different tenure
Mudaraba Corporate Privilege Savings Account (MCPSA)	Mudaraba Special Notice Deposit Account (MSNDA)	Mudaraba Hajj Savings Scheme (MHSS)
Mudaraba Deposit Pension Scheme (MDPS) (3 to 12 Years tenure)	Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)	Cash Waqf

Investment Products

Bai Murabaha Muajjal (both Local and Post Import)	Hire Purchase Shirkatul Melk (HPSM)	Musharaka	Istisna'a – Export
Murabaha Import Bills	EDF/EPF	GTF/TDF	Quard against MTDR & Schemes
Continuous Musharaka (Overhead Financing)	Post Export Finance -Foreign (PEF-f)	Musharakah Export Finance – Inland (MEF-i)	

Islamic Retail Financing Products

HPSM Real State Housing	HPSM AUTO	HPSM/BMM Consumer
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Islamic SME Financing Products

SALAMAH Srishti	SALAMAH Somriddhi	SALAMAH Bahon
SALAMAH Subidha	SALAMAH Sondhi	SALAMAH Suborno
SALAMAH Sofol	SALAMAH Seba	Uttaran–Islamic For MSE Finance

Islamic Agri Financing Products

Islamic-Cropping Support	Islamic-Dairy & Fattening Support	Islamic-Poultry Support
Islamic-Fishery Support	Islamic-Equipment Support	



MICRO , SMALL , MEDIUM & AGRICULTURE BANKING PRODUCTS

Deposits

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

Micro & Small Enterprise Finance

Asset Product

Shomadhan Over draft for Trading, Manufacturing, Service & Women Entrepreneur	Bahon Commercial Vehicle Finance Surakkha no/insufficient collateral under CGS	Sristi Collateral free Term loan for Manufacturing
Shubidha Collateral free Term loan for Trading	Uttaran For existing excellent CMSE loan borrowers	Shombridhi Term loan for Manufacturing
Shondhi Term loan for Trading	Shofol Collateral free Term loan for Service	Goti Revolving Demand Loan
Subarno Term loan for Women Entrepreneur	Sheba Term loan for Service	Nirontor SOD for Entrepreneurs
Utshob Collateral free Seasonal loan	Shombhabona Term loan for New Entrepreneur	Start-Up Loan Term loan for IT based innovative business or service entrepreneurs.

Liability Product

Astha-SME Current Account



Medium Enterprise Finance

Funded Products

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

Non Funded Products

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

Agricultural Finance

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



CORPORATE BANKING

Cash Management Products

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

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

Funded Products

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

Non-Funded Products

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

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



OFF-SHORE BANKING UNIT (OBU) PRODUCTS

Import & Export Bill Discounting facilities for On-Shore Customers

UPAS Loan	Bill Purchase
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Import & Export Bill Discounting facilities for Other Banks

UPAS Loan	Bill Purchase
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Long-term Finance facilities for On-Shore Customers

Term loan	ECA loan	Syndication loan
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Working Capital Finance for "A" Type (100 % Foreign own) Customers

LTR	Packing Credit	Demand Loan	Overdraft
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Trade Finance (non-funded) facilities for "A" Type (100 % Foreign own) Customers

Import	Export
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Deposit products

Nonresident Foreign Currency Deposit	Foreign Company/ Institutional Deposit
Current Deposit	Current Deposit
Savings Account	-
Term Deposit	Term Deposit

AGENT BANKING

Products

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

Services

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



TREASURY PRODUCTS

Money Market, Fixed Income & Capital Market

Call Money	LCY/FCY Swap	Repo/ALS (Assured Liquidity Support)
Notice money	Fixed Income & Capital Market investment	Reverse Repo
LCY/FCY Term	Investment (GSEC) service for customers	Interest Rate Swaps

Foreign Exchange

Spot Foreign Exchange	Foreign Exchange Option	Cross Currency Swaps
Forward Foreign Exchange	Forex Swaps	



CAPITAL MARKET SERVICES

Money Market, Fixed Income & Capital Market

Brokerage Services	Research Services	Agent Broking
Attractive Commission Offering	Daily Market Update and News Summary	OMS (Own Order Management System)
Wide Branch Network	Institutional Trade	Margin Loan
CDBL Services	Panel Broking	Government Securities

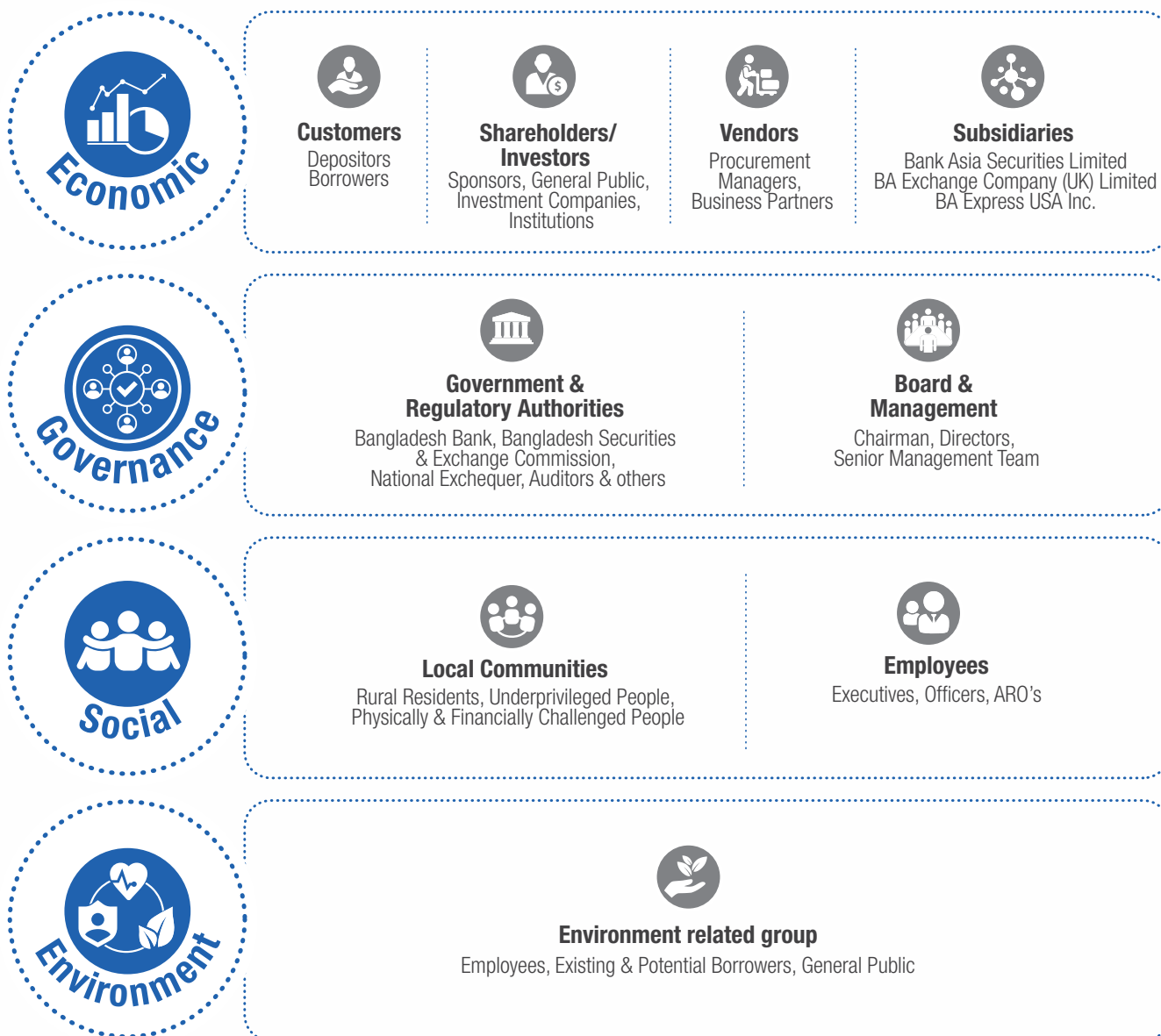
Stakeholders' Engagement

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

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

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

Bank Asia's Stakeholders





Economic

79 Lacs+
Deposit Customers

73 Thousands+
Loan Customers

Outcomes

Their priorities

- Quality Service Delivery
- Good returns from deposits
- Preferential pricing, charges and commission
- Privacy and Information
- Security Dispute Resolution
- Product Information, Affordability and Convenience
- Product variation according to market demand
- Strict Shari'ah compliance in Islamic products and services

Our response

- Proper Actions are taken of customer complaints if any service goes against the customer service policy of the bank
- Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship
- E-products like internet banking, mobile apps, SMS banking, EGP service, E-commerce, Epayment solution
- ALCO sits every month to decide pricing and rates based on market analyses
- All network nodes are run by online core banking system (CBS)
- Focusing more on contactless banking



Engagement

Market research

Product Innovation

Customer Relationship Management

Geographical Coverage

Direct Customer feedback



Customers

Outcomes

7,105
Number of Shareholders

Tk. 1.72
EPS

15%
Dividend Declared (Proposed)

Their priorities

- Sustainable growth
- Sound governance and risk management performances
- Business ethics
- Assets quality

Our response

- Maintained attractive plough back ratio
- Timely repayment of debt with stated return
- Each queries of the investors meet up through our share department efficiently and fairly
- Established risk management culture
- Transparency & integrity in financial reporting



Engagement

AGM

eMail

Annual Report

Web Site

Postal Service



Shareholders

Outcomes

Strong relationship with the vendors and business partners

Their priorities

- Fair trade
- Fair enlistment

Our response

- Free from any bias or coercion from influencing quarters
- Ensure fair play and competition to award work order
- Timely payment to vendor



Engagement

Procurement Management

Training

Verbal Communication

eMail



Vendors

Aligned with SDG



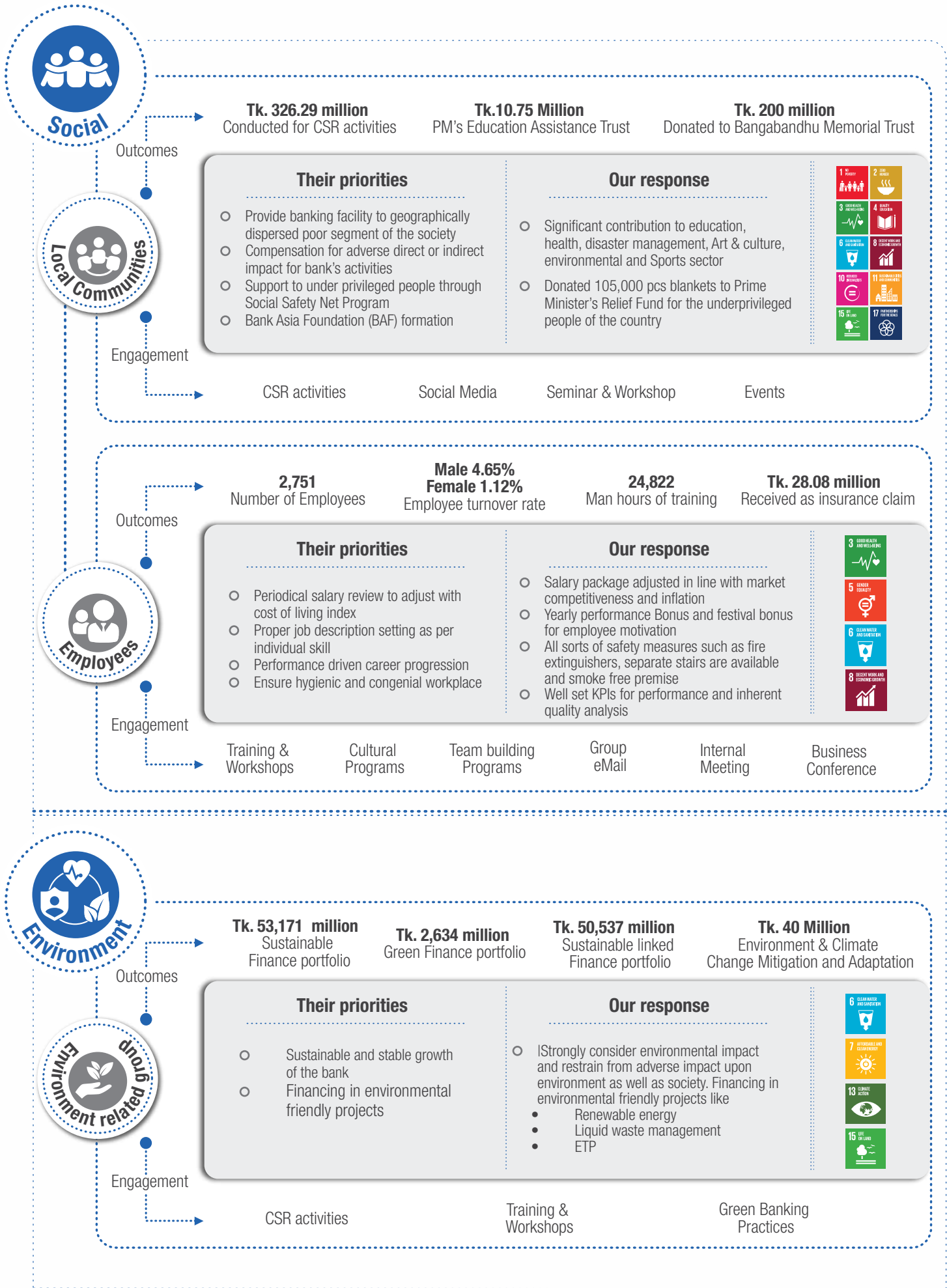
Their priorities	Our response	 
Goals and Strategic focuses are based on local environment analysis & regulatory purview	Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries	



Outcomes	Our response	 
<p>Tk. 9,775 million Contributed to National Exchequer</p> <p>Goals and Strategic focuses are based on local environment analysis & regulatory purview</p>	<p>153,359 number+ Passport & other Challan payment received</p> <p>Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries</p>	
<p>Meetings</p> <p>Directives and circulars</p>	<p>eMail</p> <p>Verbal Communication</p>	<p>Regulatory Reporting</p>



Outcomes	Our response	
<p>28 Number of Board Meeting</p> <p>Goals and Strategic focuses are based on local environment analysis & regulatory purview</p> <ul style="list-style-type: none"> Governance principles, policies & procedures formulation Strategic focus & value creation Strategic business planning 	<p>Maintaining strong Governance principles</p> <ul style="list-style-type: none"> At least one board meeting in every month, frequent executive committee meeting, audit committee meeting Board members meet management on various occasions like annual & semi-annual business conferences, different remarkable day celebration 	
<p>Meetings</p>	<p>eMail</p> <p>Verbal Communication</p>	



Tk. 326.29 million Conducted for CSR activities **Tk.10.75 Million** PM's Education Assistance Trust **Tk. 200 million** Donated to Bangabandhu Memorial Trust

Their priorities	Our response
<ul style="list-style-type: none"> ○ Provide banking facility to geographically dispersed poor segment of the society ○ Compensation for adverse direct or indirect impact for bank's activities ○ Support to under privileged people through Social Safety Net Program ○ Bank Asia Foundation (BAF) formation 	<ul style="list-style-type: none"> ○ Significant contribution to education, health, disaster management, Art & culture, environmental and Sports sector ○ Donated 105,000 pcs blankets to Prime Minister's Relief Fund for the underprivileged people of the country



CSR activities Social Media Seminar & Workshop Events

2,751 Number of Employees **Male 4.65%** **Female 1.12%** Employee turnover rate **24,822** Man hours of training **Tk. 28.08 million** Received as insurance claim

Their priorities	Our response
<ul style="list-style-type: none"> ○ Periodical salary review to adjust with cost of living index ○ Proper job description setting as per individual skill ○ Performance driven career progression ○ Ensure hygienic and congenial workplace 	<ul style="list-style-type: none"> ○ Salary package adjusted in line with market competitiveness and inflation ○ Yearly performance Bonus and festival bonus for employee motivation ○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise ○ Well set KPIs for performance and inherent quality analysis



Training & Workshops Cultural Programs Team building Programs Group eMail Internal Meeting Business Conference

Tk. 53,171 million Sustainable Finance portfolio **Tk. 2,634 million** Green Finance portfolio **Tk. 50,537 million** Sustainable linked Finance portfolio **Tk. 40 Million** Environment & Climate Change Mitigation and Adaptation

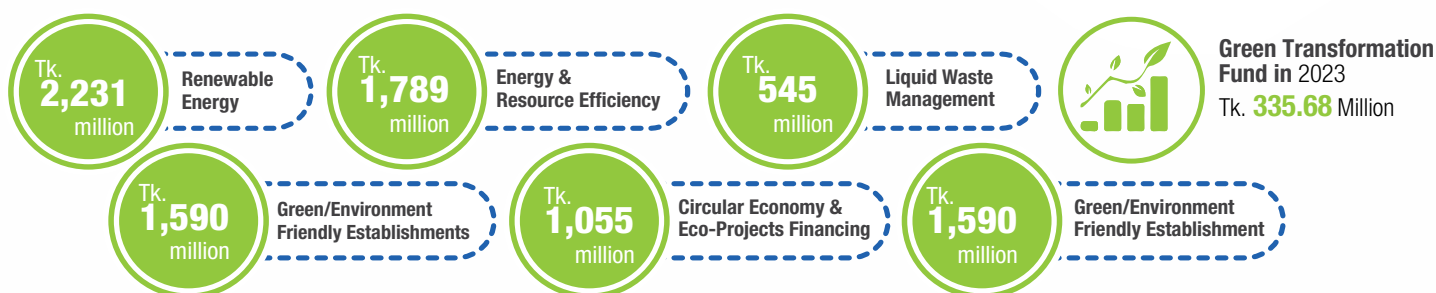
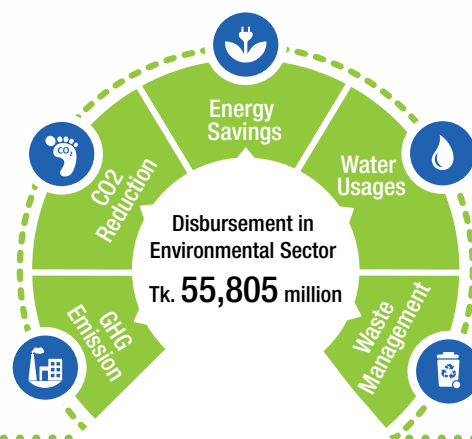
Their priorities	Our response
<ul style="list-style-type: none"> ○ Sustainable and stable growth of the bank ○ Financing in environmental friendly projects 	<ul style="list-style-type: none"> ○ IStrongly consider environmental impact and restrain from adverse impact upon environment as well as society. Financing in environmental friendly projects like <ul style="list-style-type: none"> • Renewable energy • Liquid waste management • ETP



CSR activities Training & Workshops Green Banking Practices

Environmental Performance

Bank Asia is very much aware regarding environmental protection, by minimizing environmental damages and by developing, promoting and utilizing environment friendly technology. Through adoption of various green banking practices such as online loan processing, virtual company meetings, reducing paper and water wastage, etc.



ENERGY

Energy Savings

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

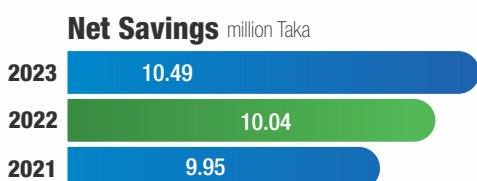
- More than 30% electricity is saved every year using the day light inside corporate office and Energy savings bulbs being used in the office
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation
- Loan sanctions have been uploaded in the MISDB in pdf format instead of hard copies
- For branding & marketing communication purpose, Bank is more focusing on Face book, Websites & other online platforms.

Carbon offset projects

- We have disbursed Tk. 5,712.62 million to 64,496 rural farmers where approving Tk. 1005.03 million to 13,926 farmers through Online Credit Approval System (OCAS).

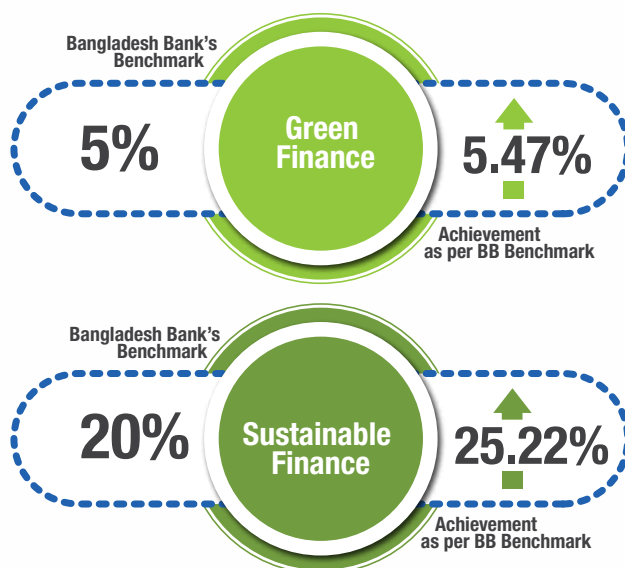
Reducing Energy & Resource Consumption

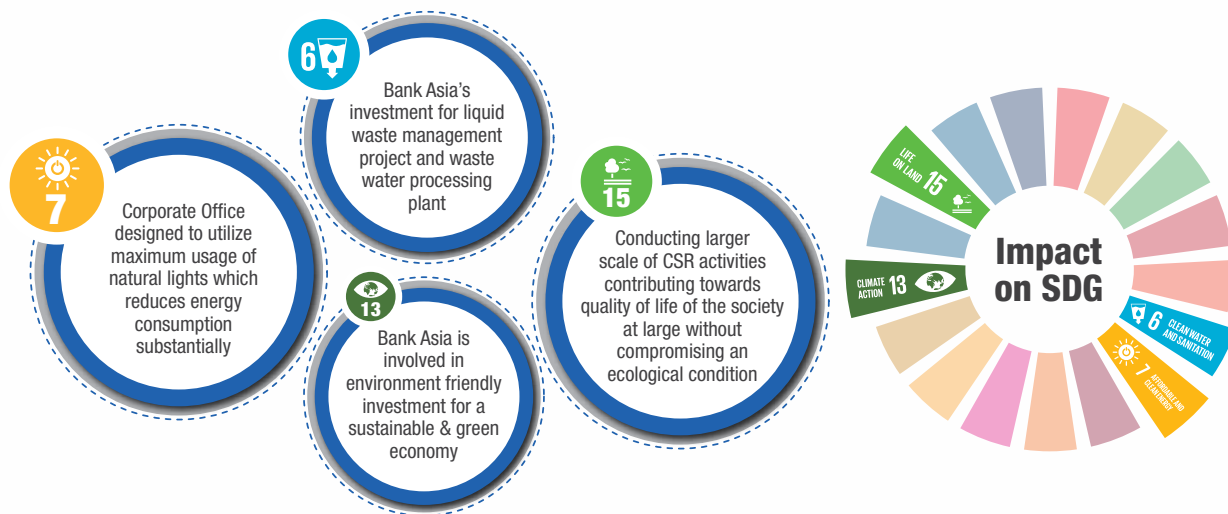
- New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as saved 490,000 pages and 100,000 courier service delivery cost.
- The Green Banking initiatives taken by Cards Division includes E-Statement, SMS Banking, E Mail corresponding etc during 2023 amounted towards net savings worth Tk. 10.49 million



Financing Renewable Energy and Energy & Resource Efficiency

- In 2023, we have disbursed an amount of Tk. 1,074.05 million in **Renewable Energy** and **Energy & Resource Efficiency** under Green Finance. This will enable the business entities to improve their Energy & Resource Efficiency and will reduce their operating cost to a great extent through using renewable energy without any adverse effect on the environment.
- Apart from financing to Renewable Energy, Bank Asia is also cautious about its own use of renewable energy. Solar panels are already installed in 11 branches located at Patherhat, Madhobdi, Dohajari, Hajigonj, Faridpur, Elephant Road, Lalmatia, Sonaimuri, Bashabo SME Service Centre, Bank Asia Bhaban & Nimtola Branch.





WATER USAGES

Bank Asia is very much conscious about efficient use of water. As a financial institution its use of water is already very much restricted. Major consumption of water is for drinking purpose. Our bank is also non-compromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation every branch and corporate office are supplied with specially procured filtered mineral water. The management of the bank takes special care so that wastage of water is minimum. Total consumption is controlled by monitoring per employee drinking water cost per month which was Tk. 324 per employee in 2023.

Waste Management

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

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

Financing Liquid Waste Management

- In 2023, Bank Asia has disbursed an amount of Tk.679.84 million in Liquid Waste Management and as of December the outstanding was Tk.544.62 million. This includes Central ETP, Biological ETP, Combination of Chemical & Biological ETP, Waste Water Treatment Plant etc.
- In 2023, we also financed various projects under Green/ Environment Friendly Establishment amounting to Tk.672.29 million and at the end of the year, the outstanding amount was Tk.1,589.62 million. These finances help the industries to reduce environmental effect.



Echotex ETP financed by Bank Asia PLC.

GreenHouse GAS EMISSION

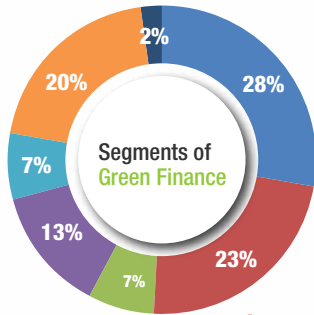
Saving CO2 emission

- For saving money & time and to lessen the emission of CO2, Bank Asia implemented Video Conferencing System between Head Office and branches in order to attend meetings. BAITD (Bank Asia Institute of Training & Development) also provided virtual training to the employees using ZOOM, Cisco Webex & True Conf. platforms throughout the year.

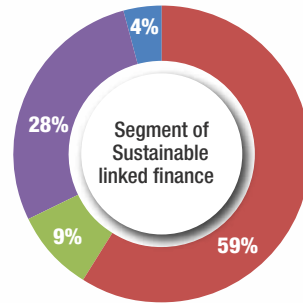
Reducing Carbon Footprint

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

Environmental Performance



- Renewable Energy
- Liquid Waste Management
- Environment Friendly Brick Production
- Green CMSME
- Energy & Resource Efficiency
- Circular Economy & Eco-Projects Financing
- Green/Environment Friendly Establishment



- Sustainable Agriculture
- Socially Responsible Financing
- Sustainable MSME
- Other Sustainable Linked Finance

Refinance Scheme

- Bank Asia has participated an agreement with Regulatory Bank as a participant in the refinance scheme for Green Products/Projects/ Initiatives. Apart from that, we also participated in agreement with Bangladesh Bank for availing Green Transformation Fund (GTF) and Technology Development/Up-gradation Fund (TDF). The outstanding amount of our GTF Fund as of 31.12.2023 was EURO 3.395 million & USD 0.087 million.

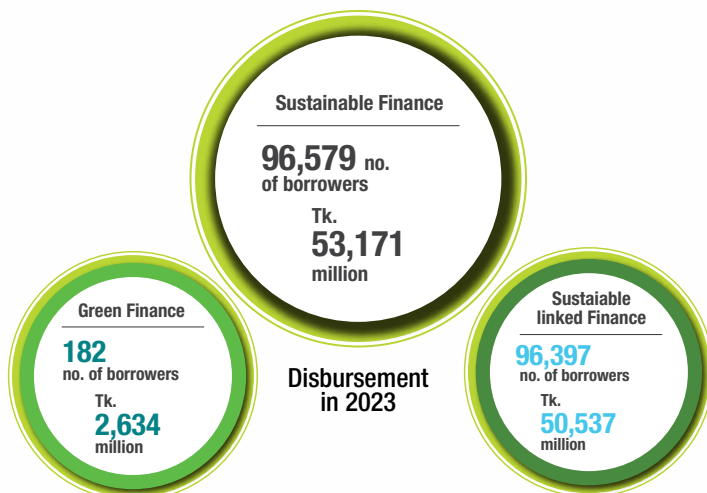
Initiative to Reduce the Bank's Adverse Impact on Environment

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

Initiatives for Green Banking

Sustainable Finance Unit and its initiatives

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



Tofiza Auto Rice Mill-Improved Rice Parboiling System financed by Bank Asia PLC

Financing Auto Rice Mill Industries

- In 2023, Bank Asia has disbursed an amount of Tk. 69 million for **Improved Rice Parboiling System** of Auto Rice Mill Industries as term loans under green finance and at the end of the year, the outstanding amount was Tk. 335 million.
- For the working capital requirements of Auto Rice Mill business, an amount of Tk.8543.99 million was disbursed during the year 2023 under sustainable linked finance and at the end of 2023, the outstanding was Tk.1690.12 million.

Reinforcing and Strengthening ESRM guideline

Bank Asia has been taking initiative to strengthen and fortify the current ESRM guideline and implement the proposed ESRM guideline of Bangladesh Bank.

The organizational roles and responsibility defined in the ESRM Guidelines are built upon the principles of integration of E&S risks into the bank or FI's overall credit policy. It clearly delineates the responsibility of different functions of the bank in terms of E&S risk assessment and the decision-making process based upon E&S risk rating.

Since 2011, Bank Asia has started Environmental & Social Due Diligence (ESDD) through ESDD Checklist in its investment proposals by following ESRM Guidelines. In 2023, total 4,807 number of finances were rated where disbursement of Tk.95,406.40 million was made to 4,434 number of finances.

Sustainability Report & Rating

- Since 2012, Bank Asia has published Sustainability Report and achieved 'Silver Rank' in Asia Sustainability Reporting Rating (ASRRAT) 2023 by NCCR and ICSP for Sustainability Report 2022.

Online Banking

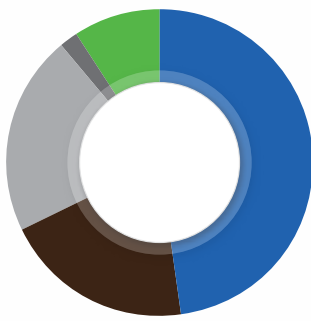
- Online banking system is a great way to reduce wastage of paper.
- For ensuring digitalization of service, Automated Challan System (A-Challan System) has been introduced for online submission of various government service fees.
- In our banking system 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking such as e-ticket purchasing of bus, train, airways, cinemas & movies, mobile flexiload, hotel booking; bill payment such as hospital bill, advertisement bill, passport fees, WASA, DESA, qubee bill, computer accessories & service related payment, e-shopping etc. by the debit/ credit card of Bank Asia with less expense & in faster time from any time anywhere.
- We have also integrated Internet banking system to NPSB on first phase and through this connectivity our customers can transfer fund from their Account to Inter-Bank Accounts and Debit & Credit Cards real time and vice versa.
- Our banking system provides services through a unique banking app "Bank Asia SMART APP" both for branch & Agent Banking customers, also secures all kinds of transactions and information about customers.

Compliance

During 2023, Bank Asia has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.

Economic Performance

Value Added Statement shows the wealth created by an organization & how is that wealth distributed among different stakeholders. In the year 2023 bank's net value addition was Tk.10,952 million; 48% was distributed to employees as salaries, 20% to shareholders as dividend & reserve, 21% to government as income tax and rest of the amount used for business expansion and growth.

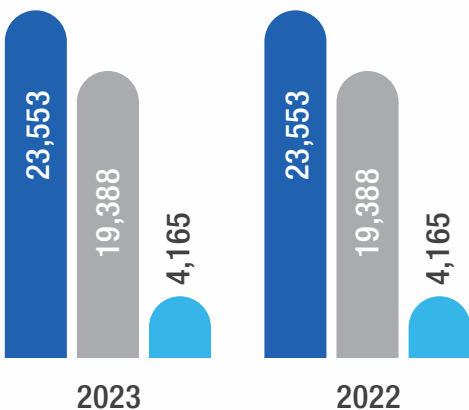


Value Added Statement 2023

- To employees as salaries **48%**
- To providers of capital **20%**
- To Government as Income Tax **21%**
- Retained profit **2%**
- Depreciation **9%**

Market Value Added

- Market Value of Equity
- Book Value of Equity
- Market Value Added



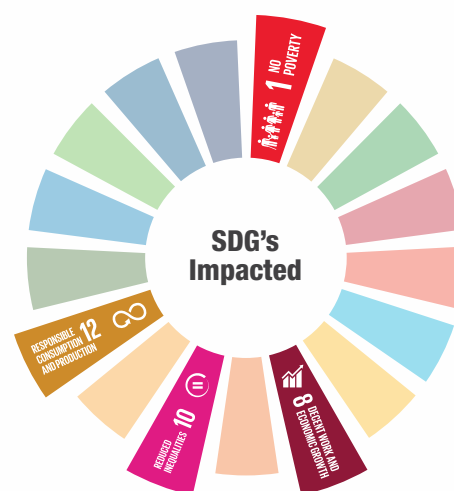
Items	Million Taka	
	2023	2022
Income from banking services	38,028	35,149
Less: Cost of services & supplies	20,241	18,434
Value added by banking service	17,787	16,715
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	6,835	(4,149)
Total	10,952	12,566

Distribution of value addition	2023		2022	
	Amount	%	Amount	%
To employees as salaries	5,257	48%	5,064	40%
To providers of capital as dividend & reserve	2,139	20%	2,798	22%
To Government as income tax	2,300	21%	3,500	28%
To expansion & growth				
Retained profit	257	2%	247	2%
Depreciation	999	9%	956	8%
Deferred Taxation			-	-
	1,256		1,203	
Total Value Addition	10,952	100%	12,566	100%

Market Value Added Statement

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders. During the year 2023, total market value of the bank was Tk. 23,553 million & total book value of equity is Tk. 19,388 million i.e. addition of market value was Tk. 4,165 million.

Particulars	No. of shares (in million)	Share price (in taka)	Taka (in million)
Market Value	1,166	20.2	23,553
Book Value	881.26	22	19,388
Market Value Added			4,165



Economic Value Addition During The Year

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

Particulars	2023	2022	2021
Invested fund by shareholders			
Shareholders equity	29,520	28,640	27,357
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	25,000	21,859	18,312
Total invested fund by shareholders	54,519	50,499	45,669
Average invested fund by the shareholders [A]	52,509	48,084	43,170
Earnings for the year			
Profit after taxation	2,396	3,046	2,707
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	6,835	4,149	4,786
Earnings for the year [B]	9,231	7,195	7,493
Average cost of equity (based on Shanchay Patra rate issued by the Government of Bangladesh) plus 2% risk premium[C]	13%	13%	13%
Cost of average equity [D= A x C]	6,826	6,251	5,612
Economic Value Added [B-D]	2,405	944	1,881

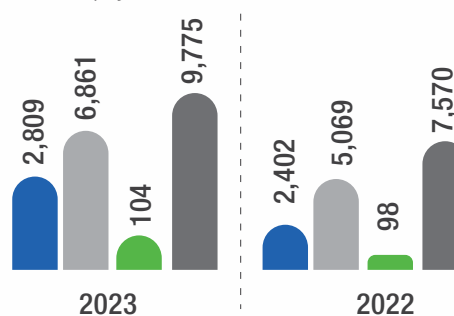
Contribution to National Exchequer

As a corporate entity, Bank Asia pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2022, the Bank contributed Tk. 7,570 million to national exchequer.

Particulars	2023	2022
Income tax payment on bank's earnings	2,809	2,403
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	6,861	5,069
Income tax payment by the employees	104	98
Total Payment	9,775	7,570

Contribution to National Exchequer

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



Supporting Activities Through CMSE

Bank Asia SME has stepped into the territories where no Bank or FIs of Bangladesh have reached so far. In 2023, with 4 SME Service Centers & 131 branches in urban & rural areas. Bank Asia strongly focused on cottage & micro enterprise financing, cluster financing, grooming-up new entrepreneurship development, promoting women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to underserved people. Besides, we have been organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts in order to increase the loan portfolio and get more people under the reach of credit in manufacturing industries, service oriented business. Initiatives in the year of 2023

Economic Performance

- The Cottage, Micro and Small Enterprise portfolio stood at Tk. 14,751.73 million compared to previous year's Tk. 13,419.01 million with a growth of 9.03%
- Medium Enterprises portfolio stood at Tk. 25,510 million compared to previous year's Tk. 25,490 million with a YOY growth of 0.08%

Initiatives in the year of 2023

- Workshop on Environmental and Social Safeguard (ESS) Screening System of SPCSSECP organized by Bangladesh Bank at Asia hotel and Resort Dhaka.
- "SME Entrepreneur- Banker exchange of views and lending connection" under 'Divisional SME Product Fair, Sylhet-2023' organized by SME Foundation at Sylhet.
- Discussion on Development of SME sector and availing Loan facility under Rangpur Division - "Divisional SME Product Fair, Dinajpur-2023" organized by SME Foundation at Dinajpur.
- Fourth Awareness Program of "Supporting Post COVID-19 Small Scale Employment Creation Project" organized by Bangladesh Bank at Cox's Bazar.
- Training Program on 'Readiness of Women Entrepreneurs for Access to Finance' Organized by SME Foundation at Sylhet.
- Training Program on 'Development of Women Entrepreneurs for Financial Inclusion' Organized by Bank Asia PLC. at Narayanganj.
- Participated at "Youth Entrepreneurship & Startups for Students (YESS) program organized by SME Foundation at Rajshahi University.
- Training on "Business Management for Women Entrepreneurs" jointly organized by Bank Asia PLC. & SME Foundation at Chandpur and Nawabgonj..
- Agreement Signing between Bank Asia PLC. & MSE Global Consulting PTE. Ltd. for "To Support and Empower Women Entrepreneurs" held at Bank Asia PLC. Corporate Office.
- Training Workshop on "Entrepreneurship Development and CMSME financing" organized by BIBM Dhaka.
- "Mymensingh Divisional SME Entrepreneur's-Bankers Conference & Loan Matchmaking Program" organized by SME Foundation.
- Participated on "MSME Development Fair 2023" Organized by Uttaran MSME Platform.

INVESTMENT FOR SOCIAL EMPOWERING

Empowering communities through AGRI/Rural credit

In our drive to bring the low income group under our ever expanding financial inclusion umbrella, Bank Asia has always tried to focus on disbursing Agricultural/Rural credit which is one of the most influential macroeconomic driving sectors of our economy. In 2023, Bank Asia managed to distribute Tk. 5,712.62 million to 77,553 Farmers as part of our agriculture/rural credit scheme.

FINANCIAL INCLUSION

Agent Banking

Bank Asia is the pioneer in Agent Banking in Bangladesh. The bank launched its Agent Banking service in 2014, which was the first of its kind in the country. Currently its serving more than 6.38 million customers in Bangladesh as a market leader through 5,051 Outlets all over the country, 92% of which are Rural and 64% are Female. The bank has been expanding its Agent Banking network aggressively over the years, which has helped it to reach out to a large number of customers nationwide. With the help of Agent Banking, Bank Asia has been able to offer affordable and convenient banking services to millions of unbanked and underbanked people in the country. Bank Asia's Agent Banking has been playing a significant role in promoting financial inclusion and contributing to the country's economic growth and development.

Post Office Banking

With a vision to expand network and ensure service reach to grass root level bank has built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government. From now on people will get Bank Asia service from Digital Post e-Centre across the country. The Post Office Banking division currently has 1,097 outlets to render these post office banking services.

Micro Merchant

Micro Merchant is most effective channel for Financial Inclusion & Literacy. Bank Asia is the pioneer in Micro Merchant. 58,136 Micro Merchant all over the country is actively participated to distribute Social Safety net allowance through banking channel & secured way. Total number of transactions through Micro Merchant channel stood at 11.90 million worth Tk. 20,347 million.

In 2023, we were more focused on "Strengthening women empowerment through digital financial inclusion & literacy for better financial health".



SME Women Entrepreneurship development program - Discussion meeting & Certificate distribution program jointly organized by Bank Asia & SME Foundation

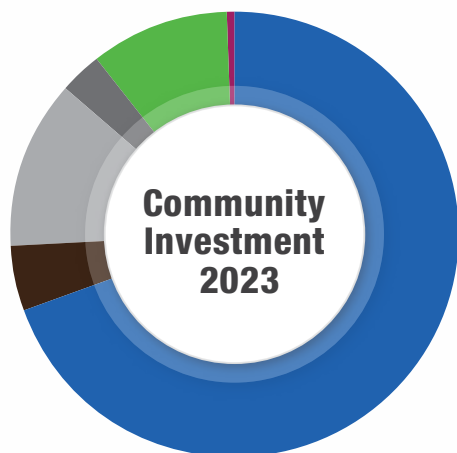


Financial Inclusion Program for the development of Women Entrepreneur at Kishoreganj

Bank Asia have onboard a total of 596 Women Micro Merchant this year, supported by Bill & Melinda Gates Foundation project. Smart mobile sets, Bio-Matric devices and branding materials were distributed among all of these Women Micro Merchants.

Community Supportive Investment

Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In 2023, Bank Asia spent an amount of Tk. 326.29 million for the overall betterment of the nation. The Bank's stakeholders were immensely benefitted by way of its community based multifarious social programs.



- Health **69.50%**
- Education **4.87%**
- Environment & Climate Change Mitigation and Adaptation **12.26%**
- Sports & Culture **3.06%**
- Disaster Management **9.93%**
- Others **0.38%**

Foreign Remittance

In 2023, the wage remittance inflow for the year ended at Tk. 88,277 million. By contrast, migration flows are at record levels in recent history but remittance flow did not follow the same trend due to widespread use of "Hundi" that leads by the exchange rate gap between the formal & informal channel. In 2023 country has received \$ 21.92 billion and registered only 3% growth.

Bank Asia has tied up with 14 new exchange houses in 2023 in the corridor like KSA, UAE, Bahrain, Jordan, Japan, Canada & UK for connecting Bangladeshi wage earners' through worldwide partner exchange houses. These collaboration will helps the bank to bring more remittances in the coming days and contribute more in bank's as well as country's foreign trade business and foreign currency reserve.

Online Payment Gateway Services (OPGS)

Bank Asia is the first Bank to set-up arrangement with OPGSs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. In 2023, we have done 336,482 transactions of Tk. 124.50 million.

Financial Assistance from Government

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

Compliance

Bank Asia is very much conscious about legal and regulatory compliances. The bank reports regularly to the central bank, the Bangladesh Securities and Exchange Commission, tax & VAT authorities on required compliance issues. During 2023, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh

Financial Inclusion at a glance

Being the pioneer of financial inclusion, Bank Asia has already completed 9 years of journey for agent banking operations in Bangladesh. With the experience from Agent Banking operation and ABAK (formerly known as EBK), Bank Asia has become capable enough to provide services to all Government Social Safety Net Programs. Over the time, we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow, Disabled & other beneficiaries.

Services covered under this program

- Old aged allowances
- Widow, deserted & destitute women allowances
- Bedye allowances
- Stipend for Bedye Community
- Lifestyle development of Unprivileged Community
- Stipend for unprivileged Community
- Disable allowances
- Stipend for disable allowances
- Hijra allowances
- Stipend for Hijra Community
- Lifestyle development of Tea Worker Community
- Rohingya Caregiver
- Maternity & Lactating Mother allowances
- Vulnerable Group Development (VGD) Program
- National Payment Service Program
- RLP 3rd Phase, BRDB

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

Particulars	Social Safety net	Women's Affairs Programs	National Service	Others
District	17	55	09	56
Upazilas	65	341	09	186
UDC	655	2,550	91	1,372
Beneficiaries	1,736,876	1,245,597	4,311	212,901
Deposit (Tk. in Million)	1,374.34	1,428.09	106.19	98.08
Male Beneficiaries	713,160	-	1,881	107,721
Male Deposit (Tk. in Million)	594.26	-	46.83	52.78
Female Beneficiaries	1,023,716	1,245,597	2,430	105,180
Female Deposit (Tk. in Million)	780	1,428	59.36	45.30

a2i, in collaboration with the Ministries of Social Welfare, Finance, and Bangladesh Bank, developed the 'Citizen's Choice Architecture' for digital payments of SSN Programs – such as elderly allowance, allowance for widowed, deserted, and destitute women, allowance for financially-insolvent disabled people. Guided by the 'AIM Principle' (Account + Identity = Mobility), it allows for the disbursement of allowances at accessible cash-out points at the union level (the lowest administrative tier comprising 9 villages), or even at the homes of the elderly or persons with disability.



Social Safety Net beneficiaries payment from Agent outlet



An elderly woman is receiving old age allowance from Bank Asia staff at UDC



SSN payment from agent outlet



SSN payment from agent outlet.



Social Safety Net beneficiary payment from Agent outlet

Sustainable HR Development

EMPLOYEE PROFILE

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



SALARY POLICY

We target a fair human resources management by using a performance based system. Our salary policy is same in all branches and service points for the beginner level. In addition, to drive further development of individual skill, increment is given based on performance yardstick. There is no incident of discrimination in terms of remuneration provided to male and female employees.

BENEFITS TO EMPLOYEES

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

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



New Employees

48 new employees were recruited during 2023 where 53.90% for branches & 46.09% for Corporate Office to ensure effective and timely support.



Employees by Diversity

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees 2,747 dominated in diversity composition and 4 indigenous.



Employees by Region

Bank's employees are mainly spread over Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 78% in 2023 for corporate office and branches in Dhaka city. We follow fair hiring process which demonstrates no discrimination in locality, religion of employees in this process.



Gender Positioning of Employees

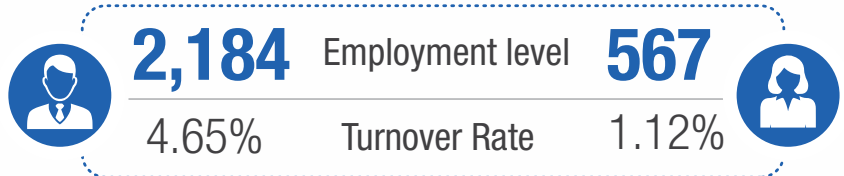
Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels.



Gender Positioning of Directors



Gender positioning by



LEARNING & DEVELOPMENT

As "Efficiency" is our strength Bank Asia continuously provide training to maintain the highest level of operational efficiency, customer focus, and people orientation to employees.

Training by gender



Training by position



Bank Asia and Green Banking

- Bank has organized different In house & External training courses under Bangladesh bank, BIMB, Foreign Training, Training by other institutes. Training Institute of Bank Asia has provided trainings on Green Banking under Foundation training course & other training related to Green banking to the employees of the Bank.
- A number of training and workshop was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, financial inclusion, CSR and Green Banking
- Through OCAS (Online Credit Approval System) Diganta software 23,502 no. of proposals amounting Tk. 14,805 million have been approved in 2023.
- Electronic sanction archive system has been developed for 6 departments; namely: CRM, CMSE, I.B.D., SAMD, CFC & Agricultural wing.
- Implemented Artificial Intelligence Workforce (AIW) bot for verifying NID of customers.

Sustainable HR Development

Training by Different Institutes

Particulars	2023	
	Nos.	Hours
In House Training	1,867	20,136
Bangladesh Bank	125	1,497
BIBM	35	450
Overseas/Foreign Training	2	36
Training by other institutes	141	2,706
Total No. of Participants & Man Hour	2,170	24,822

Anti-Money Laundering Training

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

Training on AML & CFT



OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT

All the branches, SME service centers and SME/agriculture branches and every department of corporate office are well decorated having sufficient breathing spaces and adequately equipped with fire-fighting equipment and fire drills. A team of logistics and support services department of the bank is specially entrusted to visit regularly to monitor cleanliness, safety measures and other amenities remains ensured in all outlets. If found any deviation, take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.



Maternity Leave

As per bank's policy, every female employee is entitled to get 6 months' maternity leave with regular salary and allowances. During 2023, 43 female employees availed 180 days each with a total of 7,740 days. An employee can avail this leave not more than two occasions during the entire period of service.



Paternal Leave

As per bank's policy, any employee who has been in the continuous service of the bank is entitled to get 5 working days' paternal leave from the date of joining. An employee can avail this leave not more than two occasions during the entire period of service. During 2023, 132 male employees availed this paternal leave.



Child Care Center Facilities

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

EMPLOYEE PERFORMANCE EVALUATION

Bank Asia established a real-life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/ or qualitative performance vis-à-vis set target of a given year. To evaluate the performance of Bank Asia's employees KPI is used in the following manner: We have infused 80/20 strategy in performance measurement system; as such 80% Objective and 20% Organizational & Personnel behavior factors are introduced. The benefits of using KPI are the followings:

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

CULTURAL EVENTS AND AMUSEMENT

Celebration of Pohela Falgun 1429

Bank Asia has celebrated the first day of Spring of Bengali calendar 1429 in a festive manner. Bank Asia PLC celebrated the first day of Spring of Bengali calendar 1429 on Tuesday in a festive manner. Employees enjoyed different varieties of traditional foods followed by a colorful cultural program, organized at the bank's corporate & branch offices simultaneously.



Celebration of the first day of Spring of Bengali calendar 1429

Team Building Program

Bank Asia PLC in collaboration with Quazi Consultants organized a two-day long High Performance Team Building Program for its officials at CCDB HOPE Foundation at Savar, Dhaka. A total of 30 officials from branches and divisions participated in the program. Various sessions and activities on leadership development were conducted during the program.

Transport Facilities

At present 13 vehicles used for pick and drop facility specially for female employees of Bank Asia in Dhaka and Chittagong region where majority of the pool vehicles have been converted into CNG driven.

Human Rights, Child Labor and Other Issues

Bank Asia does not tolerate child, forced or compulsory labor. In 2023 no incident of discrimination and violation involving rights of indigenous people and forced and child labor has been recorded.

Grievance Redressal Policy

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

- Female anti-harassment policy
- Grievance handling policy

POLICY, PRACTICES, AND PROPORTION OF SPENDING ON SUPPLIERS

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

- Construction contractor
- Graphics and interior designers
- Advertisement agency
- Newspaper
- Printing maintenance
- Stationary suppliers
- Mineral water suppliers
- Transport facilitator

Statement on Compliance

In the year 2023, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding use of product and services, information about product and services, marketing, communications, advertising, promotion. No incidents of fines/penalties have been recorded this year concerning the above mentioned issues.

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

Bank Asia Foundation

In pursuance to the financial sector Corporate Social Responsibility (CSR) engagements: Indicative Guidelines for expenditure allocation and end use oversight as enunciated in GBCSRD Circular No. 07 dated 22/12/2014 of green Banking and CSR Department of Bangladesh Bank, Bank Asia Foundation (BAF) was established under the societies Registration Act, XXI of 1860 dated 2nd February, 2014 to undertake large scale sustainable programs on behalf of Bank Asia PLC.

BAF started its journey in 2017 with the aim of performing high impact sustainable CSR programs like establishing Medical college & Hospital, Clinics, Diagnostic Centers, Educational Institutes, Vocational Training Centers, Scholarship for Higher Studies etc. Bank Asia Foundation currently emphasis investment in the health sector. With that goal, a 50 Bedded hospital was set up furnished with modular Operation Theater (OT), NICU, Post-Operative Unit, Labour Room with modern equipment and well-designed diagnostic center including Pathology, X-Ray, ECG and Ultrasonogram department as well as 24/7 Emergency service with highly equipped ambulance. Both the Indoor (from December, 2023) and Outdoor (since September, 2019) unit and a Model Pharmacy named Bank Asia-Ma Amiran Model Pharmacy was operational (from September, 2019). The Foundation has been established in 727.47 decimals Land and One Old Three-storied building donated by Honorable Chairman Mr. A. Rouf Chowdhury and his family members. As a part of the "Bank Asia Higher Studies Scholarship Program", BAF disburse Scholarship for the year of 2017 & 2018 programs which is more than 400+ students.

The foundation is currently working in major three areas

- 1 Bank Asia-Ma Amiran Hospital & Diagnostic Centre at Malkhanagar, Sirajdikhan, Munshiganj.
- 2 Bank Asia Higher Studies Scholarship Program 2017 & 2018.
- 3 Other CSR Activities like donation for treatment, donation of computers etc.

Services provided by Diagnostic Centre (2019 - 2023)





Medical equipment of Bank Asia-Ma Amiran Hospital and Medical College



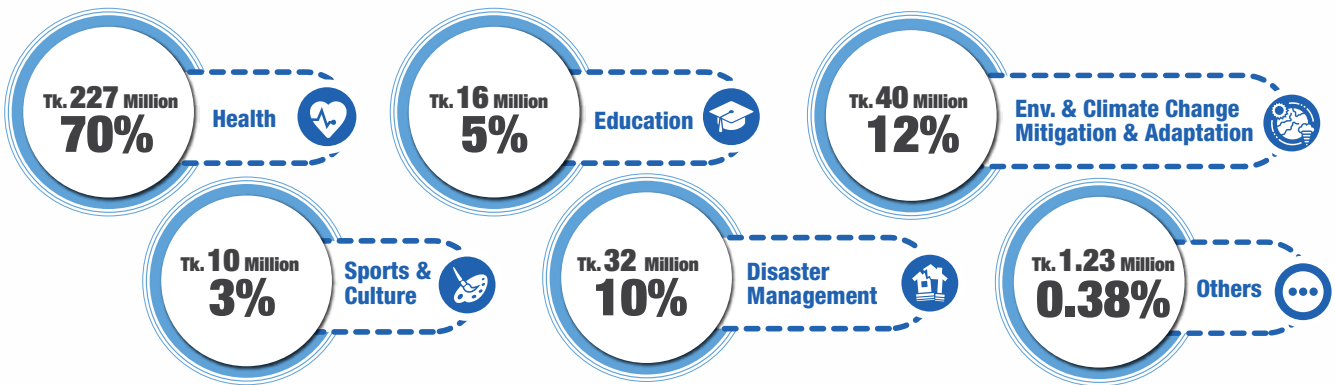
Bank Asia-Ma Amiran Hospital and Medical College



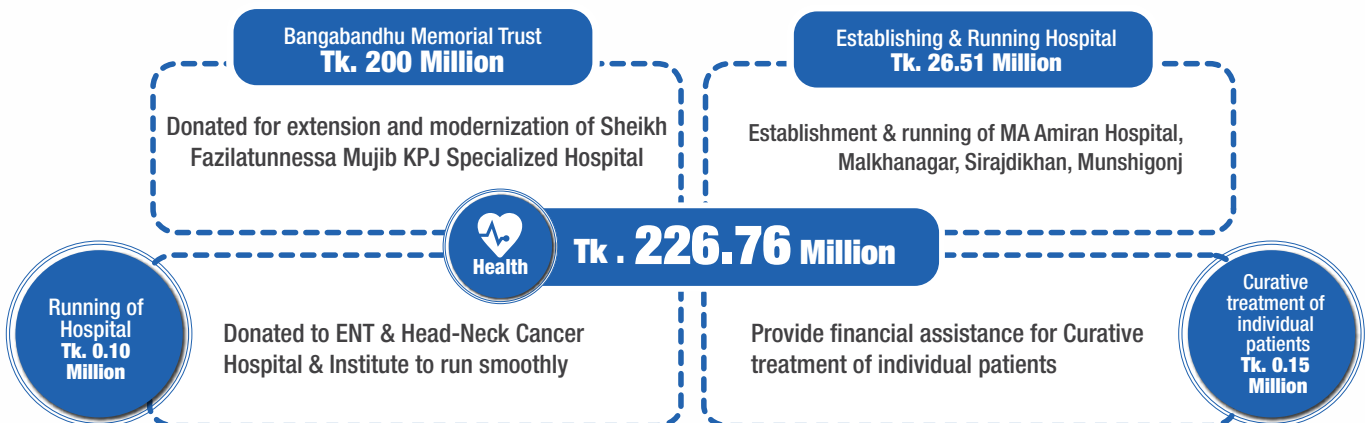
Indoor unit of Bank Asia-Ma Amiran Hospital and Medical College

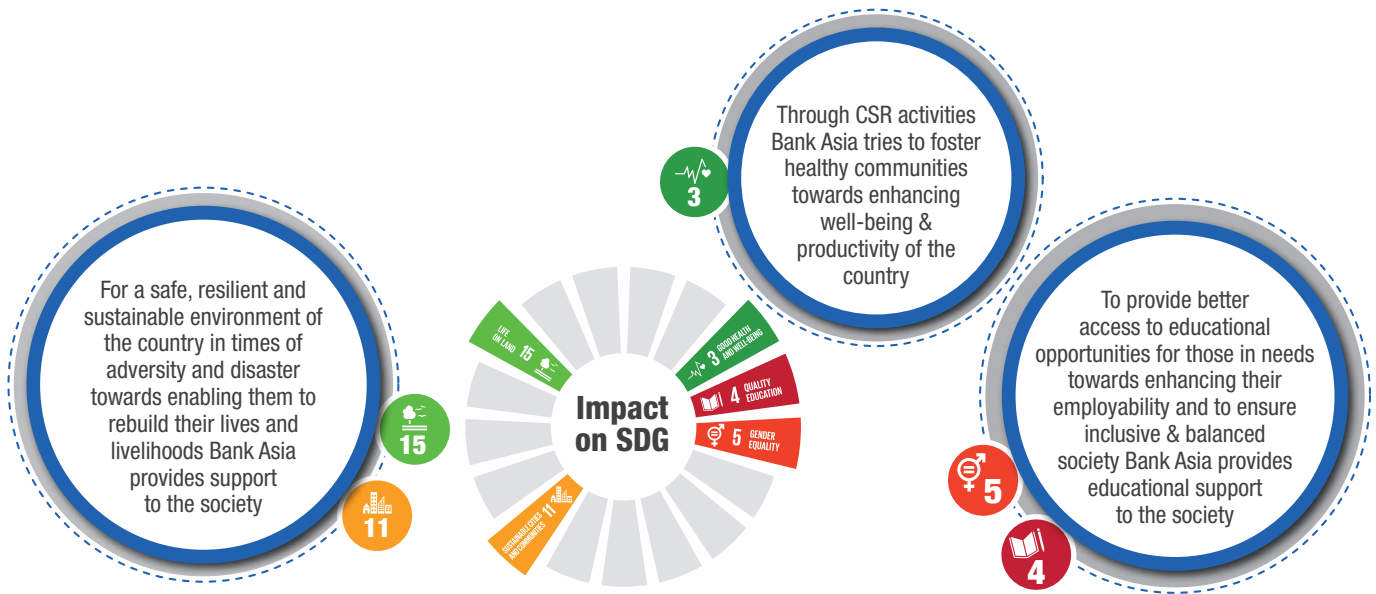
Corporate Social Responsibility (CSR)

Bank Asia is always aware of its Corporate Social Responsibility (CSR) with an aim to ensure the Bank as a socially responsible corporate entity contributing towards quality of life of the society at large without compromising an ecological condition. CSR is not only philanthropy but also does it address the key sustainable development challenges through actionable programs and community investments to a considerable extent. CSR is to reduce all forms of poverty, inequality, social exclusion, improve the quality of livelihood through healthcare availability and living standards of vulnerable groups of the society for sustainable and equitable development of the country.



Bank Asia donated to Prime Minister's Ashrayan Project-2 Fund for the underprivileged and homeless people of the country





Financed by Bank Asia PLC for establishment of MA Amiran Hospital, Malkhanagar, Sirajdikhan, Munshigonj

**Higher Studies Scholarship
Tk. 1.88 Million**

Provided direct scholarship to 56 students for higher studies in different educational institutions under BA Higher Studies Scholarship Program

**PM's Education Assistance Trust
Tk. 10.75 Million**

Donated to Prime Minister's Education Assistance Trust (PMEAT) for expansion of the trust's regular activities



Tk. 15.89 Million

**Different educational institutions
Tk. 2.86 Million**

Donated to Bangladesh Disabled Development Trust (BDDT); PROYASH school, District & Session Judges' Court, Chattogram; & Unnayan Shammanay for educational purposes & financial literacy programs

Sponsored to Dean Faculty of Law Moot-Court, DU for sponsoring students from Dhaka University who participated and became Champion in the Asia Cup International Law Moot Court Competition 2023 held in Tokyo, Japan

**Asia Cup International Law Moot Court Competition 2023
Tk. 0.40 Million**

Corporate Social Responsibility (CSR)



Sponsored by Bank Asia for Asia Cup Moot Court Competition 2023



Tk. 32.41 Million

As a part of Corporate Social Responsibility (CSR), Bank Asia donated 75,000 pcs blankets to Prime Minister's Relief Fund for the underprivileged people of the country. Apart from that, Bank Asia donated more than 30,000 blankets among cold-hit people in different parts of the country through Branch network during severe cold spell of winter to carry out its humanitarian activities.



Bank Asia PLC donated blanket to the 1,000 cold affected people in Sitakunda, Chattogram



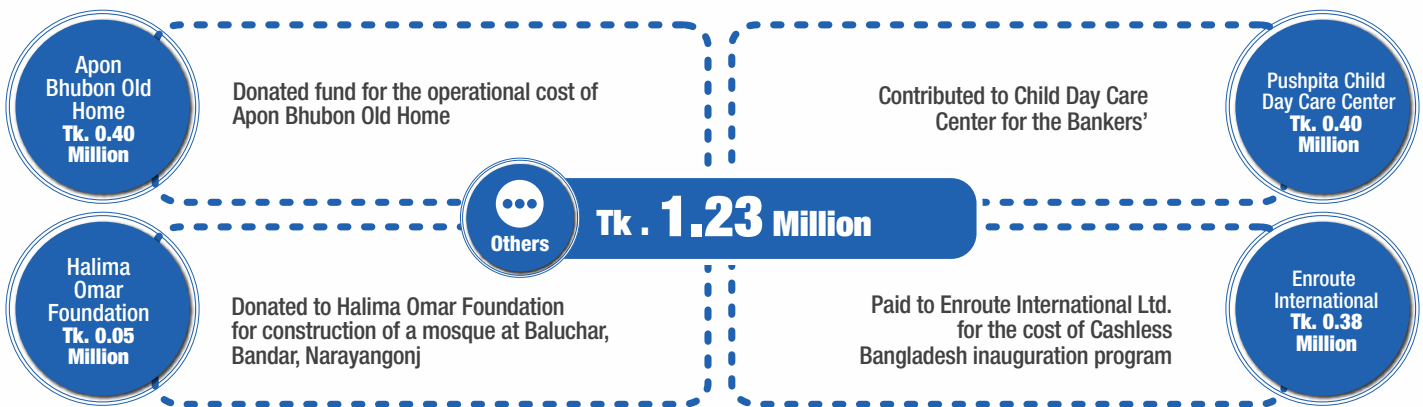
Tk. 10 Million

Tk.10 million provided to Sheikh Russel Jatiyo Shishu Kishore Parishad for organizing Under 16 Football Tournament where a number of poor and deprived players were participated



Tk. 40 Million

Bank Asia donated Tk.40.00 million to Home Construction Fund by Private Finance, Ashrayan Project-2, PMO, Dhaka for the project of providing land with home for the homeless as declared by the Honorable Prime Minister. This project brings smiles to millions of marginal and ultra-poor people of the country.



Special CSR



Bank Asia PLC. donated to combined harvesters to three CIG Farmers' Groups of the haor area in Kishorgonj District and 211 units of water tanks of 5,000 liter capacity each to selective cashewnut growing farmers of Ruma & Thanchi Upazilla in the Bandarban Hill Tracts for the agricultural sector as part of Special CSR Activity of the Bank.

Bank Asia PLC signed an agreement with Khulna University for contribution of Tk.12.80 million for a research project titled Introducing novel crop residue management approach for improving soil structure and crop productivity in the coastal saline soils of Bangladesh to be conducted by the Soil, Water and Environment Discipline of Khulna University



Customer Satisfaction Survey

Customers being the lifeline of our business operations, it is imperative that we pay close attention to how well we are able to serve them and how satisfied they are with the service.

For this purpose, a follow up to a 2021 study on customer satisfaction was conducted to see the areas we have been able to develop and where we still have room to improve.

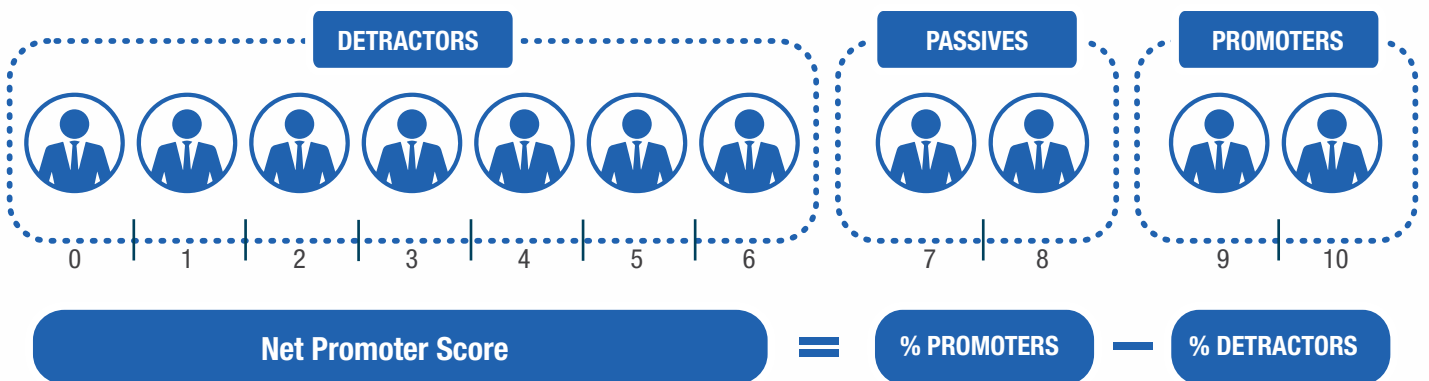
Research Objective

- Measure Customer Service Quality (CSQ)
- Identify strength, weaknesses & discomfort of CSQ
- Suggest action points to improve CSQ



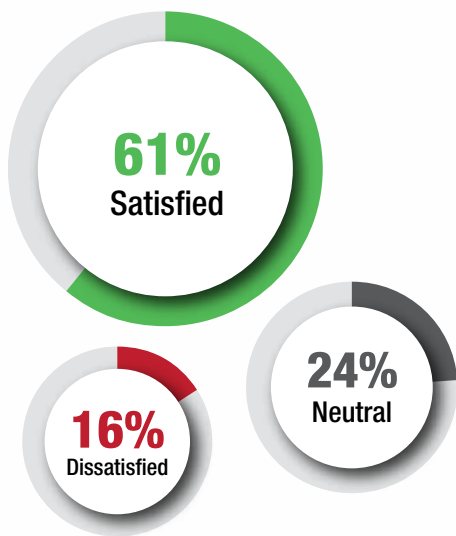
Net Promoter Score & Its Utilities

How likely/willing are you to recommend to a friend, colleague or relative?

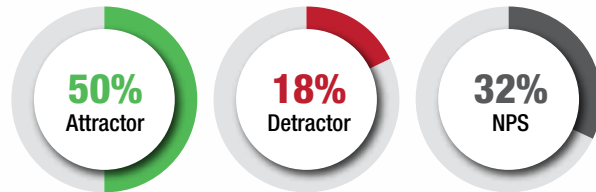


NPS rating method: NPS ≥ 50 = excellent, 25 ≥ NPS < 50 = Very Good, 10 ≥ NPS < 25 = Moderate, 0 ≥ NPS < 10 = Poor, NPS < 0 = very poor

Overall Satisfaction



Net Promoter Score: Very Good



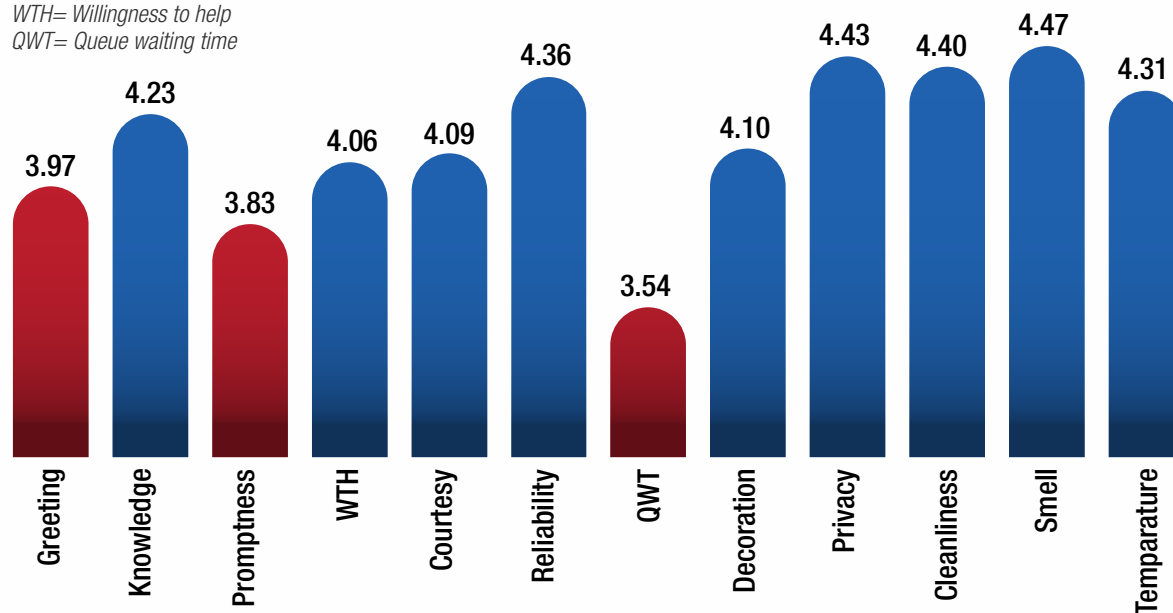
NPS rating method: NPS ≥ 50 = excellent, 26 ≥ NPS ≤ 49.99 = Very Good, 10 ≥ NPS ≤ 24.99 = Moderate, 0 ≥ NPS ≤ 9.99 = Poor, NPS < 0 = very poor

Segment Wise NPS



Factor Wise Strength and Weakness

WTH= Willingness to help
QWT= Queue waiting time



Summary

The customer satisfaction data reveals that majority (61%) of customers are satisfied. The Net Promoter Score (NPS) stands at 32, with an attractor of 50% and a detractor of 18%, NPS 32 refers that our service is very good. Segment-wise NPS indicates higher satisfaction among retail customers (38), followed by institutional account holders (28) and walk-in customers (27). Our service demonstrates notable strengths, including highly rated staff knowledge (4.23), reliability (4.36), courtesy (4.09), and WTH (4.06). Other factors like decorations (4.10), privacy (4.43), cleanliness (4.40), smell (4.47), and temperature (4.31) also contributed positively. However, there's room for improvement in certain areas e.g., promptness (3.83), and QWT (3.54) have received lower ratings. Addressing these weaknesses will be essential to enhance our overall service experience.

Market Performance

Financial Calendar	Announced On
Audited Consolidated result for the year end-ed 31 December 2022	March 18, 2023
Unaudited Result for the first quarter ended 31 March 2023	April 30, 2023
Unaudited Result for the second quarter and half year ended 30 June 2023	July 27, 2023
Unaudited Result for the third quarter ended 30 September 2023	October 19, 2023

Distribution of Dividend	Details
(Cash% - Stock%)	15% Cash
Announcement Date	March 18, 2023
	April 30, 2023 (AGM)
Record Date	April 06, 2023
Distribution Date	May 11, 2023
Notice of 24 th Annual General Meeting	April 05, 2023
24 th Annual General Meeting	April 30, 2023

Stock Detailed

Particulars	DSE	CSE
Stock Symbol	BANKASIA	BANKASIA
Company ID	11127	22022
Listing Year	2004	2004
Market Category	A	A
Electronic Share	Yes	Yes
Total Number of Shares	11,65,906,860	11,65,906,860

DSE Trading Days (2023)	244
Year End Closing Price (December 28, 2023)	20.2

Availability of Information about BANK ASIA

Annual Integrated Report 2023 and other information about Bank Asia may be viewed on Bank's Website:

www.bankasia-bd.com

Corporate Office

Bank Asia Tower (2nd Floor)
32 & 34 Kazi Nazrul Islam Avenue,
Karwan Bazar, Dhaka-1215
Phone:+8809617001100, Ext: 1213,1215
Fax:+8855013976
E-mail: bankasia@bankasia-bd.com

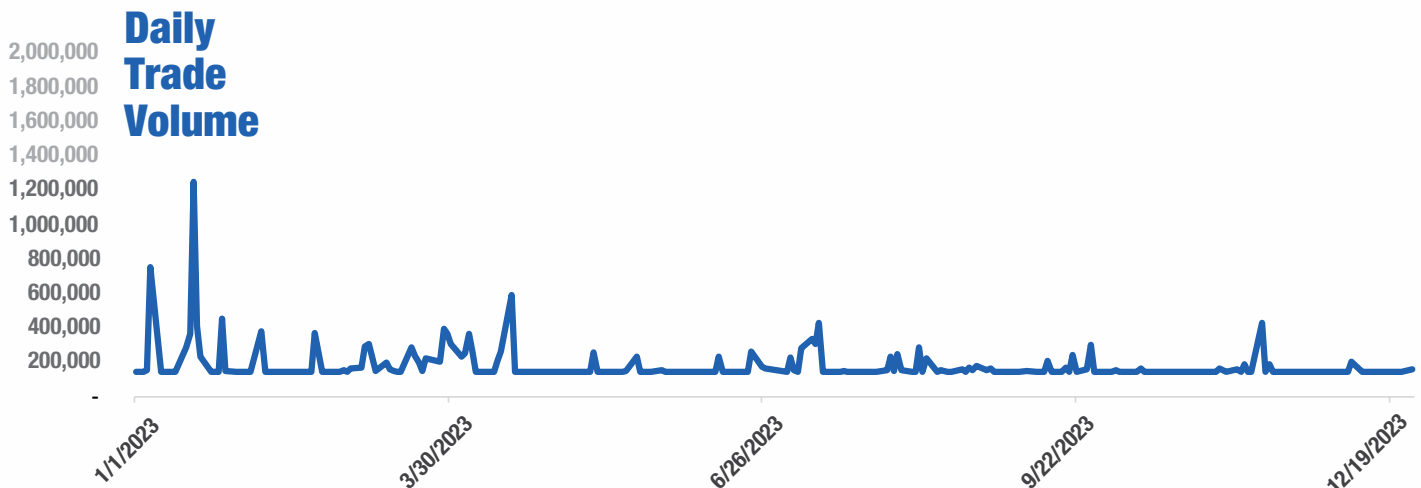
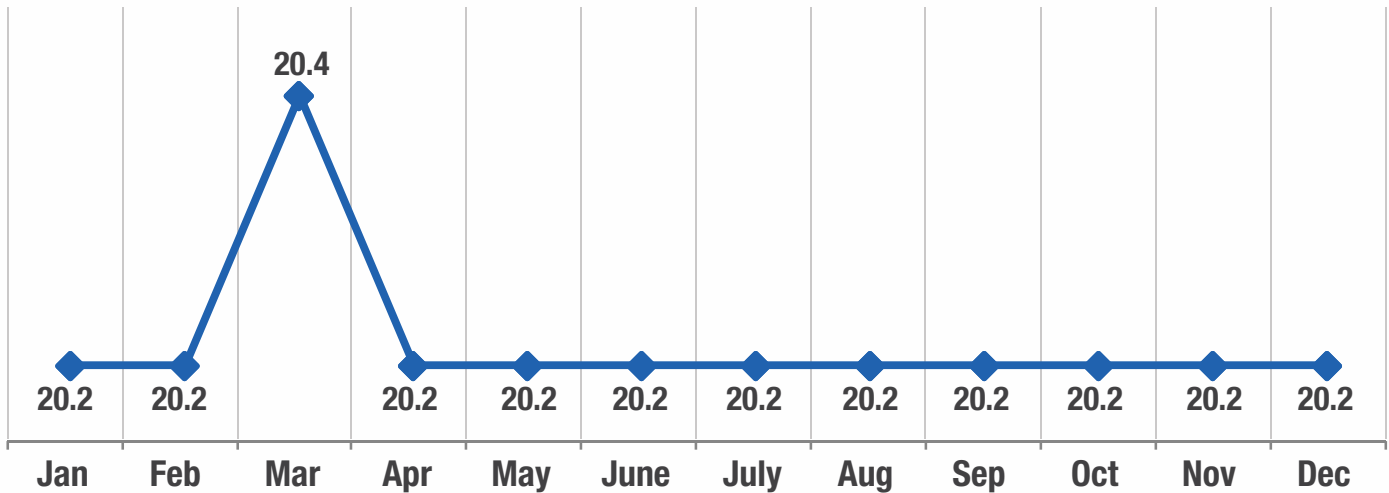
Bangladesh's stock market graded as the most unpleasant performer among Asian frontier markets in 2023, while Bangladesh's stock market continued to endure the consequence of the global economic turmoil unleashed by the Russia-Ukraine war, its peers, for example, Pakistan and Sri Lanka, have experienced a rebound. Bangladesh's post-pandemic recovery faces continued headwinds. Real GDP growth slowed to 5.8 percent in FY23, down from 7.1 percent in the previous year. The introduction of a multiple exchange rate regime in September 2022 hardships foreign exchange inflows, leading to a financial account deficit. The prolongation of the floor price mechanism, enacted in July 2022, liquidity was stuck at the floor price throughout the year at the stock market.

The stock market in 2023 observed a fall and distress as the average turnover and foreign investment reached rock bottom. The broad index of the Dhaka bourse (DSEX) had sideways movement, ranging around 6,178 points to 6,367 points and closing at 6,246 points by the end of the year, advancing by 39.70 or 6%. This year the DSE's average daily turnover was BDT 5.8 billion as compared to BDT 9.6 billion in the previous year, which fell by 39.83 percent. In the meantime, the total market capitalization merely increased by 2.6% to BDT 7,808.5 billion. The overall price-earnings (P/E) ratio at the end of the year was 13.12.

Market Capitalization Million Taka



Market price of Share 2023 Month End Price



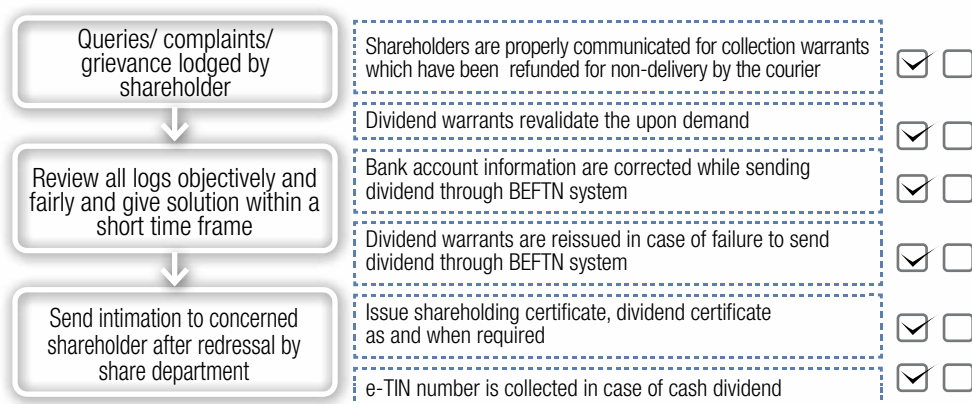
Stakeholders Relationship/ Grievance Redressal

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

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

PROCESS ● REDRESSAL ● CHECKLIST

Yes No



REDRESSAL PROCESS OF BANK ASIA PLC.

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

- E-mail or letter must be send to all the investor who have submitted written complaints/ applications
- Request for updated e-TIN number to the share holders respective BO account in case of cash dividend

Redressal Statistics 2023

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> ● Demat 8,88,110 shares; ● Re-issue 773 dividend warrants for the year 2022 (which were returned from BEFTN) ● Issuance of 7,204 shareholdings certificates on payment of cash dividend for income tax purpose; 	<ul style="list-style-type: none"> ● Demat confirmed all the shares timely; ● 773 duplicate dividend warrants for the year 2022 issued ● 7,204 shareholdings certificate were issued and send email to the respective shareholder e-Mail address.

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

REDRESSAL POLICY



SHAREHOLDER'S PERSPECTIVE

Bank Asia redressal system covers the following issues

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

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



CUSTOMERS' PERSPECTIVE

Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). We also address our customers' queries and complaints through our Central Customer Services and Complaint Management Cell (CCS & CMC) handled by Branch Operations Division (BOD). In 2023, the Bank received 118 complaints from customers of various branches and all the problems were solved successfully through taking proper remedial action. Those problems were solved within reasonable time where some complaints were met up within 24 hours. As per regulatory requirement we have introduced Branch Level Customer Service & Complaint Management Desk (BLCS & CMD) at all Branches and Zonal Customer Service & Complaint Management Cell (ZCS & CMC) at Zonal Office of the bank.



EMPLOYEES' PERSPECTIVE

Employees are the main resource of the Bank, the human capital. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment we have separate Grievance Handling Policy and Female Anti- Harassment Policy. Our People Management Division takes necessary measures to redress if any adverse situation arises. In 2023, we didn't receive any significant complain related to our employees.

Redressal point for Shareholders

Bank Asia PLC.
Corporate Office
Bank Asia Tower, Level: 02
32 & 34, Kazi Nazrul Islam Avenue
Karwan Bazar, Dhaka
Phone: +8809617001100 | EXT: 1213-1215

Corporate Governance Report

The table below gives an overview of the locations of our Corporate Governance statement

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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,

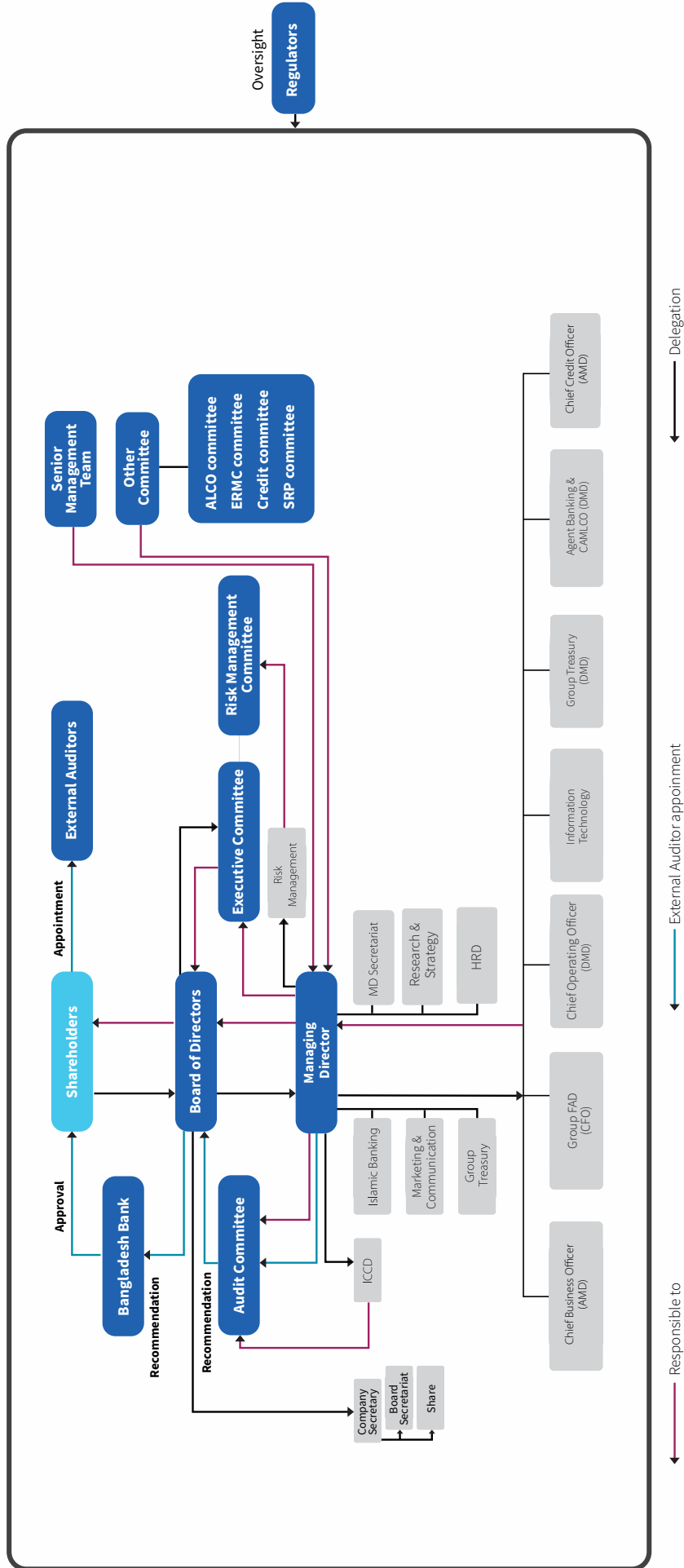


Sohail R K Hussain
Managing Director



Mohammad Ibrahim Khalil, FCA
Chief Financial Officer

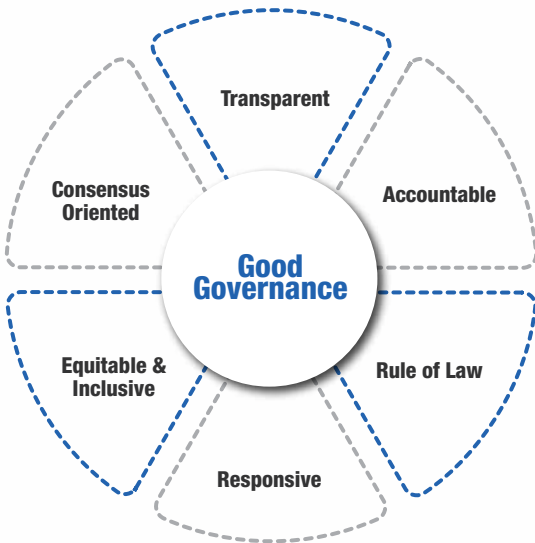
Banking Governance Structure of Bank Asia



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.

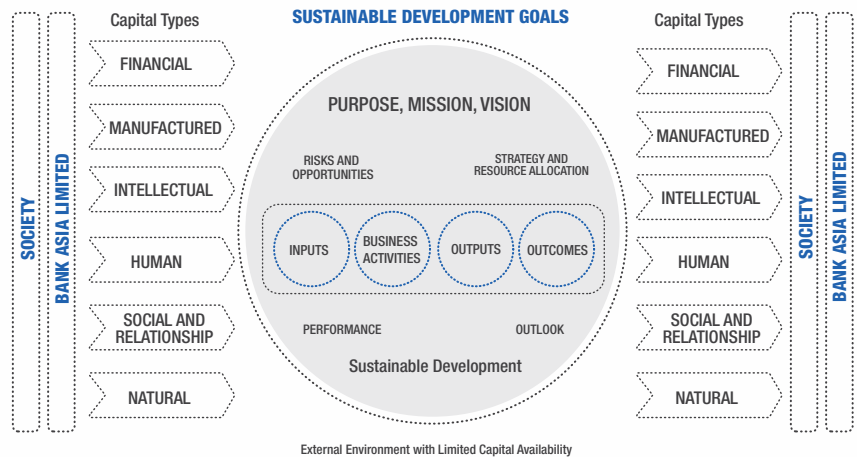
To fortify the Board's efficacy in discharging its governance obligations, Board Committees are enlisted to lend support and expertise in this endeavor.

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.

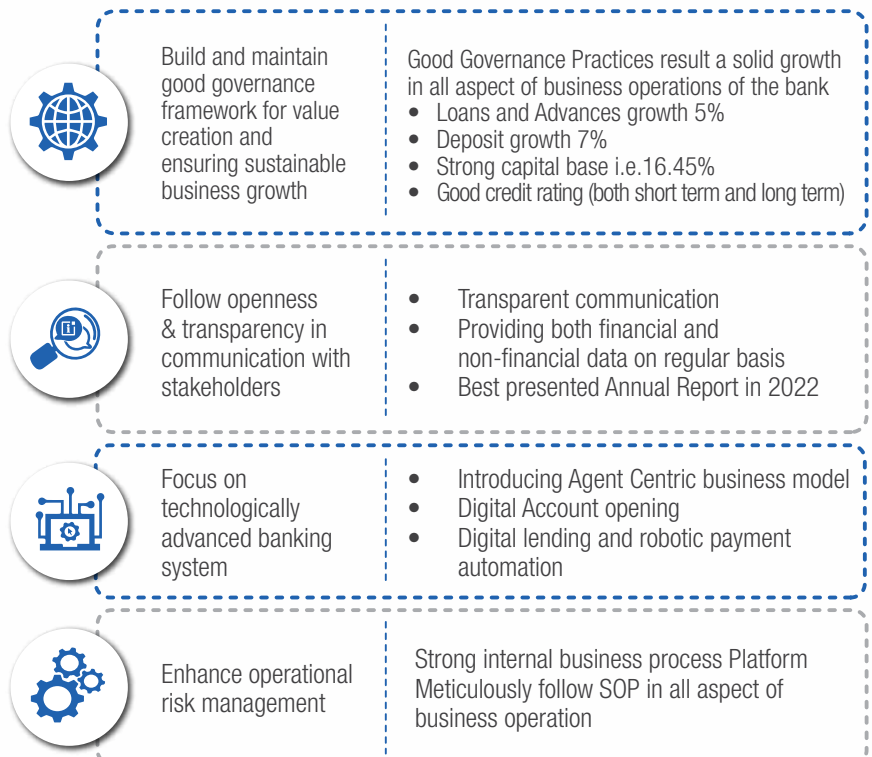
As a compliant entity, Bank Asia always gives its utmost efforts to comply corporate governance practices with all the aspects of the revised Corporate Governance Code (CGC) BSEC/ CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 on financial reporting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

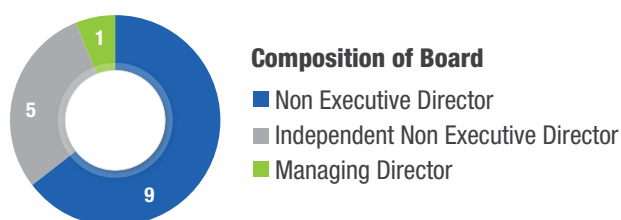


CORPORATE GOVERNANCE

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. Hosneera 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.

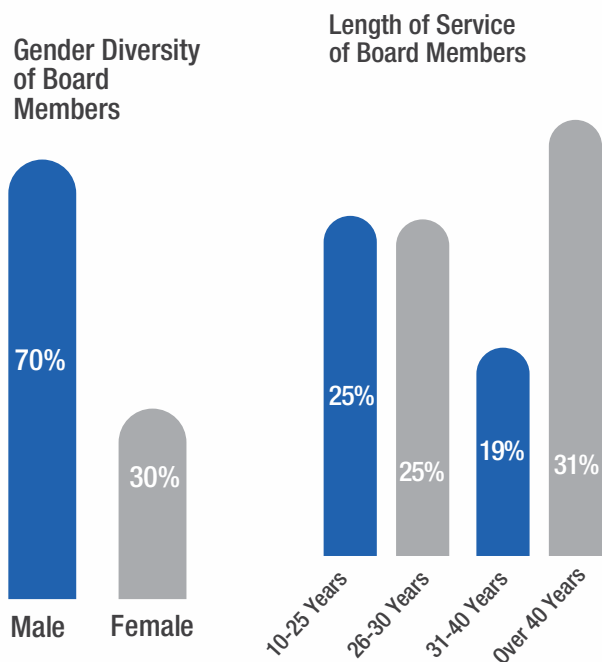
Led by the Chair, with assistance from the Company Secretary and Committee Chairs, the review process aims to comprehensively assess the governance structure's efficacy and identify areas for improvement. By undertaking this rigorous evaluation, the Board endeavors to uphold the highest standards of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



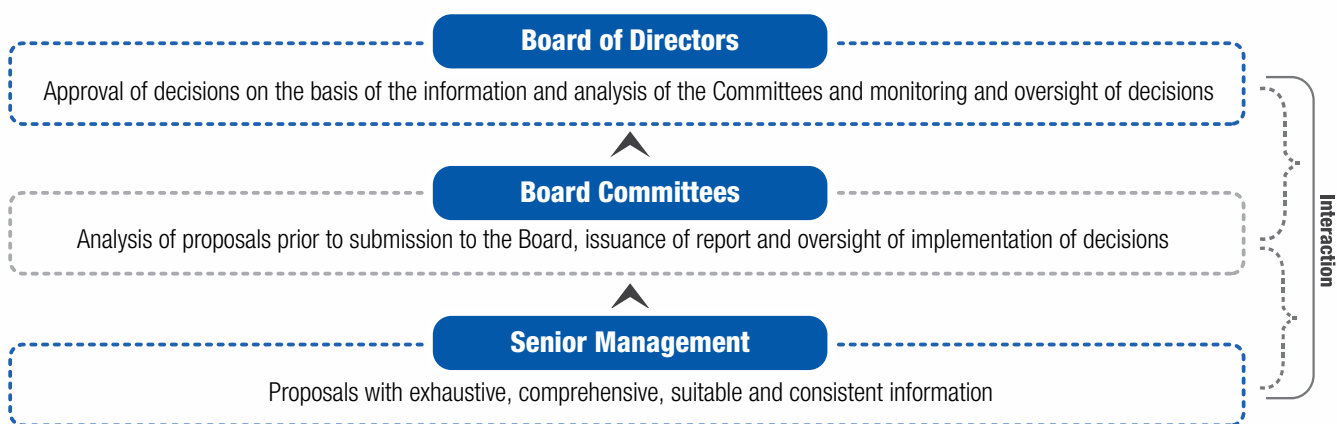
CORPORATE GOVERNANCE

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. Ashraful 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:

CORPORATE GOVERNANCE

- 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. Rume 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

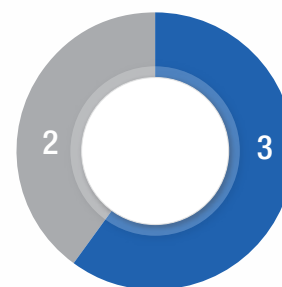
Bank Asia PLC. has established an Audit Committee as a sub-committee of the Board of Directors in accordance with Bangladesh Bank BRPD Circular no. 11 dated Oct. 27, 2013, as well as related notifications and corporate governance codes from the Bangladesh Securities and Exchange Commission.

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.



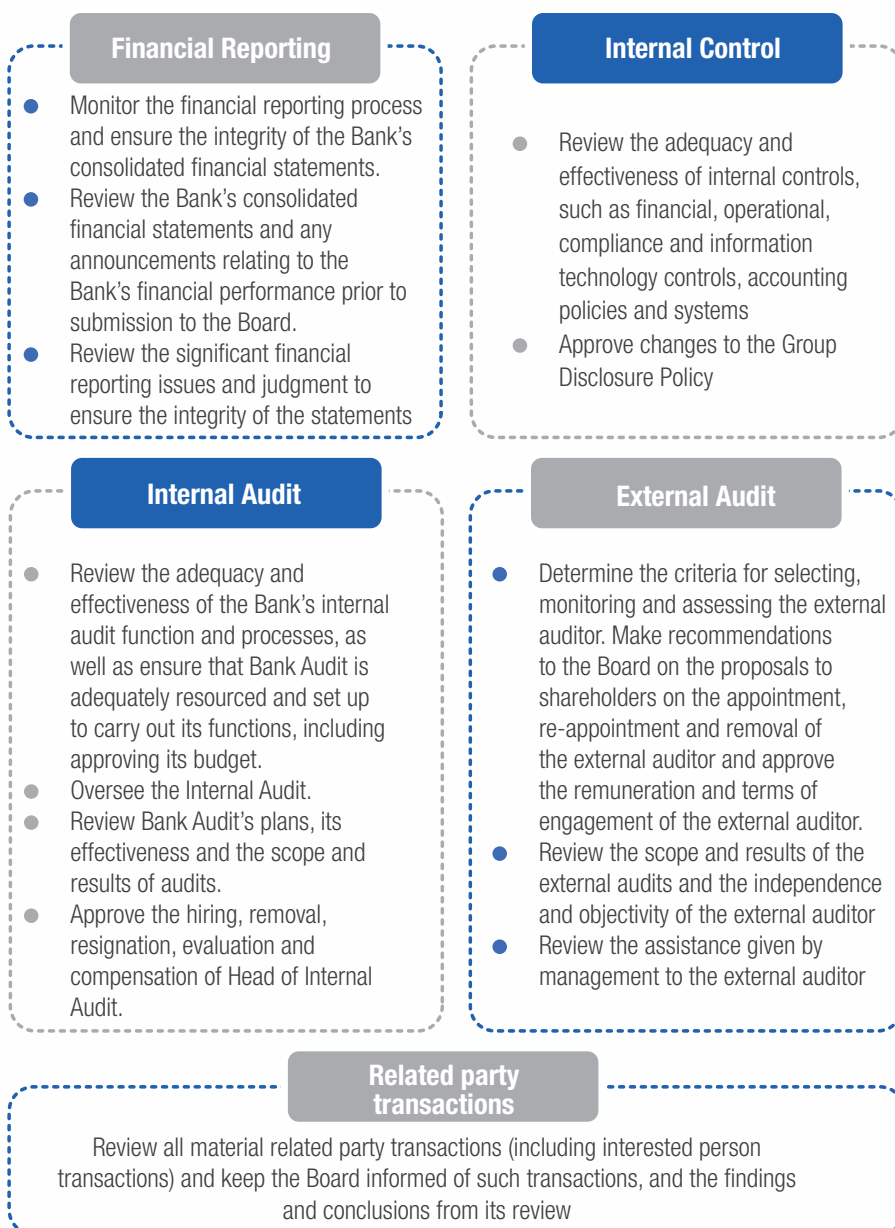
Composition of Audit Committee

- 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:



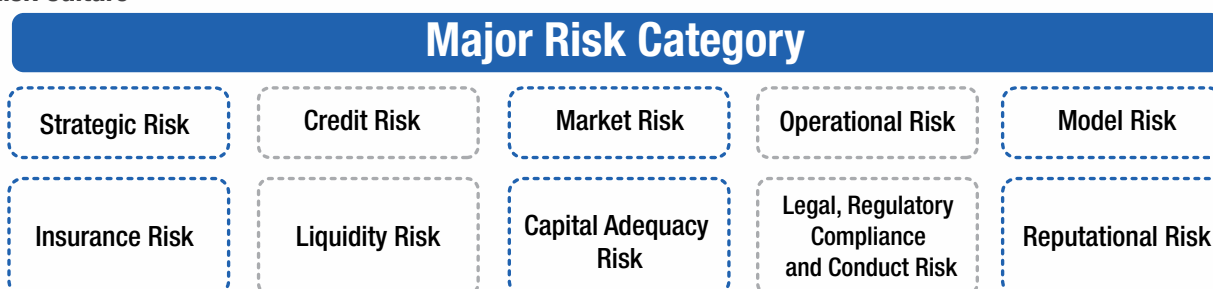
4.3 Directors have reviewed the adequacy of the system of internal controls

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

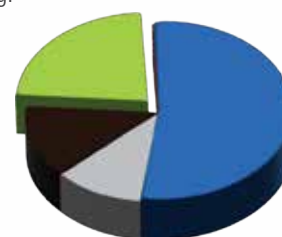
SI No.	Name	Total Board meeting held	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. M. A. Baqui Khalily	6	6	0	
2.	Mr. Rume A Hossain	6	6	0	
3.	Ms. Romana Rouf Chowdhury	6	5	1	
4.	Mr. Enam Chowdhury	6	4	2	
5.	Mr. Nafees Khundker	3	2	1	From 30.04.2023
6	Ms. Tania Nusrat Zaman	3	3	0	The directorship 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. NAFEES 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 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, 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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution;	✓		-
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 of directors and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination & Remuneration Committee (NRC) of the company;	✓		-

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 registered business 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 or existing 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 business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service;	✓		-
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;	✓		-
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.	✓		-
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.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (IF ANY)
		Complied	Not Complied	
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
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: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		-
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 member 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 60 (sixty) days 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.
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;			BRPD (R-1) 717 /
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			2021-5064 dated
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			June 16, 2021, for a
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;			bank company it is not
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;			required to form this. .
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 any 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 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"

CORPORATE GOVERNANCE

<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

CORPORATE GOVERNANCE

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

CORPORATE GOVERNANCE

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</p> <p>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"> 1. Members of the committee will be nominated by the board of directors from themselves; 2. The Risk Management Committee will comprise of maximum 05 (five) members; 3. Members may be appointed for a 03 (three) year term of office; 4. 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"> 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. 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></p> <p>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></p> <p>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></p> <p>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

CORPORATE GOVERNANCE

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	
	<p>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,-</p> <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
	<p>2. Experience and Suitability:</p> <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 stuffs/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

CORPORATE GOVERNANCE

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

Bank Asia Shari'ah Supervisory Committee (BASSC)

We, at Bank Asia PLC, always consider the Shari'ah compliance as the most significant and strategic priority in Islamic Banking. Our products & services are designed in conformity with the principles of Islamic Shari'ah. We have constituted "Bank Asia Shari'ah Supervisory Committee" consisting of qualified Faqihs (experts on Islamic jurisprudence), Islamic Scholars and professionals to ensure Shari'ah compliance in each and every aspect of our Islamic Banking operations.

Bank Asia Shari'ah Supervisory Committee consists of the following members:

Name of the Honorable Member	Position in the Committee
Md. Fariduddin Ahmed	Chairman
Mufti Shahed Rahmani	Member
Mufti Muhammad Abdul Mannan	Member
Mohammad Mofazzal Hussain Khan	Member
Dr. Muhammad Ismail Hussain	Member
Mawlana Shah Mohammad Wali Ullah	Member Secretary
Rumee A Hossain	Member [from the Board]
Managing Director	Member [Ex-Officio]
Head of Islamic Banking	Member [Ex-Officio]



Bank Asia Shari'ah Supervisory committee meeting

Report of the Bank Asia Shari'ah Supervisory Committee (BASSC)

For the year ended 31st December, 2023

In the Name of Allah, The Beneficent, The Merciful. All praise is due to Almighty Allah, the Lord of the Universes and peace and blessing of Allah be upon the Prophet Muhammad (May Allah bless him and grant him peace) and upon his all other descendants and companions.

To the Shareholders of the Bank Asia PLC.,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

In compliance with the terms of reference of the Bye Laws of the Bank Asia Shari'ah Supervisory Committee (BASSC), we submit the following Report on the Islamic Banking operations of the Bank Asia PLC. for the year ended on 31st December, 2023:

During the year 2023, the Bank Asia Shari'ah Supervisory Committee (BASSC) and its Sub-committee met in 5 (five) sessions and gave opinion on various Shari'ah related issues placed before it by the Management. The Bank Asia Management is responsible for ensuring that they conduct its Islamic Banking business in accordance with the Shari'ah rules and principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank Asia Islamic Banking during the period from 1st January, 2023 to 31st December, 2023.

We have conducted our review on the basis of Shari'ah audit and inspection reports of the Shari'ah Audit team to form our opinion as to whether the Bank Asia, in its Islamic Banking operations, has complied with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines issued by us. In addition to our fatwas, the Muraqibs also followed the Internal Control & Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Branches and Windows were 'Low' during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review which included, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Bank Asia Islamic Banking. We planned and performed the review so as to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Bank Asia Islamic Banking has not violated Shari'ah rules and principles.

In our opinion:

- a) The contracts, transactions and dealings entered into by the Bank Asia Islamic Banking during the year ended on 31st December, 2023 that we have reviewed are in compliance with the Shari'ah rules and principles;

- b) Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;
- c) All earnings that have been realized from sources or by means prohibited by Shari'ah rules and principles have not been included in Bank's income;
- d) Transactions with the conventional part of the Bank have been made complying with Shari'ah principles. And
- e) Zakah is not applicable for Window based Islamic Banking of Bank Asia.

During the year under report, the BASSC has advised the Bank on the following Issues:

- a) To take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;
- b) To continue to arrange regular training & workshop on Islamic Banking for the officials of the Bank, for the owners of the Agents Banking and for their Customer Service Officers to increase professional skills for better Shari'ah compliance; And
- c) To continue the practice of obtaining 'Shari'ah clearance' from the Shari'ah Unit of the Corporate Office before disbursement of Investment Deals in order to maintain highest level of Shari'ah compliance.

The Shari'ah Supervisory Committee appreciated the following steps and initiatives of the Bank during the year for furtherance of Islamic Banking services for:

- a) Introducing Foreign Trade Module for Islamic business;
- b) Introducing new Investment products in i-Hikmah System
- c) Conducting sufficient numbers of Shari'ah audit programs; And
- d) Fixing Islamic Banking logo in order to make the Islamic banking branding of Bank Asia attractive and customer friendly.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of the Bank and to the Managing Director and his team for their spontaneous cooperation and support during the year 2023.

May Allah Subhanahu Wata'la give us strength to achieve His satisfaction through implementation of Shari'ah Principles in every spheres of our life.



Shah Mohammad Wali Ullah

Member Secretary
Bank Asia Shari'ah Supervisory Committee



Md. Fariduddin Ahmed

Chairman
Bank Asia Shari'ah Supervisory Committee



Working together for a better financial future

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer

“Our economy experienced many challenges during 2023 which were not encountered in recent decades. Despite these challenges, our Bank remain resilient and continue to support our customers, clients and communities. Digitalization, innovation & high quality products & services is the key behind our success.”

Economic Review 2023

During 2023, we have seen the political and economic pressure were increased across the world. Dollar and reserve shortage, depreciating local currency, inflation, loan irregularities, liquidity crisis and higher percentage of NPL etc are just a few of the many obstacles impeding advancement. Amid all this, it was really difficult for the banks to maintain their profitability growth and keep their balance sheets clean and strong.

The Bangladesh Bank (BB) announced several policy & measures throughout the year to improve the economic scenario of our country. Some of the measures have worked very well and helped to stabilize the banking industry.

Banks themselves are also working to improve the situation and many banks are discussing about mergers among them to survive in the market.

Our Progress and Performance

Despite the challenges, our performance in 2023 reflected the hard work of the last couple of years and the inherent strength of our balance sheet. We have achieved a record performance for the second consecutive year with Tk. 1,000+ operating profit and reduced our operating expenditure compared to previous year.

A majority of banks in Bangladesh, especially some Shari'ah-based ones, were facing difficulties to run their activities due to severe liquidity crisis. As such, those banks were dependent on the market and BB to secure funds for meeting their payment obligations. Our bank has shown great efficiency in this regard. By managing our asset properly, we do not only protected ourselves from the crisis but also help other banks as a lender in money market.

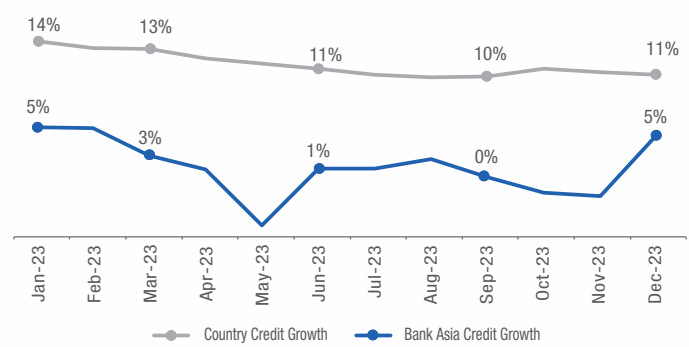
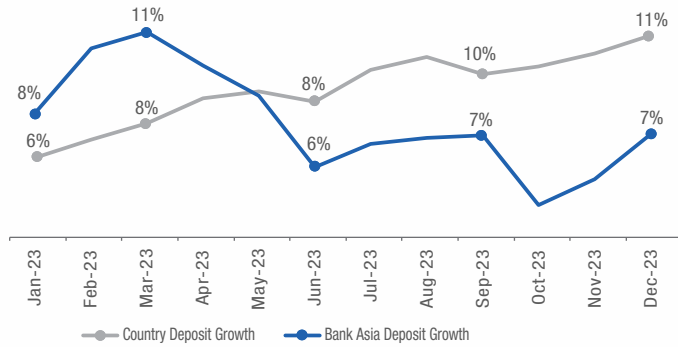
We believe 2024 will be a notable year for us, as we have renew our focus and reshape our strategy for delivering even more quality products & services to our valued clients & aimed to improve high return for our investors.

Bank Asia: Financial Overview 2023

Despite the challenges, Bank Asia continued its persistent efforts to achieve solid growth in the following business parameters.

Deposit & Advance Growth: Country vs. Bank Asia

Bank Asia was very much cautious in maintaining its health of the balance sheet. During last couple of years, bank's strategy was to go slower in increasing balance sheet size, rather preferred to focus on strengthening the quality of its loan portfolio.



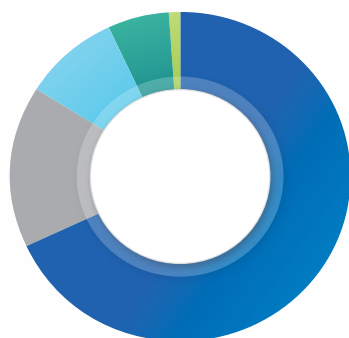
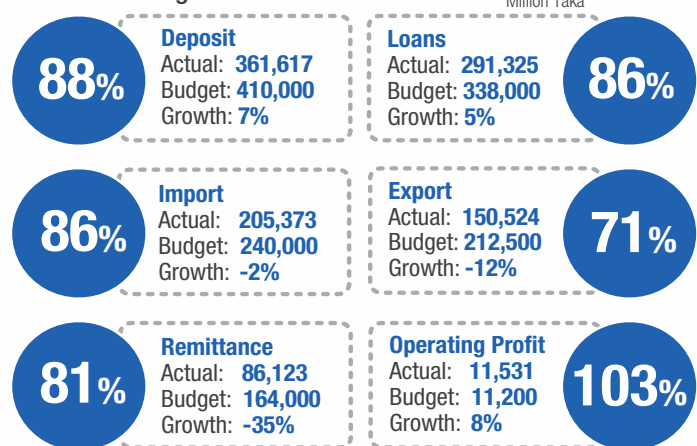
Business Budget Achievement

For any business, ensuring sustainable growth and achieving targeted profit is the ultimate objective. During 2023, we were cautious during booking new business for reduce the threat of NPL and hold stability with confidence. Therefore, Our Deposit & advance growth was limited compared to previous year. Non funded business was challenging due to various restriction imposed by Bangladesh Bank for dollar crisis. Remittance decreased as banks offering lower lucrative rate to expatriates compared to the market dealers.

Loan Mix

For risk diversification and in line with the sectoral lending cap policy approved by the Board, we have been concentrating on having relatively moderate growth in corporate business while accelerating in SME/ retail businesses as our ultimate goal is to attain 50:50 ratio in near term. For this purpose, during the last couple of years, we have set our branch business targets in various segments such as Corporate, Export Finance, SME, retail, Islamic and agent banking where every branches performance are closely monitored against targets.

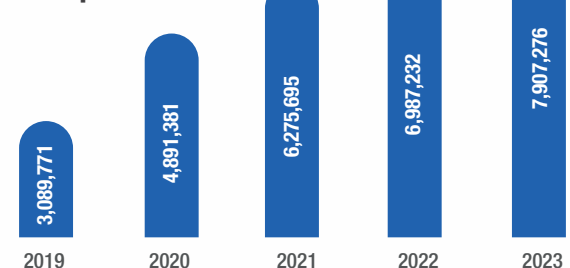
Budget Achievement



Loan Mix

Corporate **69%**
 SME & Agri **16%**
 Retail **7%**
 Islamic **7%**
 Agent Banking **1%**

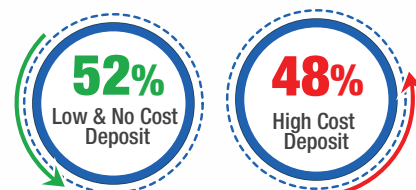
Total Number of Deposit A/C



**Total number of accounts includes agent banking account

Efficient Deposit Mix

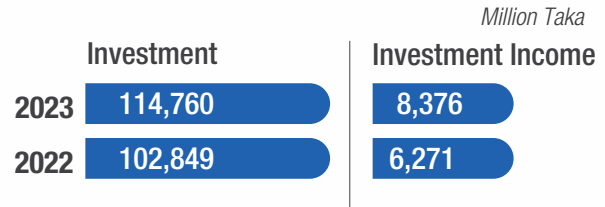
Deposit mix plays a very important role in deciding the profitability of a bank as income from loan & advance was declined due to lower margin. Therefore, one of the most significant strategies for our bank is to increase share of CASA in total deposits.



Chief Financial Officer's Report

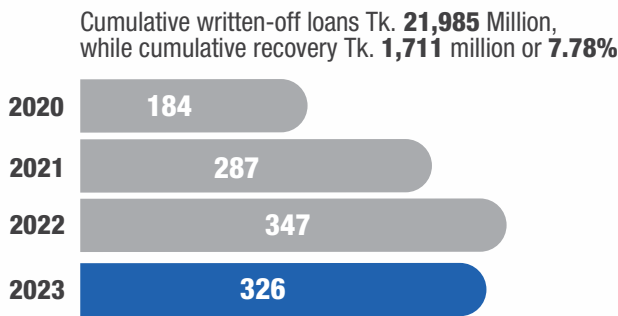
Investment Portfolio and Income

In the year 2023, our total investment portfolio has increased to Tk. 114,760 million from Tk. 102,849 million and total investment income has increased to Tk. 8,376 million from Tk. 6,271 million.



Recovery from Written-Off Loans

Cash recovery from written-off loans plays a significant role in any bank's profitability due to the numerous benefits it provides, including the fact that there is no tax on this revenue, significantly reduces loan loss provisions and ensures direct return to shareholders. In the year 2023 we recovered Tk. 326 million from previously written-off loan. Hence, we have set our target of recovering more than Tk. 1,000 million in 2024.



Capital Management

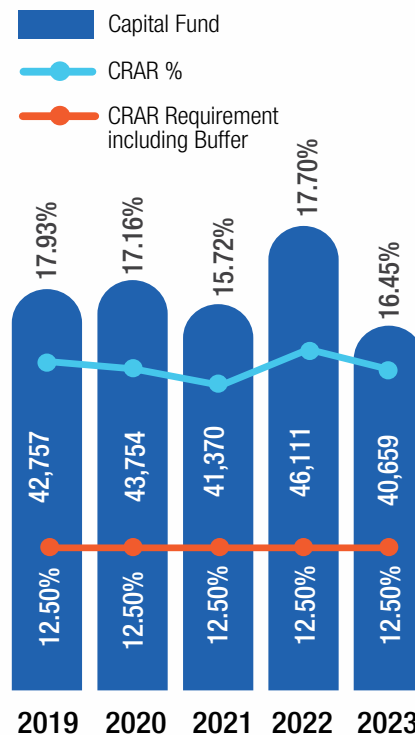
Capital is the main component for secure banking since banks take on risks and may suffer losses if the risks emerge. In order to remain safe and protect customer's deposits, banks need to absorb such losses and keep going in good and difficult times. But how much capital should a bank hold depends on the risks it takes. The bigger the risks, the more capital it requires. For that reason, it is necessary for banks to continuously assess the risks they are exposed to and the losses they may incur. Banks internal assessments are checked by banking supervisors who are responsible for monitoring the financial health.

In order to strengthen the banking sector, the Basel Committee on Banking Supervision (BCBS) released a global regulatory framework on the Basel-III capital accord in December 2010 by updating global capital and liquidity rules. It should be noted that the implementation of the Basel III capital accord began in January 2015 and already implemented since January 2020, according to the Bangladesh bank's roadmap. The agreement to implement minimum total capital plus Capital Conservation Buffer of 12.50 percent as opposed to the current 17.70 percent depicted as follows:

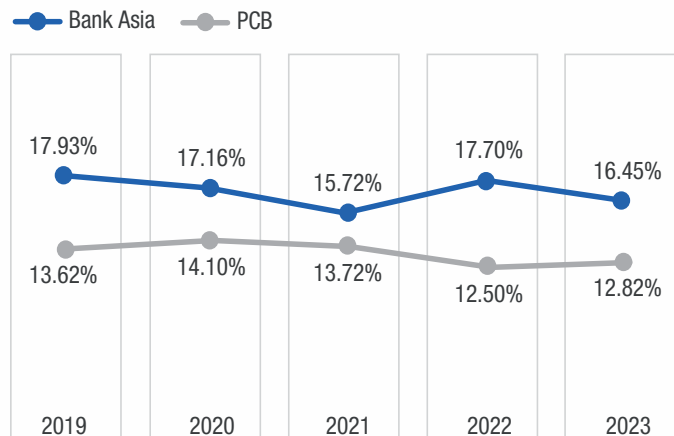
Images show that, in comparison to the industry, Bank Asia has always been very proactive in managing its capital efficiently, maintaining the ratio well above the requirement including the buffer.

Capital Fund Trend

Million Taka



Country VS Bank Asia CRAR%



Chief Financial Officer's Report

Capital Planning (Banking Operation) 2023-2028

In 2023, with a view to strengthen the core capital which falls under Tier 1, the bank successfully raised Tk. 3,340 Million under private placement and Tk. 340.20 million under public offer of perpetual bond. Apart from raising Tier 1 and Tier 2 capital, Bank Asia places equal importance on capital saving or reduction of capital requirement in the form of credit rating of appropriate Corporate and SME clients (detailed in risk management report section), optimizing worthy collaterals, and diversifying the business portfolio to ensure minimum risk with maximum return. Keeping this in mind, Bank Asia develops its capital and business strategies.

Million Taka

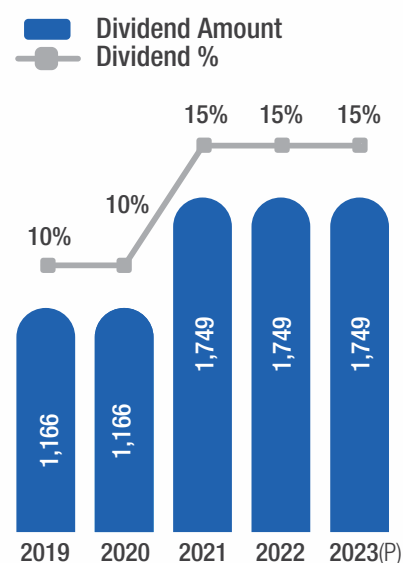
	Actual	Planning				
	2023	2024	2025	2026	2027	2028
Common Equity Tier 1 (CET1) Capital						
Paid-up capital	11,659	11,659	11,659	11,659	11,659	11,659
Statutory Reserve	11,750	11,750	11,750	11,750	11,750	11,750
General Reserve	8	8	8	8	8	8
Retained earnings	3,417	5,858	8,476	12,250	17,316	23,843
Perpetual Bond-1st issue	3,680	3,680	3,680	3,680	3,680	3,680
Less: Regulatory adjustments	(41)	(40)	(40)	(40)	(40)	(40)
Total CET1	30,473	32,915	35,533	39,307	44,373	50,900
Tier 2 Capital						
General Provision	8,186	7,906	7,626	8,726	9,826	10,926
Subordinated 7 year Floating Rate Bond2	-	-	-	-	-	-
Subordinated 7 year Floating Rate Second Bond3	2,000	1,000	-	-	-	-
Subordinated 7 year Floating Rate Second Bond4	-	8,000	8,000	8,000	6,400	4,800
Subordinated 7 year Floating Rate Second Bond5	-	-	-	5,000	5,000	5,000
Total Tier 2 Capital Available	10,186	16,906	15,626	21,726	21,226	20,726
Total Capital (Tier 1 + 2)	40,659	49,821	51,159	61,033	65,599	71,626
Risk Weighted Assets (RWA)	247,186	288,000	335,400	378,000	419,040	473,570
Tier 1 Capital to RWA	12.33%	11.43%	10.59%	10.40%	10.59%	10.75%
Tier 2 Capital to RWA	4.12%	5.87%	4.66%	5.75%	5.07%	4.38%
Minimum Capital Requirement+ Conservation Buffer	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
Capital to Risk Weighted Assets Ratio (CRAR)	16.45%	17.30%	15.25%	16.15%	15.65%	15.12%

Regulatory adjustments:

* Reciprocal crossholdings in the CET1 Capital of Bank Asia by other banks and financial institutions have been deducted.

Dividend

Dividends, whether cash or stock, are regarded as one of the simplest yet most powerful messages conveyed to shareholders about a company's historical performance and future prospects. During the last few years, the bank maintained sufficient provision to achieve a stronger balance sheet and in 2023, the bank declared a 15% cash dividend totaling Tk. 1,749 million. Bank Asia distributed stock dividends in the early years of its operation to strengthen its core capital, and since 2014, a combination of stock and cash dividends have been distributed.



Chief Financial Officer's Report

Driving Financial Inclusion: Agent Banking

Bank Asia pioneered agent banking 9 years ago with a well-thought-out vision to reach out to remote and unbanked people and provide banking services to their doorstep in the most cost-effective and technology-driven manner possible. The operation has already expanded its diverse financial inclusion activities across the country through agent outlets such as post office agent banking, Union Digital Center (UDC), City Digital Center (CDC), Micro-Merchant, and so on. Agent banking made receiving foreign remittances easy and convenient for people in remote areas. The bank now has 5,414 agent outlets spread across Bangladesh, with a deposit base of Tk. 38,859 million and over 5.55 million customers, with 92 percent of accounts opened in rural areas and 62 percent of account holders being women. Because the agent banking portfolio remained deposit prone over the years, there were ample opportunities for lending growth. To encourage more lending, Bank Asia Agent Banking calibrated the agent-centric business model, capitalizing on existing resources, with the goal of driving the business to a higher level by capturing more market share and making the business model more profitable.



DEPOSIT

2024 TARGET: 57,000
2023 ACT: Tk. 46,349 Mn



ADVANCE

2024 TARGET: 3,500
2023 ACT: 2,777



OUTLET

2024 TARGET: 4,500
2023 ACT: 5,051

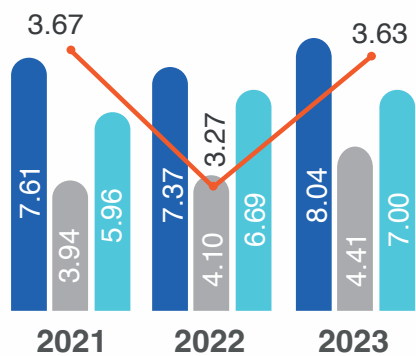


Million Taka

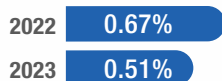
PROFIT

2024 TARGET: 500
2023 ACT: 449

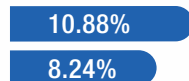
Bank Ratio % ■ YIELD ■ COD ■ COF — Spread



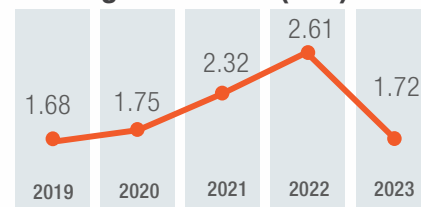
Return on Assets (ROA)



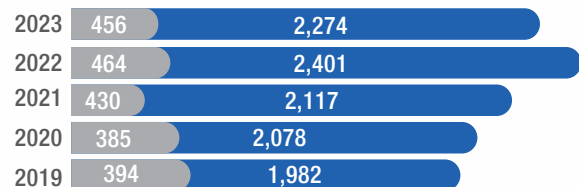
Return on Equity (ROE)



Earnings Per Share (EPS)



Staff Strength ■ Executive ■ Officer



Chief Financial Officer's Report



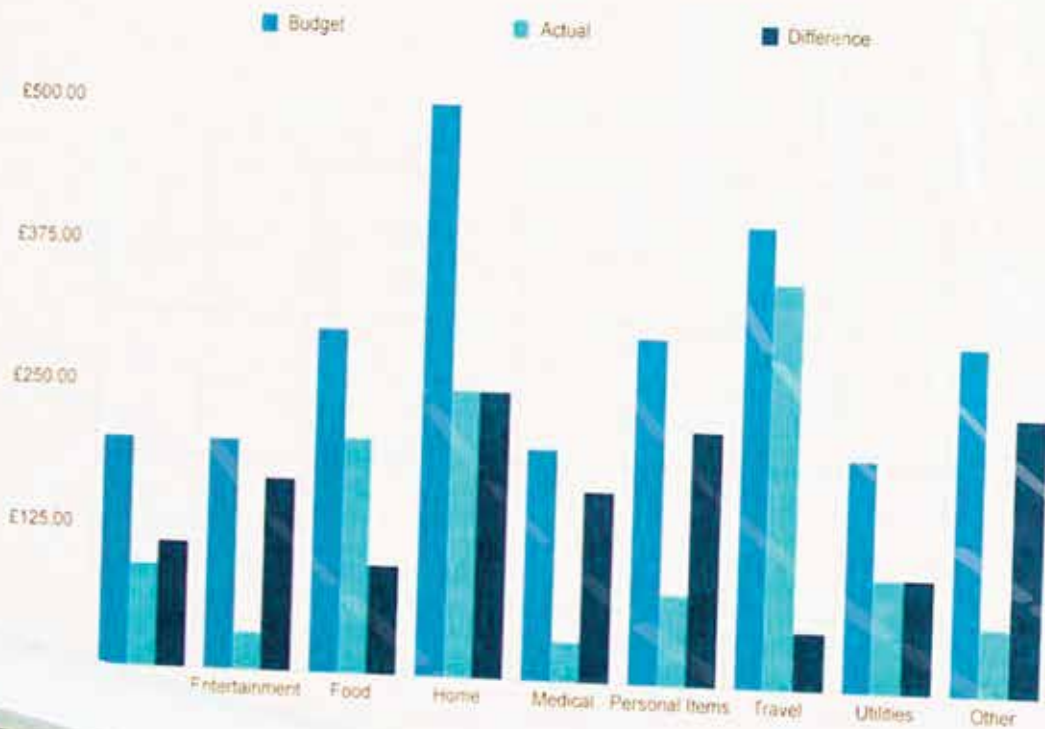
Brief Economic, Environmental and Social Performance

Economic responsibility	Nos. of loans	65,295
	Nos. of deposit accounts	7,907,276
	Nos. of savings accounts	7,139,232
Shareholders responsibility	Profit after Tax	2,396
	Shareholders' fund	29,520
	Share Price	20.20
Environmental responsibility	Electricity consumed	11,397,055
	Oil	34,981
	CNG	101,055
	Local business travel	4,548,004
	Paper used	80,661
Social responsibility	Staff strength	2,751
	Benefits and emoluments	4%

We are always committed to maintain a strong financial position, with a robust capital base, adequate liquidity, and a sound risk management framework. We will continue to monitor the economic and regulatory environment closely in coming days and adjust our strategies as needed to navigate through any challenges and take new opportunities.

Mohammad Ibrahim Khalil, FCA
Chief Financial Officer

FINANCIAL STATEMENTS





Independent Auditor's Report to the Shareholders of Bank Asia PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Asia PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Bank Asia PLC. (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2023, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated Balance Sheet of the Group and the separate Balance Sheet of the Bank as at 31 December 2023, and of its consolidated and separate Profit and Loss Accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements for the financial year 2023. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and informing auditor opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
<p>Measurement of provision for loans and advances</p> <p>With reference to Note 13.1.1 to the financial statements, the process for calculating the provision for loans and advances/investments portfolio associated with credit risk is significant and complex. The Bank calculates provision for loans and advances/investments by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.</p> <p>To minimize COVID 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 56 dated 10 December 2020 related to BRPD Circular No. 17 dated 28 September 2020; BRPD circular No. 52 dated 29 December 2021 related to BRPD Circular No. 19 dated 26 August 2021 and BRPD Circular No. 53 dated 22 December 2022 related to BRPD Circular No. 14 dated 22 June 2022 for "Special General Provision-COVID-19".</p> <p>According to the circular, commercial banks must keep an extra provision for those borrowers who have availed of payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding loans (deferral payment) as of 31 December 2020, 31 December 2021 and 31 December 2022.</p> <p>As per BRPD Circular No. 53 dated 22 December 2022, bank may transfer special general provision to income for fully recovered loans and specific provision for non-performing loans. The Bank has kept this "Special General Provision-COVID-19" as of 31 December 2023 BDT 618 million as per the circular.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, loan disbursement procedures, monitoring and provisioning process; Identification of loss events, including early warning and default warning indicators; Review of quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <p>For confirming the classification of rescheduled lease, loans and advances. we performed the following procedures:</p> <ul style="list-style-type: none"> We checked the no. of instalments outstanding and compliance with BRPD Circular No. 16 dated 18 July 2022; Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance with the Bangladesh Bank's guidelines; Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account; Tested the inputs in computation of provision in terms of testing the accuracy of underlying information;

Description of key audit matters	Our response to key audit matters
<p>In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provisions for additional non-performing loans in line with the central bank's guidelines.</p> <p>Bank Asia's approach to provisioning for its loans and advances is commendable, demonstrating prudence and foresight. Moreover, the bank's willingness to provide distressed loans with time extensions through amicable settlements reflects a proactive strategy aimed at maximizing recoveries. While some of these extensions resulted in repayments, others are still in progress, indicative of the bank's ongoing efforts to resolve outstanding issues. However, this practice of amicable settlements must be revised due to the fact that most of the concerning loans were extended near the end of 2023, raising concerns about potential misuse of this mechanism. Despite this, the measurement of provisions for loans and advances/investments is considered as low risk, reflecting positively on the bank's asset quality management practices.</p> <p>At the year end of 2023 the Group reported total gross loans and advances of BDT 294.07 billion (2022: BDT 280.59 billion) and in 2023 the Bank reported total gross loans and advances of BDT 291.33 billion (2022: BDT 277.87 billion) whereas at the year end of 2023 the Group reported total provision for loans and advances of BDT 24.72 billion (2022: BDT 21.66 billion) and the Bank reported total provision for loans and advances of BDT 23.81 billion (2022: BDT 20.80 billion).</p>	<ul style="list-style-type: none"> Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Checked the adequacy of the Bank's general and specific provisions; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note nos. 8(a) and 13.01 to the financial statements

Recognition of interest income on loans and advances

<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environments. We highlight the recognition of interest income from loans, advances, and leases as a key audit focus, given its significance as a performance indicator. However, we found the recognition of interest income on loans and advances/investments to be satisfactory.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognise interest income.</p> <p>We have also performed substantive procedures to check whether interest income is recognised completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
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See note no. 20 and 20.01 to the financial statements

Valuation of treasury bill and treasury bond

<p>The process of classifying and measuring T-Bills and T-Bonds involves making informed judgments and estimations. In case of Bank Asia, the presence of quoted prices in active markets were found, hence determining their fair value becomes straightforward.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
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Description of key audit matters	Our response to key audit matters
See note nos. 7 and 7.1.1 to the financial statements	
Measurement of Deferred Tax	
<p>In 2023, the bank's financial performance or taxable income remained consistent, there was no need to adjust the provision. Hence, the bank did not set aside any provision for deferred tax, maintaining the same provision level as the previous year.</p>	<p>Our procedures in relation to management's assessment about the measurement of deferred tax assets/liabilities included:</p> <ul style="list-style-type: none"> • Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts; • Obtaining the communications between the Bank and taxation authorities regarding tax positions; and • Assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
See note no. 13.1.5 and 13.1.5(c) to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020, the Bank Company Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- (iii) financial statements for the year ended 31 December 2023 of the three subsidiaries namely Bank Asia Securities Limited, BA Exchange Company (UK) Limited, and BA Express USA, Inc have been audited by MABS & J Partners Chartered Accountants, AGP Consulting Chartered accountants and Monis Siddiqui Certified Public Accountants respectively and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,800 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka, Bangladesh

Dated: April 28, 2024

Signed for & on behalf of

MABS & J Partners, Chartered Accountants



Nasir U Ahmed

FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)

Deputy Managing Partner

ICAB Enrollment No: 535

DVC: 2404290535AS213655

Bank Asia PLC. and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2023

Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
PROPERTY AND ASSETS			
Cash		21,776,999,205	25,797,237,229
In hand (including foreign currencies)	4.1(a)	3,768,537,636	4,087,822,688
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2(a)	18,008,461,569	21,709,414,541
Balance with other banks and financial institutions	5(a)	24,131,298,642	39,983,468,523
In Bangladesh		20,332,861,708	37,345,770,086
Outside Bangladesh		3,798,436,934	2,637,698,437
Money at call and on short notice	6(a)	300,000,000	3,750,000,000
Investments	7(a)	115,801,404,654	103,838,255,588
Government		106,782,762,756	94,746,403,719
Others		9,018,641,898	9,091,851,869
Loans and advances/investments	8(a)	294,072,425,920	280,591,467,444
Loans, cash credits, overdrafts, etc/investments		278,592,725,335	257,223,892,759
Bills purchased and discounted		15,479,700,585	23,367,574,685
Fixed assets including premises, furniture and fixtures	9(a)	5,957,156,399	5,704,012,877
Other assets	10(a)	14,594,095,342	11,057,689,200
Non - banking assets		-	-
Total assets		476,633,380,162	470,722,130,861
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	27,071,897,305	51,024,080,743
Subordinated non-convertible and perpetual bonds	11(aa)	7,680,250,000	9,340,000,000
Deposits and other accounts	12(a)	361,800,728,744	337,853,124,886
Current/AI-wadeeah current accounts and other accounts		73,657,844,411	68,534,148,051
Bills payable		3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings bank deposits		83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits		200,690,643,094	186,338,181,123
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13(a)	50,677,766,435	44,041,087,583
Total liabilities		447,230,642,484	442,258,293,212
Capital/shareholders' equity			
Total shareholders' equity		29,402,737,678	28,463,837,649
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	11,750,000,000
General and other reserve	15.1(a)	10,257,013	9,926,531
Revaluation reserve	16(a)	2,685,555,009	2,117,047,124
Retained earnings	17(a)	3,350,452,926	2,957,002,831
Foreign currency translation reserve		(52,606,167)	(29,217,722)
Non-controlling interest	17(b)	10,297	10,285
Total liabilities and shareholders' equity		476,633,380,162	470,722,130,861

Consolidated Balance Sheet

Amount in Taka


	Notes	31 Dec 2023	31 Dec 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	147,312,053,915	151,805,089,469
Acceptances and endorsements		57,164,035,754	57,460,996,543
Letters of guarantee		31,450,162,015	38,212,129,085
Irrevocable letters of credit		37,281,132,915	28,775,250,089
Bills for collection		21,416,723,231	27,356,713,752
Other contingent liabilities		-	-
Other commitments		4,812,658,170	1,758,182,995
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		4,812,658,170	1,758,182,995
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		152,124,712,085	153,563,272,464

These Financial Statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated
28 April 2024
DVC No: 2404290535AS213655


Nasir U Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Enrollment No: 535
MABS & J Partners
Chartered Accountants

Bank Asia PLC. and its subsidiaries

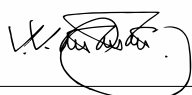
Consolidated Profit and Loss Account

for the year ended 31 December 2023

Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
OPERATING INCOME			
Interest income	20(a)	23,380,598,457	20,484,449,300
Interest paid on deposits and borrowings, etc	21(a)	17,067,340,832	14,937,341,626
Net interest income		6,313,257,625	5,547,107,674
Investment income	22(a)	8,376,526,748	6,270,764,596
Commission, exchange and brokerage	23(a)	5,343,451,964	7,655,343,919
Other operating income	24(a)	1,434,619,446	1,217,933,416
		15,154,598,158	15,144,041,931
Total operating income (A)		21,467,855,783	20,691,149,605
OPERATING EXPENSES			
Salaries and allowances	25(a)	5,407,923,206	5,180,307,624
Rent, taxes, insurance, electricity, etc	26(a)	660,014,031	606,906,079
Legal expenses	27(a)	29,102,855	26,343,367
Postage, stamp, telecommunication, etc	28(a)	194,332,541	157,490,802
Stationery, printing, advertisements, etc	29(a)	174,362,072	177,671,713
Managing Director's salary and fees	30	13,510,000	18,854,125
Directors' fees	31(a)	4,320,500	3,464,000
Auditors' fees	32(a)	4,436,683	3,639,789
Depreciation and repairs of Bank's assets	33(a)	1,026,382,290	979,550,708
Other expenses	34(a)	2,233,858,750	2,667,684,970
		9,748,242,928	9,821,913,177
Total operating expenses (B)		9,748,242,928	9,821,913,177
Profit before provision (C=A-B)		11,719,612,855	10,869,236,428
Provision for loans and advances/investments			
General provision		2,287,961,643	2,467,292,000
Specific provision		4,266,690,868	1,826,641,239
	13.2(a)	6,554,652,511	4,293,933,239
Provision for off-balance sheet items	13.1.3	195,000,000	(295,000,000)
Provision for diminution in value of investments	13.1.7	90,000,000	-
Other provisions	13.1.8 & 9	50,000,000	250,000,000
	34(c)	6,889,652,511	4,248,933,239
Total provision (D)		6,889,652,511	4,248,933,239
Total profit before tax (C-D)		4,829,960,344	6,620,303,189
Provision for taxation			
Current tax	13.1.5(a)	2,351,108,689	3,567,972,708
Deferred tax		-	-
		2,351,108,689	3,567,972,708
Net profit after tax		2,478,851,655	3,052,330,481
Appropriations			
Statutory reserve	15	-	1,024,556,060
Coupon/dividend on perpetual bond		389,926,028	25,016,438
General and other reserve		330,482	1,609,440
	15.1(a)	390,256,510	1,051,181,938
		2,088,595,145	2,001,148,543
Retained surplus			
Attributable to:			
Equity holders of Bank Asia PLC.		2,088,595,133	2,001,148,532
Non-controlling interest		12	11
		2,088,595,145	2,001,148,543
Earnings Per Share (EPS)	37(c)	1.79	2.62

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



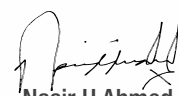
Director



Managing Director

See our annexed report of even date

Dhaka, Dated
28 April 2024
DVC No: 2404290535AS213655



Nasir U Ahmed

FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)

Enrollment No: 535

MABS & J Partners

Chartered Accountants

Bank Asia PLC. and its subsidiaries Consolidated Cash Flow Statement

for the year ended 31 December 2023

	Notes	31 Dec 2023	31 Dec 2022
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		29,935,924,383	27,031,367,925
Interest payments		(17,680,090,550)	(15,663,894,987)
Dividends receipts		527,036,928	88,244,680
Fees and commission receipts		5,343,451,964	7,655,343,919
Recoveries on loans previously written off		326,055,141	347,148,119
Cash payment to employees		(5,307,088,663)	(5,135,929,070)
Cash payment to suppliers		(271,882,653)	(294,891,193)
Income tax paid		(2,860,185,854)	(2,569,789,573)
Receipts from other operating activities	35 (a)	2,076,404,624	1,271,679,392
Payments for other operating activities	36 (a)	(3,139,575,360)	(3,484,383,132)
Operating profit before changes in operating assets & liabilities		8,950,049,960	9,244,896,080
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(13,480,958,476)	(15,591,983,473)
Other assets		(538,335,941)	411,064,662
Deposits from customers and banks		23,947,603,858	19,428,195,021
Trading liabilities		(23,952,183,438)	3,187,929,375
Other liabilities		(1,563,578,265)	(565,596,792)
Net Increase/(decrease) in operating assets and liabilities		(15,587,452,262)	6,869,608,793
Net cash flows from operating activities		(6,637,402,302)	16,114,504,873
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(12,036,359,037)	(24,056,115,796)
Sale/(Purchase) of trading securities		73,209,971	(1,830,705,838)
(Purchase)/disposal of fixed assets		(435,024,064)	(306,931,836)
Net cash flows from/(used in) investing activities		(12,398,173,130)	(26,193,753,470)
Cash flows from financing activities (C)			
Issuance of perpetual bond		340,250,000	3,340,000,000
Coupon/dividend paid on perpetual bond		(389,926,028)	(25,016,438)
Adjustment of subordinated non-convertible bond		(2,000,000,000)	(2,600,000,000)
Payments for lease liability		(487,848,255)	(410,573,674)
Dividend paid (cash dividend)		(1,748,860,290)	(1,748,860,290)
Net cash flows from/(used in) financing activities		(4,286,384,573)	(1,444,450,402)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(23,321,960,005)	(11,523,698,999)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		69,533,210,852	81,056,909,851
Cash and cash equivalents at the end of the year		46,211,250,847	69,533,210,852
Cash and cash equivalents:			
Cash		3,768,537,636	4,087,822,688
Balance with Bangladesh Bank and its agent bank(s)		18,008,461,569	21,709,414,541
Balance with other banks and financial institutions		24,131,298,642	39,983,468,523
Money at call and on short notice		300,000,000	3,750,000,000
Prize bonds		2,953,000	2,505,100
		46,211,250,847	69,533,210,852

These Financial Statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	Managing Director

Bank Asia PLC. and its subsidiaries Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve	General and other Reserve	Foreign currency translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance as at 01 January 2022	11,659,068,600	10,725,443,940	2,159,144,877	8,317,091	761,241	2,650,999,337	27,203,735,085	10,274	27,203,745,360
Transferred during the year	-	1,024,556,060	-	-	-	(1,024,556,060)	-	-	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	-	11,617,499	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for the year	-	-	-	-	(29,978,963)	-	(29,978,963)	-	(29,978,963)
Transferred to General and other reserve	-	-	-	1,609,440	-	(1,609,440)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(25,016,438)	(25,016,438)	-	(25,016,438)
Net profit for the year	-	-	-	-	-	3,052,330,470	3,052,330,470	11	3,052,330,481
Balance as at 31 December 2022	11,659,068,600	11,750,000,000	2,117,047,124	9,926,531	(29,217,722)	2,957,002,831	28,463,827,363	10,285	28,463,837,649
Adjustment on revaluation of fixed assets and other investment	-	-	622,223,137	-	-	-	622,223,137	-	622,223,137
Transferred to retained earnings	-	-	(53,715,252)	-	-	53,715,252	-	-	-
Foreign currency translation for the year	-	-	-	-	(23,388,445)	-	(23,388,445)	-	(23,388,445)
Transferred to General and other reserve	-	-	-	330,482	-	(330,482)	-	-	-
Cash dividend paid	-	-	-	-	-	(1,748,860,290)	(1,748,860,290)	-	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	-	(389,926,028)	(389,926,028)	-	(389,926,028)
Net profit for the year	-	-	-	-	-	2,478,851,643	2,478,851,643	12	2,478,851,655
Balance as at 31 December 2023	11,659,068,600	11,750,000,000	2,685,555,009	10,257,013	(52,606,167)	3,350,452,926	29,402,727,380	10,297	29,402,737,678

These Financial Statements should be read in conjunction with the annexed notes


Chairman


Director


Director


Director


Managing Director

Bank Asia PLC.

Balance Sheet

as at 31 December 2023

		<i>Amount in Taka</i>	
	Notes	31 Dec 2023	31 Dec 2022
PROPERTY AND ASSETS			
Cash		21,776,877,853	25,797,153,695
In hand (including foreign currencies)	4.1	3,768,416,284	4,087,739,154
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.2	18,008,461,569	21,709,414,541
Balance with other banks and financial institutions		23,676,754,230	39,580,907,052
In Bangladesh	5.1	20,111,916,423	37,117,023,982
Outside Bangladesh	5.2	3,564,837,807	2,463,883,070
Money at call and on short notice	6	300,000,000	3,750,000,000
Investments	7	114,760,152,372	102,849,109,937
Government		106,782,762,756	94,746,403,719
Others		7,977,389,616	8,102,706,218
Loans and advances/investments	8	291,325,043,145	277,870,358,403
Loans, cash credits, overdrafts, etc/investments		275,845,342,560	254,502,783,718
Bills purchased and discounted		15,479,700,585	23,367,574,685
Fixed assets including premises, furniture and fixtures	9	5,878,418,753	5,615,910,981
Other assets	10	16,511,366,071	12,937,503,504
Non - banking assets		-	-
Total assets		<u>474,228,612,424</u>	<u>468,400,943,572</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	27,071,897,305	51,024,080,743
Subordinated non-convertible and perpetual bonds	11 (aa)	7,680,250,000	9,340,000,000
Deposits and other accounts	12	361,617,147,912	337,695,417,437
Current/Al-wadeeah current accounts and other accounts		73,474,263,579	68,376,440,602
Bills payable		3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings bank deposits		83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits		200,690,643,094	186,338,181,123
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	48,339,788,323	41,701,194,297
Total liabilities		<u>444,709,083,540</u>	<u>439,760,692,477</u>
Capital/shareholders' equity			
Total shareholders' equity		29,519,528,884	28,640,251,095
Paid-up capital	14.2	11,659,068,600	11,659,068,600
Statutory reserve	15	11,750,000,000	11,750,000,000
General and other reserve	15.1	8,166,144	8,166,144
Revaluation reserve	16	2,685,555,009	2,117,047,124
Retained earnings	17	3,416,739,131	3,105,969,227
Total liabilities and shareholders' equity		<u>474,228,612,424</u>	<u>468,400,943,572</u>

Balance Sheet

Amount in Taka

	Notes	31 Dec 2023	31 Dec 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18	147,312,053,915	151,805,089,469
Acceptances and endorsements		57,164,035,754	57,460,996,543
Letters of guarantee		31,450,162,015	38,212,129,085
Irrevocable letters of credit		37,281,132,915	28,775,250,089
Bills for collection		21,416,723,231	27,356,713,752
Other contingent liabilities		-	-
Other commitments		4,812,658,170	1,758,182,995
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		4,812,658,170	1,758,182,995
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		152,124,712,085	153,563,272,464

These Financial Statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated
28 April 2024
DVC No: 2404290535AS213655



Nasir U Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Enrollment No: 535
MABS & J Partners
Chartered Accountants

Bank Asia PLC.

Profit and Loss Account

for the year ended 31 December 2023

Amount in Taka


	Notes	31 Dec 2023	31 Dec 2022
OPERATING INCOME			
Interest income	20	23,287,064,761	20,423,046,139
Interest paid on deposits and borrowings, etc	21	17,053,991,947	14,916,319,233
Net interest income		6,233,072,814	5,506,726,906
Investment income	22	8,376,526,748	6,270,764,596
Commission, exchange and brokerage	23	4,977,401,004	7,316,183,898
Other operating income	24	1,386,508,710	1,138,685,128
		14,740,436,462	14,725,633,622
Total operating income (A)		20,973,509,276	20,232,360,528
OPERATING EXPENSES			
Salaries and allowances	25	5,243,365,548	5,045,556,865
Rent, taxes, insurance, electricity, etc	26	625,902,063	578,252,761
Legal expenses	27	28,538,049	25,413,828
Postage, stamp, telecommunication, etc	28	190,046,039	153,111,892
Stationery, printing, advertisements, etc	29	168,260,355	174,289,799
Managing Director's salary and fees	30	13,510,000	18,854,125
Directors' fees	31	3,776,000	3,024,000
Auditors' fees	32	1,753,000	955,000
Depreciation and repairs of Bank's assets	33	998,916,525	955,559,563
Other expenses	34	2,168,700,864	2,582,537,751
Total operating expenses (B)		9,442,768,443	9,537,555,584
Profit before provision (C=A-B)		11,530,740,833	10,694,804,944
Provision for loans and advances/investments			
General provision		2,287,961,643	2,467,292,000
Specific provision		4,211,938,220	1,726,641,239
	13.1.1 & 2	6,499,899,863	4,193,933,239
Provision for off-balance sheet items	13.1.3	195,000,000	(295,000,000)
Provision for diminution in value of investments	13.1.7	90,000,000	-
Other provisions	13.1.8 & 9	50,000,000	250,000,000
Total provision (D)	34(b)	6,834,899,863	4,148,933,239
Total profit before tax (C-D)		4,695,840,970	6,545,871,705
Provision for taxation			
Current tax	13.1.5	2,300,000,000	3,500,000,000
Deferred tax	13.1.5(C)	-	-
		2,300,000,000	3,500,000,000
Net profit after tax		2,395,840,970	3,045,871,705
Appropriations			
Statutory reserve	15	-	1,024,556,060
Coupon/dividend on perpetual bond		389,926,028	25,016,438
		389,926,028	1,049,572,498
Retained surplus		2,005,914,942	1,996,299,207
Earnings Per Share (EPS)	37(b)	1.72	2.61

These Financial Statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	Managing Director

See our annexed report of even date

Dhaka, Dated
28 April 2024
DVC No: 2404290535AS213655


Nasir U Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Enrollment No: 535
MABS & J Partners
Chartered Accountants

Bank Asia PLC.

Cash Flow Statement

for the year ended 31 December 2023

	Notes	31 Dec 2023	31 Dec 2022
<i>Amount in Taka</i>			
Cash flows from operating activities (A)			
Interest receipts		29,726,397,678	26,871,086,472
Interest payments		(17,550,748,656)	(15,543,994,302)
Dividends receipts		527,036,928	88,244,680
Fees and commission receipts		4,977,401,004	7,316,183,898
Recoveries on loans previously written off		326,055,141	347,148,119
Cash payment to employees		(5,142,531,005)	(5,001,178,311)
Cash payment to suppliers		(265,780,936)	(291,509,279)
Income tax paid		(2,809,151,843)	(2,498,150,041)
Receipts from other operating activities	35	2,028,293,888	1,192,431,104
Payments for other operating activities	36	(3,032,226,015)	(3,362,149,357)
Operating profit before changes in operating assets & liabilities		8,784,746,184	9,118,112,983
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers and banks		(13,454,684,742)	(15,603,656,638)
Other assets		(400,309,832)	348,218,683
Deposits from customers and banks		23,921,730,475	19,912,982,535
Trading liabilities		(23,952,183,438)	3,187,929,375
Other liabilities		(1,658,375,958)	(386,603,576)
Net Increase/(decrease) in operating assets and liabilities		(15,543,823,495)	7,458,870,379
Net cash flows from operating activities		(6,759,077,311)	16,576,983,362
Cash flows from investing activities (B)			
Investments in treasury bills, bonds and others		(12,036,359,037)	(24,056,115,796)
Sale/(Purchase) of trading securities		125,316,602	(1,771,803,620)
(Purchase)/disposal of fixed assets		(417,476,445)	(303,616,279)
Net cash flows from/(used in) investing activities		(12,328,518,880)	(26,131,535,695)
Cash flows from financing activities (C)			
Issuance of perpetual bond		340,250,000	3,340,000,000
Coupon/dividend paid on perpetual bond		(389,926,028)	(25,016,438)
Adjustment of subordinated non-convertible bond		(2,000,000,000)	(2,600,000,000)
Payments for lease liability		(487,848,255)	(410,573,674)
Dividend paid (cash dividend)		(1,748,860,290)	(1,748,860,290)
Net cash flows from/(used in) financing activities		(4,286,384,573)	(1,444,450,402)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(23,373,980,764)	(10,999,002,735)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		69,130,565,847	80,129,568,582
Cash and cash equivalents at the end of the year		45,756,585,083	69,130,565,847
Cash and cash equivalents:			
Cash		3,768,416,284	4,087,739,154
Balance with Bangladesh Bank and its agent bank(s)		18,008,461,569	21,709,414,541
Balance with other banks and financial institutions		23,676,754,230	39,580,907,052
Money at call and on short notice		300,000,000	3,750,000,000
Prize bonds		2,953,000	2,505,100
		45,756,585,083	69,130,565,847

These Financial Statements should be read in conjunction with the annexed notes

				
Chairman	Director	Director	Director	Managing Director

Bank Asia PLC. Statement of Changes in Equity

for the year ended 31 December 2023

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	General and other reserve	Retained earnings	Total
Balance as at 01 January 2022	11,659,068,600	10,725,443,940	2,159,144,877	8,166,144	2,804,815,058	27,356,638,619
Transferred during the year	-	1,024,556,060	-	-	(1,024,556,060)	-
Adjustment on revaluation of fixed assets and other investment	-	-	11,617,499	-	-	11,617,499
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,748,860,290)	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	(25,016,438)	(25,016,438)
Net profit for the year	-	-	-	-	3,045,871,705	3,045,871,705
Balance as at 31 December 2022	11,659,068,600	11,750,000,000	2,117,047,124	8,166,144	3,105,969,227	28,640,251,095
Adjustment on revaluation of fixed assets and other investment	-	-	622,223,137	-	-	622,223,137
Transferred to retained earnings	-	-	(53,715,252)	-	53,715,252	-
Cash dividend paid	-	-	-	-	(1,748,860,290)	(1,748,860,290)
Coupon/dividend on perpetual bond	-	-	-	-	(389,926,028)	(389,926,028)
Net profit for the year	-	-	-	-	2,395,840,970	2,395,840,970
Balance as at 31 December 2023	11,659,068,600	11,750,000,000	2,685,555,009	8,166,144	3,416,739,131	29,519,528,884

These Financial Statements should be read in conjunction with the annexed notes


Chairman


Director


Director


Director


Managing Director

Bank Asia PLC. Liquidity Statement (Analysis of Maturity of Assets and Liabilities)

as at 31 December 2023

Amount in Taka

Particulars	Maturity					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Assets						
Cash in hand and with banks	7,270,896,761	-	-	-	14,505,981,092	21,776,877,853
Balance with other banks and financial institutions	9,288,216,726	14,388,537,504	-	-	-	23,676,754,230
Money at call and on short notice	300,000,000	-	-	-	-	300,000,000
Investments	1,448,970,774	5,536,017,906	18,043,899,793	56,911,492,983	32,819,770,916	114,760,152,372
Loans and advances	47,694,320,200	46,477,970,044	89,804,700,396	88,026,715,188	19,321,337,318	291,325,043,145
Fixed assets including premises, furniture and fixtures	-	-	-	-	5,878,418,753	5,878,418,753
Other assets	1,880,704,090	1,326,668,290	4,401,173,379	6,765,655,312	2,137,165,000	16,511,366,071
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	67,883,108,551	67,729,193,744	112,249,773,568	151,703,863,482	74,662,673,079	474,228,612,424
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,512,500,000	9,060,000,000	10,292,750,000	2,304,812,477	8,582,084,828	34,752,147,305
Deposits and other accounts	55,865,795,363	63,545,545,174	95,996,253,877	109,304,700,000	36,904,853,498	361,617,147,912
Provision and other liabilities	318,276,635	222,793,645	2,641,696,073	23,351,021,970	21,806,000,000	48,339,788,323
Total Liabilities (B)	60,696,571,998	72,828,338,819	108,930,699,950	134,960,534,447	67,292,938,326	444,709,083,540
Net Liquidity Excess/(Shortage) (A-B)	7,186,536,553	(5,099,145,075)	3,319,073,618	16,743,329,036	7,369,734,753	29,519,528,884


Chairman


Director


Director


Director


Managing Director

Bank Asia PLC.

Notes to the financial statements

as at and for the year ended 31 December 2023

1. THE BANK AND ITS ACTIVITIES

1.1 Bank Asia PLC.

Bank Asia PLC. ("the Bank") is one of the third generation private commercial banks (PCBs) incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994 (amended up to 2023), governed by the Bank Company Act 1991 (amended up to 2023). The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 135 branches including 4 SME/Agri Branches and 4 SME service centres, 5 Islamic Windows, 15 Sub branches, 10 collection booths and 217 own ATM booths. The Bank has three subsidiary companies namely, Bank Asia Securities Limited incorporated in Bangladesh, BA Exchange Company (UK) Limited incorporated in United Kingdom and BA Express USA Inc. incorporated in United States of America (USA). The Bank has also an Offshore Banking Unit (OBU) at Chittagong Export Processing Zone, Chittagong.

Bank Asia PLC. acquired the business of Bank of Nova Scotia, Dhaka (incorporated in Canada) in the year 2001. At the beginning of the year 2002, the Bank also acquired the Bangladesh operations of Muslim Commercial Bank Limited (MCBL), a bank incorporated in Pakistan, having two branches at Dhaka and Chittagong. In taking over Bangladesh operations, all assets and certain specific liabilities of MCBL were taken over by Bank Asia PLC. at their book values.

The name of Bank Asia PLC. has been changed to Bank Asia PLC. with effect from April 16, 2024 as per approval of Bangladesh Bank. The registered office of the Bank is situated at Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka

1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islamic commercial banking services to its customers through its branches, Islamic windows, SME centres, and vibrant alternative delivery channels (ATM booths, Mobile banking, internet banking) in Bangladesh.

1.3 Islamic banking unit

The Bank obtained permission from Bangladesh Bank (country's central bank) to operate Islamic Banking Unit vide Bangladesh Bank's letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December 2008. The Bank commenced operation of this Unit from 24 December 2008. The Islamic Banking Unit is governed under the rules and regulations of Bangladesh Bank.

1.4 Off-shore banking unit

The Bank obtained off-shore banking unit permission from Bangladesh Bank vide its letter no. BRPD (P-3)744(94)/2007-1853 dated 21 June 2007. Operation of this unit commenced from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank.

1.5 Bank Asia Securities Limited

Bank Asia Securities Limited, a majority owned (99.99%) subsidiary company of Bank Asia PLC. was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2nd Floor), 2 Dilkusha Commercial Area, Dhaka 1000 which commenced its business on the 17 April 2011.

The main objective of this company is to act as a full fledged stock broker and stock dealer to execute buy and sale order and to maintain own portfolio as well as customers' portfolio under the discretion of customers. It also performs the other activities relating to capital market as and when regulators permit.

1.6 BA Exchange Company (UK) Limited

BA Exchange Company (UK) Limited was incorporated as a private limited company under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07314397 as a fully owned subsidiary company of Bank Asia PLC., BA Exchange Company (UK) Limited launched its operation in London on 16 May 2011. BA Exchange Company (UK) Limited attaches a fresh width to the Bank's remittance operation and expands its global presence for remittance services. Bank Asia stretched its business in United Kingdom through its fully owned (100%) subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home.

1.7 BA Express USA inc

BA Express USA Inc. is fully owned subsidiary company of Bank Asia PLC. incorporated in New York State Department of Financial Services (NYSDFS) in USA. The company obtained license to receive money for transmission within USA and abroad and to transmit same, pursuant to the provision of Article 13-B of the USA Banking Law, subject to all rules and regulations made by the Superintendent of Financial Services of New York relating to such business, effective November 22, 2013. The company has started its commercial operation from June 01, 2014.

Notes to the financial statements

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the “First Schedule (Section 38) of the Bank Company Act 1991 (amended upto 2023), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), and the standards set by the FRA the Financial Reporting Council (FRC) as per The Financial Reporting Act 2015 (FRA) enacted in 2015. The Bank complied with the requirement of the following regulatory and legal authorities:

- i. Bank Company Act 1991 (amended upto 2023)
- ii. Companies Act 1994 (amended upto 2020)
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Ordinance 1969
- v. The Securities and Exchange Rules 1987
- vi. Bangladesh Securities and Exchange Commission Act 1993
- vii. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015
- viii. The Income Tax Act 2023
- ix. Value Added Tax Act 2012
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case the requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

Bank have departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the “First Schedule” of section 38 of the Bank Company Act 1991 (amended up to 2018) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls under “Amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income” where any change in the fair value at the year-end is taken to profit or loss account or other comprehensive income/revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. As per DOS circular no. 01 dated May 24, 2023, provision for diminution of value of quoted equity shares, bonds, debentures, perpetual instruments and mutual funds have made on netting off gain and provision for diminution of value of unquoted equity shares and mutual funds (open-end) have made on the basis of net worth (Assets-Liabilities) of shares and surrender price of mutual funds respectively. Provision for Non-convertible cumulative preference share/ bond is required where dividend is not received as per agreement.

iii) Revaluation gain/loss on government securities

IFRS: As per requirement of IFRS 9, where T-bills and T-bonds will fall under the category of “Held for Trading” (HFT), any change in the fair value of held for trading securities is recognized through profit or loss account.

T-bills/bonds designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) which are categorized as Held for Trading (HFT) will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve.

Notes to the financial statements

iv) Provision on loans and advances

IFRS: As per IFRS 9, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November, 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020, provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 2% based on different categories of loans and advances. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also, as per BRPD circular no. 14 dated September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision @ 1% should be provided for off-balance sheet exposures. As per BRPD circular no. 56 dated December 10, 2020, BRPD circular 50 dated December 21, 2021, BRPD circular 52 dated December 29, 2021 and BRPD circular 53 dated December 22, 2022, Special general provision COVID-19 has to maintained at 2% on all unclassified moratorium loan accounts.

v) Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued financial templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income or the elements of Other Comprehensive Income allowed to include in a Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of Profit and Loss Statement.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7, IFRS 9 and IAS 32 is not made in the accounts.

vii) Repo transactions

IFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per DOS Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS Circular No. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

viii) Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse to the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within Other Liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for contingent liabilities as guided by Bangladesh Bank circular and circular letter.

ix) Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

x) Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset.

Notes to the financial statements

xi) Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or in indirect method as per IAS 7 of Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 cash flow is the mixture of direct and indirect method.

xii) Balance with Bangladesh Bank: (CRR)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiii) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38 "Intangible Assets"

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 off balance sheet items must be disclosed separately in face of balance sheet. Accordingly the Bank has recognized the following off balance sheet items:

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Foreign exchange contracts

xv) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvi) Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xvii) Recognition of Interest in Suspense

IFRS: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in balance sheet.

xviii) Uniform Accounting Policy

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation and measurement requirements of IFRS 10 cannot be made in financial statements.

(Also refer to note 3.20 Compliance of IFRSs)

2.2 Basis of measurement

The financial statements of the Bank have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marked to market with gains, if any, credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Zero Coupon Bonds at present value using amortisation concept.

Notes to the financial statements

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS/ IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- Provision on loans and advances
- Deferred tax assets/liabilities
- Gratuity fund

2.4 Foreign currency transactions

Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is the Bank's functional currency. Functional currencies for Off-shore banking unit and BA Express USA Inc. are US Dollar, BA Exchange Company (UK) Limited is UK Pound. Except as indicated, financial information have been rounded off to the nearest Taka.

Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2023 have been converted into Taka currency at the revaluation rate determined by the Bank. For BA Exchange Company (UK) Limited and BA Express USA Inc. assets and liabilities in foreign currencies as at December 31, 2023 have been converted into Taka currency at the closing rate as on December 31, 2023 and profit and loss accounts have been converted into monthly average rate.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account. Foreign currency translation gain and loss for foreign subsidiary operation is reported as separate component of Equity.

Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at the rate of revaluation rate.

Translation gain and losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss Statement, except those arising on the translation of net investment in foreign subsidiaries.

Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh Taka as follows:

- a. assets and liabilities for each statement of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Statement have been translated at monthly average rate; and
- c. all resulting exchange differences have been recognized as a separate components of equity.

2.5 Basis of consolidation

The financial statements of the Bank's include the financial statements of main operation of Bank Asia PLC. and its two business units namely, Islamic Banking Unit and Off-shore Banking Unit operating in Bangladesh.

The consolidated financial statements include the financial statements of the Bank and three subsidiary companies namely, Bank Asia Securities Limited operating in Bangladesh, BA Exchange Company (UK) Limited operating in United Kingdom and BA Express USA Inc. operating in USA.

The consolidated financial statements have been prepared in accordance with International Accounting Standard 27: Separate Financial Statements and International Financial Reporting Standard 10: Consolidated Financial Statements. The consolidated as well as separate financial statements are prepared for a common financial year ended on December 31, 2023.

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

Notes to the financial statements

2.5.1 Subsidiaries of the Bank

A subsidiary company is one in which the parent company, Bank Asia PLC. owns majority of its shares. As an owner of the subsidiary, the Bank controls the activities of the subsidiary. Bank Asia PLC. has three subsidiary companies as detailed below:

Name of Subsidiary	Ownership	Date of Commercial Operation	Country of Operation	Status	Regulator	Year Closing
Bank Asia Securities Limited	99.99%	17.04.2011	Bangladesh	Majority Owned	BSEC, Bangladesh	31 December
BA Exchange Company (UK) Limited	100%	16.05.2011	United Kingdom	Fully Owned	FSA, UK	31 December
BA Express USA inc	100%	01.06.2014	United States of America	Fully Owned	NYSDFS, New York	31 December

2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 7 “Statement of Cash Flows” under the guidelines of BRPD circular no.14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. It Cash Flows during the period have been classified as operating activities, investing activities and financing activities.

2.7 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 “Presentation of Financial Statements” and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Bank.

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances with Bangladesh Bank and its agent bank, balances with other banks and financial institutions, money at call and on short notice and prize bonds.

3.1.2 Investments

Investment in securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

Held to maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.

Held for trading

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Government treasury bills and bonds (HFT)	At present value (using marked to market concept)
Government treasury bills and bonds (HTM)	At present value (using amortisation concept)
Zero coupon bonds	At present value (using amortisation concept)
Prize bonds and other bonds	At cost
Debentures	At cost
Unquoted shares (ordinary)	At cost
Quoted shares (ordinary)	At cost (provision made for any shortfall arising due to reduce market price from cost price)

Notes to the financial statements

3.1.3 Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But provision was made for diminution in value of investment.

3.1.4 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities. Bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003, DOS Circular # 04 dated 24 November 2011 and DOS circular no. 01 dated May 24, 2023 for provision of diminution in value of investment.

3.1.5 Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IFRS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

3.1.6 Loans and advances/investments

- Loans and advances/investments are stated in the balance sheet on gross basis.
- Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020, Bangladesh Bank BRPD circular no. 56 dated 10 December 2020, BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021, Bangladesh Bank BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022 and BRPD circular no. 53 dated 22 December 2022, BRPD circular letter no. 03 dated 02 February 2023, BRPD circular no. 06 dated 25 April 2023.

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	House finance	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	2%	2%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc		1%	1%	20%	50%	100%
Short-term agri-credit and micro credit		1%	--	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

In line with Bangladesh Bank BRPD Circular no. 04 dated January 29, 2015, all restructured loans treated as Special Mention Account (SMA) for the purpose of classification. Provision was made at existing applicable rate of SMA with additional 1%.

- Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.
- The Bank has restructured (Large loan restructure) certain loan facilities of M/s. Samannaz Super Oil Limited, S. A. Oil Refinery Limited under BRPD Circular No. 04 dated 29 January 2015. As of December 31, 2023 total outstanding amount was Tk. 2,673.87 million as per the terms and conditions of the said circular. These facilities are now under Solenama (Compromise Agreement submitted before the Court) and reported as unclassified. An amount of Tk. 2,291.24 million has been kept Provision against the mentioned restructured loan facilities.
- In stay order cases the unclassified loans and advances include certain customer accounts with an aggregate outstanding amount of Tk. 2,199.54 million which have not been reported under classification as at 31 December 2023 on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. An aggregate amount of Tk. 1,775.19 million has been kept as provision.

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- h) As per Bangladesh Bank letter reference no DBI-3/120/2023-508 dated March 16, 2023 provision against loan under stay order and solenama for Tk.892.09 mln and Tk.3,272.73 mln respectively will have to transfer from General provision to specific provision in 3 years equally.

3.1.7 Impairment of financial assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bank Asia PLC. assesses whether there is objective evidence that a financial asset or a group of financial assets i.e, loans and advances, off balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;

the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

3.1.8 Property, plant and equipment

Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". Land is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.

The cost of an item of property, plant and equipment is recognised as an asset if

it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of an items of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Building	5.00%
Furniture and fixtures	20.00%
Equipment	20.00%
Computers and accessories	20.00%
Motor vehicles	16.67%

Gain or loss on sale of fixed assets is recognised in profit and loss statement as per provision of IAS 16 "Property, Plant and Equipment".

Construction work in progress/Building under Construction

Building under construction is recognized and reported under Fixed Assets as per IAS 16 " Property, Plant and Equipment" as Construction work in progress until the construction work is completed and the assets is ready for intended use. This asset is stated at cost and

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depreciation of the asset will be charged from the date of its intended use.

Intangible Asset

a. Goodwill: Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of Minority interest (non-controlling interest) are accounted as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently goodwill is measured at cost less accumulated Impairment Losses.

b. Software: Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

c. License: Value of license is recognised at cost and since it has an indefinite useful life it is not amortized. The value of the license is not measured at fair value.

3.1.9 Leased assets

IFRS 16 Leases

Bank Asia recognise the right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset is reduced by impairment losses as per IAS 36, and adjusted for certain measurements of the lease liability if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is change in estimate of the amount expected to be payable under a residual value guarantee, or if changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Bank may elect not to apply the IFRS 16 for short-term leases; and leases for which the underlying asset is of low value.

3.1.10 Impairment of fixed assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standard (IAS) 16, Property, Plant and Equipment in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized up to the reporting period as there were no such indication existed as on Balance Sheet date.

3.1.11 Investment properties

a) Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

b) Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

3.1.12 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

3.1.13 Inventories

Inventories are measured at the lower of cost and net realisable value.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit, fixed deposit and scheme deposit. These items are brought to financial statements at the gross

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value of the outstanding balance.

As per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

3.3 Capital/shareholders' equity

Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

Statutory reserve

As per section 24 of the Bank Company Act 1991 (amended upto 2023) Statutory reserve has to be maintained @ 20% of profit before tax equal to its paid-up capital together with the share premium. Bank has maintained adequate reserve in this regard.

Revaluation reserve

Revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT and HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognised in the financial statements as per IAS 12 "Income Taxes".

When an fixed asset's carrying amount is increased as a result of revaluation, the increased amount has been credited directly to equity under the head of revaluation reserve as per IAS 16 "Property, Plant and Equipment". The revaluation surplus included in equity transferred directly to retained earnings with the amount of the surplus from the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost as per the para 41 of IAS 16.

Non-controlling (minority) interest

Minority interest (non-controlling interest) in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the minority interest in Bank Asia Securities Limited, a majority owned subsidiary (99.99%) of Bank Asia PLC. is very insignificant. Minority interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholder. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to the minority shareholder.

3.4 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

3.5 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

3.6 Revenue recognition

In line with IFRS 15 revenue and disclosure in the financial statements the income of the bank has been recognized as follows

Interest income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and

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advances ceases to be taken into income when such advances fall under classification. It is then kept in interest suspense account. Interest on classified loans and advances is accounted for on a cash receipt basis.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/suspense account instead of income account.

Investment income

income on investments is recognised on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on accrual basis. Interest and fees ceases to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, loan processing, loan syndication and locker facilities, etc. Fees and commission income is recognised on the basis of realisation.

Dividend income on shares

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

3.7 Employee benefits

3.7.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the approved provident fund rules. The fund is operated by a Board of Trustees. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund.

3.7.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank and actuarial valuation.

3.7.3 Superannuation Fund

The Bank operates a superannuation fund for which provision is made annually as per actuarial valuation. The fund is operated by a separate Board of Trustees.

3.7.4 Hospitalisation insurance

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses and children at rates provided in health insurance coverage policy.

3.7.5 Worker's Profit Participation Fund

Consistent with the industry practice and in accordance with the Banking Companies Act, 1991, no provision has been made for WPPF

3.8 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items have been disclosed under contingent liabilities. As per BRPD circular no. 10 dated 18 September 2007, the Bank has maintain provision @ 1% against off-balance sheet exposures complying BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018.

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3.9 Provision for nostro accounts

According to guidelines of Foreign Exchange Policy Department of Bangladesh Bank, circular no. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance as at balance sheet date.

3.10 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to unrealised surplus on revaluation of held to maturity (HTM) securities is recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss statement on maturity of the security.

3.11 Earnings Per Share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as per International Accounting Standard (IAS) - 33 "Earnings Per Share". EPS for comparative period also restated by the bonus share if issued. Details are in note 37.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year.

The basis of computation of number of shares is in line with the provisions of IAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review. It is pertinent to mention that, potential ordinary shares is in convertible subordinate bond that may entitle their holders to ordinary shares.

3.12 Reconciliation of inter-bank/inter-branch account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on monthly basis and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as at the reporting date are not material.

3.13 Risk Management at Bank Asia Ltd.

Being a financial institution, in the ordinary course of business, the bank is sensitive to varieties of risks. The generic severity of such risk(s) is much intense in our locality due to presence of large number of banks and complex financial transactions. In such highly competitive environment to ensure a bank's consistent system and performance, the presence of strong Risk Management culture is obligatory.

The Board of Director and Senior Management of the bank need to remain positive toward adaptation of active risk management culture throughout the bank. Such awareness (risk) has helped the bank to do more than just regulatory compliance as far as risk management practice is concerned, the consequence of such initiatives has helped the bank to safeguard valuable capital and ensure consistent

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profitability, through avoiding excessive credit, market and operation loss and inadequate capital allocation under Basel III. Being compliant, the bank is now looking forward to take risk management practice to a different level, i.e. preventing risk before occurrence rather than a reactive manner; on a proactive basis.

As a part of regulatory and global benchmarking the bank has based upon 06 (six) core risks guidelines of Bangladesh Bank and Basel framework. Listed below are the identified risks the bank is currently managing or intends to manage in the future:

SI	Core Risk Guideline of BB	Basel Accord	Pillar
1	Credit Risk	Credit Risk	Pillar - I
2	Foreign Exchange Risk	Market Risk	
3	Asset Liability Risk	Operational Risk	
4	Money Laundering Risk	Residual Risk	Pillar - II
5	Internal Control & Compliance Risk	Credit Concentration Risk	Pillar –II
6	Information and Communication Technology Risk	Liquidity Risk	Pillar –II
7		Interest Rate Risk in Banking Book	Pillar –II
8		Settlement Risk	Pillar –II
9		Reputation Risk	Pillar –II
10		Environmental and climate change risk	Pillar –II
11		Strategic Risk	Pillar –II
12		Pension Obligation Risk	Pillar –II
13		Compliance Risk	Pillar –II

In view of core risk guideline the bank has established various departments to address specific risks, e.g. credit risk management, credit admin, internal control and compliance department, anti-money laundering department etc. Further to manage the overall risks of the bank in line of Basel the bank has formed a dedicated Risk Management Division.

Accordingly the bank has various high powered committees to monitor and ensure smooth risk management activities. For example, Senior Management Team (SMT), Asset Liability Committee (ALCO), Credit Committee (CC), Audit Committee, Executive Risk Management Committee, Supervisory Review Process Team etc.

The current risk management framework of the bank is as follow:

Credit Risk Management: Credit risk can be defined as risk of failure of customer/counterparty of the bank to meet financial obligations. Another major source of credit risk could be concentration risk, which arises when a bank's credit portfolio tend to be non diversified i.e. large single borrower exposure or lending exposure to clients having similar economic factors (single sub-sector, industry, geographic region etc) that would adversely impact the repayment ability of mass obligor during any possible economic downturn.

To ensure the portfolio health, the bank has distributed the overall credit concentration among different segments/industry/trading. For example, branches are primarily responsible for sourcing of potential clients and initiate limit (credit) approval process for review of Credit Risk Management Division (CRMD), this division (CRMD) ensure the quality of credit proposal before limit approval, a separate division known as Credit Administration (CAD) monitors the documentation aspects of approved credits and finally the Legal Recovery Department manages the deteriorating accounts. It is mentionable that the bank has own credit risk management guideline.

All other remaining risk in regards to credit portfolio are addressed by the Risk Management Division (RMD), the primary responsibility of this Division is to identify and assess the severity of risks and highlight the same to the management for strategic decision making. Below are risk wise list of few global model that RMD is currently using or intends to use in the future:

Residual Risk (e.g. wrong valuation of collateral, documentation error etc)	Capital computation under Pillar –II using the foundation Internal Rating Based (FIRB) approach
Concentration Risk	Herfindahl-Hirschman Index (HHI) index, Shannon's Index (SI) and Gini coefficient (GI)

Foreign Exchange Risk Management: The Foreign Exchange Risk arises from transaction involvement in any other national currency. Providing major foreign exchange related transactions are carried out on behalf of client thus bank has minimal exposure to the captioned risk. It is mentionable that the bank do not involve in any speculative transactions.

The treasury division independently conducts the transactions and back office is responsible for verifying the deal and passes necessary accounting entries. As advised by Bangladesh Bank on month end all foreign exchange related transactions are revalued at mark-to-market rate. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by management for settlement. It is mentionable that bank management is looking forward to establish treasury mid office to effectively perform the reconciliation activities.

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At present Bank assess daily Value-at-Risk (VaR) based on exponential weighted average method using web based platform for foreign exchange risk more effectively.

Asset Liability Management: The Asset Liability Risk is comprises of Balance Sheet Risk and liquidity risk. The Balance Sheet risk refers to risk of change in earning and/or devaluation of asset due to interest rate movement. The liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal/disbursement request by a counterparty/client. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors balance sheet risk.

Risk assessment tools in regards to ALM risk management are as follow:

Equity investment risk	Value-at-risk (VaR) on equity position
Liquidity Risk	Liquidity Coverage Ratio (LCR)
	Net Stable Funding Ratio (NSFR)
	Stress Testing (Duration and Sensitivity Analysis)
Interest Rate Risk	Assessment of Interest Rate Risk in Banking Book

Prevention of Money Laundering: Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being provided continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

Ensuring internal control and compliance: Operational loss arising from error and fraud due to lack of proper internal control and compliance. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at corporate office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The Audit Committee of the Board reviews the audit and inspection reports periodically and provides necessary instructions and recommendations for rectifications of lapses and observations identified by the audit team.

Further to above the bank is in the process of developing various globally recognized operational risk identification processes through the Risk Management Division. For example adaptation of

Risk Control Self Assessment (RCSA) for assessing all possible operational risks based on operational process review and previous experiences before occurrence of any such event.

Using the Key Risk Indicator (KRI) approach to identify operational risk trigger points.

Managing Information and communication Technology Risk : Bank Asia PLC. follows the guideline stated in DFIM circular no. 6 dated 21 June 2010 regarding "Guideline on ICT Security for Banks and Financial Institutions, April 2010". IT management deals with IT policy documentation, internal IT audit, training etc. The core objective of IT management is to achieve the highest levels of technology service quality and minimize possible operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

All other risk management: These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under Pillar II of Basel III. The Risk Management Division is primarily responsible for assessing and developing controls for managing these risks. In order to do so the RMD of the bank is performing various exercises like assessment of quality Risk Weighted Assets of the Bank, Stress Testing to assess the sensitivity of the bank against adverse scenarios is performed, additional capital (on top of MCR under Pillar –II) will be assessed using a model namely Internal Capital Adequacy Assessment Process (ICAAP), perform the capital reporting model etc.

On top of assessment the RMD of the bank is reporting these risks to senior management (through BRMC); which are ultimately aiding the bank to allocate adequate capital in line with Basel III requirement and at the same time implant active strategies to precisely manage all potential risks of the bank.

3.14 Events after reporting period

As per IAS -10 "Events after Reporting Period" are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

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(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

3.15 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.16 Directors' responsibilities on statement

The Board of Directors takes the responsibilities for the preparation and presentation of these Financial Statements.

3.17 Segment Reporting

As per IFRS 8 "Operating Segments", is a component of an equity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- (c) for which discrete financial information is available.

Bank reported its segments in respect of business segment and geographical segment. Business segments are comprised of Conventional Banking, Islamic Banking, Off-shore Banking, Bank Asia Securities Limited, BA Exchange Company (UK) Limited and BA Express USA Inc. Geographical segments report consist of location wise performance of above segments.

3.18 Changes in Accounting Policies

As per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

3.19 IFRS 15 - Revenue from Contract with Customers

IFRS 15 "Revenue from Contracts with Customers" replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

3.20 Compliance checklist of International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs)

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS - 1	N/A
Share Based Payment	IFRS - 2	N/A
Business Combinations	IFRS - 3	Complied
Insurance Contracts	IFRS - 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Complied
Exploration for and Evaluation of Mineral Resources	IFRS - 6	N/A
Financial Instruments: Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial Instruments: Recognition and Measurement	IFRS - 9	Complied
Consolidated Financial Statements	IFRS-10	Complied
Joint Arrangements	IFRS-11	N/A
Disclosure of Interests in other entities	IFRS-12	N/A

Notes to the financial statements

Fair Value Measurement	IFRS-13	Complied
Revenue from Contract with Customers	IFRS-15	Complied
Leases	IFRS-16	Complied
Insurance Contracts	IFRS-17	N/A
Presentation of Financial Statements	IAS - 1	Complied
Inventories	IAS - 2	N/A
Statement of Cash Flows	IAS - 7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS - 8	Complied
Events after the Reporting Period	IAS-10	Complied
Income Taxes	IAS-12	Complied
Property, Plant and Equipment	IAS-16	Complied
Employee Benefits	IAS-19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Complied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Complied
Borrowing Costs	IAS-23	Complied
Related Party Disclosures	IAS-24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Complied
Separate Financial Statements	IAS-27	Complied
Investments in Associates and Joint Ventures	IAS-28	Complied
Financial Instruments: Presentation	IAS-32	Complied
Earnings Per Share	IAS-33	Complied
Interim Financial Reporting	IAS-34	Complied
Impairment of Assets	IAS-36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Complied
Intangible Assets	IAS-38	Complied
Investment property	IAS-40	Complied
Agriculture	IAS-41	N/A

3.21 New and amended standards and interpretations:

The ISSB has published two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Both Standards are effective for annual periods beginning on or after 01 January 2024.

IFRS S1 deals with sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability related risks and opportunities and IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate related risk and opportunities that is useful to primary users of financial reports. The Bank has plan to implement IFRS S1 and IFRS S2 as guided by Bangladesh Bank through its FSD Circular 06 dated 26 December 2023.

IASB has issued IFRS 18: Presentation and Disclosure in Financial Statements replace the IAS 1 Presentation of Financial Statements will be effective for reporting periods beginning on or after 01 January 2027.

3.22 Operating Environment

The Bank's operating environment during the year ended 2023 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

3.23 Approval of financial statements

The financial statements were approved by the Board of Directors on April 28, 2024.

3.24 General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calender year from 01 January 2023 to 31 December 2023 .

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
4 Cash		
4.1 In hand (including foreign currencies)		
Conventional and Islamic banking		
Local currency	3,725,394,357	4,041,388,667
Foreign currencies	43,021,927	46,350,487
	<u>3,768,416,284</u>	<u>4,087,739,154</u>
Off-shore banking unit	-	-
	<u>3,768,416,284</u>	<u>4,087,739,154</u>
4.1(a) Consolidated Cash in hand		
Bank Asia PLC.	3,768,416,284	4,087,739,154
Bank Asia Securities Limited	8,699	107
BA Exchange Company (UK) Limited	59,402	56,806
BA Express USA, Inc	53,251	26,621
	<u>3,768,537,636</u>	<u>4,087,822,688</u>
4.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Conventional and Islamic banking		
Balance with Bangladesh Bank		
Local currency (statutory deposit)	15,969,385,110	19,189,473,087
Foreign currencies	1,334,869,918	1,273,154,979
	<u>17,304,255,028</u>	<u>20,462,628,066</u>
Balance with agent bank (Sonal Bank Limited)		
Local currency	704,206,541	1,246,786,475
Foreign currencies	-	-
	<u>704,206,541</u>	<u>1,246,786,475</u>
	<u>18,008,461,569</u>	<u>21,709,414,541</u>
Off-shore banking unit	-	-
	<u>18,008,461,569</u>	<u>21,709,414,541</u>
4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bank Asia PLC.	18,008,461,569	21,709,414,541
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>18,008,461,569</u>	<u>21,709,414,541</u>

4.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991 (amended upto 2018), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020.

The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 4.0% (conventional and islamic) and offshore banking 2% has been calculated and maintained with Bangladesh Bank in local currency and 13% (5.5% for Islamic Banking) Statutory Liquidity Ratio for conventional and offshore banking, on average demand and time liabilities in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:

4.3.1 Cash Reserve Ratio (CRR)

Conventional and Offshore Banking

As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, DOS Circular Letter No. 26 dated August 19, 2019 and MPD Circular No. 03 dated April 09, 2020 Bank has to maintain CRR @ 4.0% on fortnightly cumulative average basis and minimum @ 3.5% on daily basis for its Conventional banking. For off shore banking operation as per Bangladesh Bank BRPD Circular 31 dated June 18, 2020 Bank has to maintain minimum 2.0 (two) percent Cash Reserve Ratio (CRR) with Bangladesh Bank on bi-weekly average basis with a provision of minimum 1.5 (one and half) percent on daily basis of the average total demand and time liabilities (ATDTL) of Off Shore Banking Operation

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Conventional Banking		
i. Daily Bank's CRR maintenance:		
Required reserve	11,787,616,000	11,423,012,000
Domestic Banking Operation (3.5 % on Demand and Time Liabilities)	11,640,955,000	10,950,140,000
Offshore Banking Operation (1.5 % on Demand and Time Liabilities)	146,661,000	472,872,000
Actual reserve maintained	14,185,927,160	17,628,354,570
Surplus	2,398,311,160	6,205,342,570
ii. Fortnightly Bank's CRR maintenance:		
Required reserve	13,499,497,000	13,144,940,000
Domestic Banking Operation (4 % on Demand and Time Liabilities)	13,303,949,000	12,514,445,000
Offshore Banking Operation (2 % on Demand and Time Liabilities)	195,548,000	630,495,000
Actual reserve maintained (average)	14,149,189,697	14,133,731,537
Surplus	649,692,697	988,791,537
Islamic Banking		
i. Daily Bank's CRR maintenance:		
Required reserve (3.5% Demand and Time Liabilities)	1,170,821,000	1,033,956,000
Actual reserve maintained	1,552,406,000	1,354,725,000
Surplus	381,585,000	320,769,000
ii. Fortnightly Bank's CRR maintenance:		
Required reserve (4% of Demand and Time Liabilities)	1,338,081,000	1,181,664,000
Actual reserve maintained (Average)	1,552,406,000	1,276,616,200
Surplus	214,325,000	94,952,200
4.3.2 Statutory Liquidity Ratio (SLR)		
Conventional Banking		
13% of Average Demand and Time Liabilities		
Required reserve	44,508,894,000	44,770,167,000
Domestic Banking Operation	43,237,835,000	40,671,947,000
Offshore Banking Operation	1,271,059,000	4,098,220,000
Actual reserve maintained	107,073,152,834	99,411,433,685
Surplus	62,564,258,834	54,641,266,685
Islamic Banking		
5.5% of Average Demand and Time Liabilities		
Required reserve	1,839,861,000	1,624,788,000
Actual reserve maintained	4,580,565,726	4,547,233,354
Surplus	2,740,704,726	2,922,445,354
	65,304,963,560	57,563,712,039
4.3.3 Held for Statutory Liquidity Ratio		
Conventional Banking		
Cash in hand	3,719,925,558	4,031,316,800
Excess of CRR - Balance with Bangladesh Bank	686,430,160	4,483,414,567
Balance with agent bank (Sonali Bank Limited)	201,784,360	468,048,600
Government securities	102,462,059,756	90,426,148,618
Other securities	2,953,000	2,505,100
	107,073,152,834	99,411,433,685

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Islamic Banking		
Cash in hand	48,490,726	56,422,354
Excess of CRR - Balance with Bangladesh Bank	214,325,000	173,061,000
Government securities	4,317,750,000	4,317,750,000
	<u>4,580,565,726</u>	<u>4,547,233,354</u>
	<u>111,653,718,560</u>	<u>103,958,667,039</u>
5. Balance with other banks and financial institutions		
In Bangladesh		
Conventional and Islamic banking (Note 5.1)	20,111,916,423	36,107,023,982
Off-shore banking unit	-	1,010,000,000
	<u>20,111,916,423</u>	<u>37,117,023,982</u>
Outside Bangladesh		
Conventional and Islamic banking (Note 5.2)	3,480,782,567	1,847,330,212
Off-shore banking unit	84,055,240	616,552,858
	<u>3,564,837,807</u>	<u>2,463,883,070</u>
	<u>23,676,754,230</u>	<u>39,580,907,052</u>
5.1 Conventional and Islamic banking-In Bangladesh		
Current accounts		
Agrani Bank PLC.	213,484,228	561,613,076
Eastern Bank PLC.	115,907,891	115,291,860
Janata Bank PLC.	191,593,885	101,497,290
Rupali Bank PLC.	207,391,045	325,865,606
Pubali Bank PLC.	286,313,241	323,414,066
Standard Chartered Bank	21,928,410	47,832,108
Sonali Bank PLC.	366,900,851	270,498,621
Trust Bank Limited	(84,129,517)	(49,858,209)
	<u>1,319,390,034</u>	<u>1,696,154,418</u>
Short- notice deposit accounts		
AB Bank PLC.	610,049	602,564
Bank Alfalah Limited	1,720,331	1,719,995
Islami Bank Bangladesh PLC.	196,009	192,805
	<u>2,526,389</u>	<u>2,515,364</u>
Placements		
With Banking companies (5.1.1)	17,070,000,000	33,188,354,200
With Non-banking financial institutions (5.1.2)	1,720,000,000	1,220,000,000
	<u>18,790,000,000</u>	<u>34,408,354,200</u>
	<u>20,111,916,423</u>	<u>36,107,023,982</u>
5.1.1 Details of Placement with Banking companies(Local Currency)		
EXIM Bank PLC.	5,000,000,000	5,000,000,000
Al Arafa Islami Bank PLC.	4,000,000,000	-
IFIC Bank PLC.	-	2,500,000,000
NRB Bank Limited	-	250,000,000
United Commercial Bank PLC.	3,500,000,000	3,500,000,000
One Bank PLC.	-	2,000,000,000
Social Islami Bank PLC.	500,000,000	2,200,000,000
Marcantile Bank PLC.	1,000,000,000	3,000,000,000
Global Islami Bank PLC.	-	500,000,000

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Standard Bank PLC.	1,000,000,000	2,750,000,000
	15,000,000,000	21,700,000,000

Details of Placement- with Banking companies (Foreign Currencies)

Islami Bank Bangladesh PLC.	2,070,000,000	5,174,934,324
Modhumoti Bank PLC.	-	413,994,746
Premier Bank PLC.	-	1,034,986,865
Trust Bank Limited	-	1,034,986,865
Marcantile Bank PLC.	-	517,493,432
Pubali Bank PLC.	-	1,655,978,985
Southeast Bank PLC.	-	517,493,432
City Bank PLC.	-	1,138,485,551
	2,070,000,000	11,488,354,200
	17,070,000,000	33,188,354,200

5.1.2 Details of Placement with Non-banking financial institutions

Investment Corporation of Bangladesh	1,570,000,000	1,070,000,000
Union Capital Limited	150,000,000	150,000,000
	1,720,000,000	1,220,000,000

5.2 Conventional and Islamic banking- Outside Bangladesh

Current accounts

Interest bearing:

Citibank NA, New York (USD)	962,427,095	887,996,838
Habib American Bank, New York	1,621,291,197	225,723,382
Mashreqbank PSC, New York (USD)	-	29,782,196
Wells Fargo Bank NA, New York (USD)	45,875,238	-
Zhejiang Chouzhou Commercial Bank (USD)	10,165,019	8,068,565
Zhejiang Chouzhou Commercial Bank (CNY)	18,608,959	22,396,916
	2,658,367,508	1,173,967,897

Non-interest bearing:

AB Bank Limited, Mumbai	7,018,353	15,420,960
AKTIF Bank, Istanbul -JPY	2,171,712	1,442,647
Al Rajhi Bank K.S.A	14,294,123	56,770,209
Axis Bank Ltd, Mumbai (ACU)	46,734,051	16,979,847
Bank of Sydney	-	5,905,713
Bank Alfalah Limited, Karachi Pak (ACU)	4,945,257	12,874,139
Bhutan National Bank Limited, Thimphu	14,885,003	5,894,157
Citibank N.A., London (GBP)	1,421,985	50,057,073
Citibank N.A., London (EURO)	94,056	-
Commerzbank AG, Frankfurt (EURO)	34,845,968	5,255,696
Commerzbank AG, Frankfurt (USD)	14,652,634	14,444,095
Habib Metropolitan Bank Limited, Karachi	40,630,766	39,743,904
HDFC Bank, Mumbai	20,564,528	-
ICICI Bank Limited, Kowloon	7,164,234	9,519,691
ICICI Bank Limited, Mumbai	60,052,537	24,214,035
JP Morgan Chase Bank N.A New York, U.S.A	353,841,392	-
Mashreqbank PSC, Dubai	29,515,831	31,300,466
Mashreqbank PSC, Mumbai (EURO)	889,403	889,403
Muslim Commercial Bank Limited, Colombo	7,766,255	8,536,503
Nepal Bangladesh Bank Limited, Kathmandu	6,765,163	7,753,453
Riyad Bank, Riyadh (SAR)	1,225,318	425,425
Standard Chartered Bank, Mumbai	1,038,506	136,168,284
Standard Chartered Bank, New York	15,653,079	199,197,607

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Unicredit Bank AG, Munich (EURO)/Hypovereins Bank, Munich (EURO)	-	10,734,092
Wells Fargo Bank NA, London (EURO)	134,220,662	10,622,519
Zurcher Kantonal Bank, Switzerland	2,024,243	9,212,397
	<u>822,415,059</u>	<u>673,362,315</u>
	<u>3,480,782,567</u>	<u>1,847,330,212</u>
Placement with Off-shore Banking Unit	5,899,500,000	21,950,000
Less: Inter-company transactions with OBU	(5,899,500,000)	(21,950,000)
	<u>3,480,782,567</u>	<u>1,847,330,212</u>
5.3 Maturity grouping of balance with other banks and financial institutions		
Up to 1 month	9,288,216,726	21,841,578,459
More than 1 month but not more than 3 months	14,388,537,504	15,221,828,593
More than 3 months but not more than 6 months	-	2,517,500,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<u>23,676,754,230</u>	<u>39,580,907,052</u>
5(a) Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Bank Asia PLC.	20,111,916,423	37,117,023,982
Bank Asia Securities Limited	572,829,729	598,386,033
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>20,684,746,152</u>	<u>37,715,410,015</u>
Less: Inter-company transactions	351,884,444	369,639,929
	<u>20,332,861,708</u>	<u>37,345,770,086</u>
Outside Bangladesh		
Bank Asia PLC.	3,564,837,807	2,463,883,070
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	15,610,502	16,002,011
BA Express USA, Inc	217,988,625	157,813,356
	<u>3,798,436,934</u>	<u>2,637,698,437</u>
	<u>24,131,298,642</u>	<u>39,983,468,523</u>
6. Money at call and on short notice		
Call money Lending (Note 6.1)	300,000,000	-
Short Notice Lending (Note 6.2)	-	3,750,000,000
	<u>300,000,000</u>	<u>3,750,000,000</u>
6.1 Call Money Lending- with Banking companies:		
NCC Bank PLC.	<u>300,000,000</u>	-
6.2 Short Notice Lending		
One Bank PLC.	-	750,000,000
Agrani Bank PLC.	-	3,000,000,000
	<u>-</u>	<u>3,750,000,000</u>
6(a) Consolidated Money at call and on short notice		
Bank Asia PLC.	300,000,000	3,750,000,000
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>300,000,000</u>	<u>3,750,000,000</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
7. Investments		
Government (Note 7.1)	106,782,762,756	94,746,403,719
Others (Note 7.2)	7,977,389,616	8,102,706,218
	<u>114,760,152,372</u>	<u>102,849,109,937</u>
7.1 Government		
Conventional and Islamic banking (Note 7.1.1)	106,782,762,756	94,746,403,719
Off-shore banking unit	-	-
	<u>106,782,762,756</u>	<u>94,746,403,719</u>
7.1.1 Conventional and Islamic banking		
Treasury bills (Note 7.1.1.1)	12,539,002,899	11,706,975,787
Treasury bonds (Note 7.1.1.2)	94,240,806,857	83,036,922,832
Prize bonds	2,953,000	2,505,100
	<u>106,782,762,756</u>	<u>94,746,403,719</u>
7.1.1.1 Treasury bills		
91 days treasury bills	2,940,234,066	1,979,259,871
364 days treasury bills	9,598,768,833	9,727,715,916
	<u>12,539,002,899</u>	<u>11,706,975,787</u>
7.1.1.2 Treasury bonds		
Bangladesh Bank Govt Investment Sukuk	4,317,750,000	4,317,750,000
2 years Bangladesh Government treasury bonds	42,084,812,487	10,902,872,630
5 years Bangladesh Government treasury bonds	13,281,127,548	14,592,612,284
10 years Bangladesh Government treasury bonds	20,503,199,985	32,482,075,380
15 years Bangladesh Government treasury bonds	9,665,155,150	12,792,604,704
20 years Bangladesh Government treasury bonds	4,388,761,687	7,949,007,834
	<u>94,240,806,857</u>	<u>83,036,922,832</u>
7.2 Others		
Conventional and Islamic banking (Note 7.2.1)	7,977,389,616	8,102,706,218
Off-shore banking unit	-	-
	<u>7,977,389,616</u>	<u>8,102,706,218</u>
7.2.1 Conventional and Islamic banking		
a) Ordinary shares (Details are shown in Annexure-B)		
Quoted shares	464,049,694	449,174,694
Unquoted share	154,453,427	104,645,029
	<u>618,503,121</u>	<u>553,819,723</u>
b) Mutual Fund (Details are shown in Annexure-B)		
1st Janata Bank Mutual fund	50,000,000	50,000,000
EBL NRB 1st Mutual Fund	149,665,000	149,665,000
1st Bangladesh Fixed Income Fund	250,000,000	250,000,000
MBL 1st Mutual Fund	50,000,000	50,000,000
EXIM 1st Mutual Fund	119,221,495	119,221,495
	<u>618,886,495</u>	<u>618,886,495</u>
c) Bonds		
Non-Convertible Subordinated Bond - Premier Bank PLC.	-	500,000,000
Second Subordinated Bond - Mutual Trust Bank	-	80,000,000
Fourth Subordinated Bond - United Commercial Bank PLC.	800,000,000	1,000,000,000
Second Subordinated Mudaraba Bond - Social Islami Bank PLC.	-	20,000,000
5 Year Preference Share - Meghna Cement Mills Ltd	650,000,000	700,000,000
5 Year Preference Share - Kushiara Power Co. Ltd	40,000,000	60,000,000
5 Year Preference Share - Summit LNG Terminal Co. (Pvt) Ltd	20,000,000	40,000,000

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Perpetual Bond of Mutual Trust Bank Ltd	1,000,000,000	1,000,000,000
Perpetual Bond of United Commercial Bank PLC.	1,000,000,000	1,000,000,000
Perpetual Bond 2nd of United Commercial Bank PLC.	500,000,000	-
Perpetual Bond of Pubali Bank PLC.	1,000,000,000	1,000,000,000
Perpetual Bond of Shahjalal Islamic Bank PLC.	500,000,000	500,000,000
Perpetual Bond of Mercantile Bank PLC.	1,030,000,000	1,030,000,000
BBML 1st Sukuk Trust	200,000,000	-
	6,740,000,000	6,930,000,000
	7,977,389,616	8,102,706,218

7.3 Investments classified as per Bangladesh Bank circular

Held for trading (HFT)	54,390,325,508	40,371,740,071
Held to maturity (HTM)	48,071,734,248	50,054,408,547
Other securities	12,298,092,616	12,422,961,319
	114,760,152,372	102,849,109,937

7.4 Maturity-wise grouping

On demand	1,448,970,774	3,677,343,471
Up to 3 months	5,536,017,906	2,466,456,844
More than 3 months but not more than 1 year	18,043,899,793	26,304,189,275
More than 1 year but not more than 5 years	56,911,492,983	35,206,572,748
More than 5 years	32,819,770,916	35,194,547,599
	114,760,152,372	102,849,109,937

7(a) Consolidated Investments

Government

Bank Asia PLC.	106,782,762,756	94,746,403,719
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	106,782,762,756	94,746,403,719

Others

Bank Asia PLC.	7,977,389,616	8,102,706,218
Bank Asia Securities Limited	1,041,252,282	989,145,651
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	9,018,641,898	9,091,851,869
	115,801,404,654	103,838,255,588

8 Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments (Note 8.1)	275,845,342,560	254,502,783,718
Bills purchased and discounted (Note 8.2)	15,479,700,585	23,367,574,685
	291,325,043,145	277,870,358,403

8.1 Loans, cash credits, overdrafts, etc/investments

Conventional and Islamic banking

Inside Bangladesh

Agricultural loan	5,523,887,981	4,937,948,904
Cash credit/Bai Murabaha (Muajjal)	7,594,468,147	5,303,713,589
Credit card	4,171,809,762	3,631,193,880
Credit for poverty alleviation scheme-micro credit	8,183,283	8,247,947
Consumer credit scheme	16,278,739,708	15,781,494,644
Demand loan	62,191,705,348	27,234,992,836
Export Development Fund (EDF)	11,277,990,087	21,663,457,255
House building loans	1,037,606,727	1,059,855,713
Loans (General)	22,239,857,876	39,417,520,074
Loan against trust receipts/ Bai Murabaha post import	7,249,653,620	14,331,955,769
Overdrafts/ Quard against scheme	35,210,080,416	32,110,440,520

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Packing credit	345,061,384	928,694,041
Payment against documents	30,900,818	128,062,570
Staff loan	1,722,320,328	1,891,324,867
Transport loan	1,585,064,282	1,811,882,853
Term loan- industrial	29,952,112,880	26,527,284,618
Term loan- others	64,573,206,309	48,696,524,190
Loan under Covid-19 stimulus package	1,421,703,304	5,322,077,781
	272,414,352,260	250,786,672,051
Outside Bangladesh	-	-
	272,414,352,260	250,786,672,051
Off-shore banking unit	3,430,990,300	3,716,111,667
	275,845,342,560	254,502,783,718
8.2 Bills purchased and discounted		
Conventional and Islamic banking	1,477,692,579	1,996,974,277
Off-shore banking unit	14,002,008,006	21,370,600,408
	15,479,700,585	23,367,574,685
8.3 Maturity-wise grouping		
Repayable on demand	47,694,320,200	45,332,866,964
Not more than 3 months	46,477,970,044	42,258,538,345
More than 3 months but not more than 1 year	89,804,700,396	77,497,087,280
More than 1 year but not more than 5 years	88,026,715,188	94,466,027,863
More than 5 years	19,321,337,318	18,315,837,951
	291,325,043,145	277,870,358,403
8.4 Net loans and advances/investments		
Gross loans and advances/investments	291,325,043,145	277,870,358,403
Less: Interest suspense (Note 13.1.4)	5,198,880,298	4,403,014,529
Provision for loans and advances/investments (Note 13.1.1 & 13.1.2)	22,416,000,000	19,610,000,001
	27,614,880,298	24,013,014,530
	263,710,162,847	253,857,343,873
8.5 Loans and advances/investments under the following broad categories		
In Bangladesh		
Loans	233,040,793,997	217,088,629,609
Cash credits	7,594,468,147	5,303,713,589
Overdrafts	35,210,080,416	32,110,440,520
Bills purchased and discounted	15,302,113,768	22,868,897,540
	291,147,456,328	277,371,681,258
Outside Bangladesh		
Bills purchased and discounted	177,586,817	498,677,145
	291,325,043,145	277,870,358,403
8.6 Significant concentration wise grouping		
a) Directors	-	-
b) Chief Executive and other senior executives	169,627,832	186,676,000
i) Managing Director	-	-
ii) Other senior executives	169,627,832	186,676,000
c) Agriculture	8,684,700,000	7,409,100,000
d) Industry	145,599,415,313	138,477,182,403
Food Manufacturing	20,412,400,000	14,167,500,000
Beverage industry	625,900,000	244,600,000
RMG industry	25,663,000,000	33,951,900,000
Textile industry	21,211,000,000	24,298,900,000
Wood cork and allied products	77,100,000	46,600,000
Furniture and Fixture	260,100,000	313,400,000
Paper and paper products	5,235,200,000	5,024,400,000
Leather and leather products	2,510,800,000	3,157,300,000
Rubber products	6,708,000,000	4,577,700,000
Chemical and chemical products	1,645,800,000	916,200,000
Basic metal products	18,826,300,000	11,429,800,000
Electrical machinery and apparatus	3,307,600,000	3,499,300,000

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Other manufacturing industries	28,749,215,313	23,045,982,403
Ship building	116,000,000	4,468,700,000
Ship breaking	1,831,300,000	1,435,100,000
Pharmaceutical	8,419,700,000	7,899,800,000
e) Constructions	6,283,200,000	8,404,000,000
f) Power, Gas, Water and Sanitary Services	17,912,100,000	13,914,800,000
g) Transport, Storage and Communication	4,877,200,000	2,532,900,000
h) Trade Services	51,511,600,000	51,879,200,000
i) Housing Services	19,587,000,000	18,448,600,000
j) Banking and Insurance	7,056,600,000	4,857,400,000
k) Professional and Misc. services	29,643,600,000	31,760,500,000
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

8.7 Geographical location-wise grouping Inside Bangladesh

Urban

Dhaka Division	233,632,722,966	212,858,089,190
Chittagong Division	27,313,297,064	27,903,420,779
Khulna Division	4,170,612,774	4,153,972,836
Rajshahi Division	4,585,298,587	4,504,326,275
Barisal Division	1,095,128,725	1,163,874,549
Sylhet Division	2,937,562,766	2,724,367,784
Rangpur Division	2,168,491,483	1,911,947,239
Mymensingh Division	593,671,783	538,365,075
	<u>276,496,786,148</u>	<u>255,758,363,727</u>

Rural

Dhaka Division	9,203,918,936	16,084,242,760
Chattagram Division	4,014,824,922	4,401,837,380
Khulna Division	265,601,345	219,965,396
Rajshahi Division	1,025,401,799	1,062,638,106
Barisal Division	13,526,854	17,079,600
Sylhet Division	148,066,283	319,901,321
Rangpur Division	134,260,807	-
Mymensingh Division	22,656,051	6,330,113
	<u>14,828,256,997</u>	<u>22,111,994,676</u>

Outside Bangladesh

	<u>-</u>	<u>-</u>
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

8.8 Loans/investments including bills purchased and discounted covered by securities

Collateral of movable/immovable assets	175,779,222,118	152,402,313,263
Local banks and financial institutions' guarantee	3,097,213,629	801,551,421
Foreign banks' guarantee	583,356,582	2,914,913
Export documents	6,814,562,072	12,463,791,786
Cash and quasi cash	8,793,657,513	7,486,439,032
Personal guarantee	70,292,771,886	65,968,492,454
Other securities	25,964,259,345	38,744,855,534
	<u>291,325,043,145</u>	<u>277,870,358,403</u>

Notes to the financial statements

Amount in Taka

31-Dec-23

31-Dec-22

8.9 Details of large loans/investments

As at 31 December 2023 there were twelve (2022: nine) clients with whom amount of outstanding and classified loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 40,659.09 million as at 31 December 2023 (Taka 46,111.11 million in 2022). Details are shown in Annex E.

8.10 Particulars of loans and advances/investments

i)	Loans/investments considered good in respect of which the Bank is fully secured	195,068,011,914	173,157,010,415
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	70,292,771,886	65,968,492,454
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	25,964,259,345	38,744,855,534
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<u>291,325,043,145</u>	<u>277,870,358,403</u>
v)	Loans/investments due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,722,320,328	1,891,324,867
vi)	Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii)	Maximum total amount of advances/investments, including temporary advances/investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	1,722,320,328	1,891,324,867
viii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from banking companies	15,479,700,585	23,367,574,685
x)	Amount of classified loans/investments on which interest has not been charged mentioned as follows:		
a)	Increase/(Decrease) of provision (specific)	5,102,536,999	3,227,463,001
	Amount of loan written off	4,779,597,107	1,148,594,130
	Amount realised against the loans previously written off	326,055,141	347,148,119
b)	Provision kept against loans/investments classified as bad debts	15,620,000,000	10,517,463,001
c)	Interest credited to interest suspense account	5,198,880,298	4,403,014,529
xi)	Cumulative amount of written off loans/investments		
	Balance as at 1 January	15,838,570,135	15,037,124,124
	Loans written off during the year	4,779,597,107	1,148,594,130
	Recovery against written off loans during the year	(326,055,141)	(347,148,119)
	The amount of written off loans/investments for which law suit has been filed	<u>20,292,112,101</u>	<u>15,838,570,135</u>

8.11 Grouping as per classification rules

Unclassified:

Standard including staff loan	263,010,762,702	258,545,019,989
Special mentioned account	8,803,920,738	5,805,552,187
	<u>271,814,683,440</u>	<u>264,350,572,176</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Classified:		
Sub-standard	1,781,013,286	775,378,765
Doubtful	1,052,244,745	252,963,345
Bad/loss	16,677,101,674	12,491,444,117
	19,510,359,705	13,519,786,227
	291,325,043,145	277,870,358,403

8.12 Particulars of required provision for loans and advances/investments

Status	Outstanding at 31 Dec 2023	Base for provision	Required provision		
			%	Amount	
For loans and advances/investments:					
Unclassified - general provision					
Other than - SME financing, House building loan and loan for professional, loan to Brokerage House (BH), consumer finance, staff loan and SMA)					
	190,303,165,546	189,799,241,608	1% to 5%	7,656,936,195	7,892,690,860
Small and medium enterprise financing	31,708,219,323	31,708,219,323	0.25%	79,270,548	93,270,168
House building loan and loan for professional	14,430,571,391	14,430,571,391	1.00%	144,305,714	141,481,238
Loans to BH	1,848,561,277	1,848,561,277	2.00%	36,971,226	25,543,546
Consumer finance	5,833,668,038	5,833,668,038	2.00%	116,673,361	107,431,797
Special general provision COVID-19 (Note 13.1.2)				617,058,240	515,036,000
Staff loan	1,705,528,529	-	0%	-	-
				8,651,215,284	8,775,453,609
Special mentioned account	8,741,394,096	8,397,042,158	0.25% to 2%	2,422,322,922	48,223,127
Off-shore unit					
Unclassified loans (general)	17,181,048,598	17,181,048,598	1%	171,810,486	247,840,450
Special mentioned account	62,526,642	62,526,642	1%	625,266	3,026,671
Sub-standard	189,423,065	189,423,065	20%	37,884,613	-
				210,320,365	250,867,121
Classified - specific provision					
Sub-standard	1,591,590,221	1,270,243,588	20% / 5%	246,151,052	185,286,450
Doubtful	1,052,244,745	902,538,100	50% / 5%	422,268,817	62,054,650
Bad/loss	16,677,101,674	10,393,653,811	100%	10,287,153,457	10,047,506,000
				10,955,573,326	10,294,847,100
Provision required for loans and advances				22,239,431,897	19,369,390,957
Total provision maintained (Note 13.1.1 & 13.1.2)					
Conventional and Islamic Banking				22,205,679,635	19,359,132,880
Off-shore Banking Unit				210,320,365	250,867,121
				22,416,000,000	19,610,000,001

8.13 Suits filed by the Bank (Branch wise details)

Aganagar Branch	1,660,050	-
Aglabazar Branch	3,609,208	2,387,556
Agrabad Branch	4,615,738,107	2,873,481,656
Anderkilla Branch	2,406,478,700	2,105,865,747
Ashulia Branch	19,120,652	21,464,732
Bahadderhat Branch	147,198,886	132,136,030
Bank Asia Bhaban Branch	100,592,656	100,592,656
Bashundhara Branch	335,181,774	318,921,660
Beanibazar Branch	14,985,225	5,584,770
Bhatiary Branch	674,548,322	660,445,959

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Bogra Branch	346,055,275	170,398,283
BSMMU Branch	31,215,478	1,413,816
Credit Cards Department	104,046,695	111,093,844
CDA Avenue Branch	5,780,085,256	5,642,323,686
Chandragonj Branch	-	492,048
Chatkhil Branch	14,025,513	6,793,978
Corporate Branch	338,413,183	338,413,183
Cumilla Branch	93,764,540	85,994,850
Dhanmondi Branch	1,156,192,673	1,148,638,206
Dinajpur Branch	27,335,444	-
Donia Branch	52,710,822	46,946,884
Elephant Road Branch	15,398,551	2,375,836
Faridpur Branch	75,636,476	-
Feni Branch	54,836,850	-
Gulshan Branch	2,321,612,004	2,310,582,804
Holy Family RCMCH Branch	89,357,809	83,100,828
Jaganathpur Branch	7,717,402	6,120,000
Jatrabari SME	-	1,185,818
Jessore Branch	298,325,410	84,479,555
Jurain SME Centre	85,265,389	941,349
Kalatia Branch	223,241,883	-
Kamal Bazar Branch	162,756,513	162,756,513
Kazipara Branch	3,272,584	13,113,564
Khatunganj Branch	3,926,032,506	3,857,816,524
Khulna Branch	149,040,793	149,040,733
Konabari Branch	540,150	540,150
Lohagara Branch	34,639,597	20,729,905
Madhobdi Branch	212,494,390	136,591,869
Malkhanagar Branch	-	77,943,669
MCB Banani Branch	619,469,767	284,082,088
MCB Dilkusha Branch	1,244,731,875	1,244,731,875
MCB Sk. Mujib Road Branch	8,507,422,145	7,115,387,248
Mirpur Branch	21,111,827	41,099,588
Mitford Branch	335,728,870	300,047,766
Moghbarar Branch	62,803,964	53,513,290
Mohakhali Branch	140,295,322	60,567,048
Moulavibazar Branch	23,500,166	52,108,011
Narayanganj Branch	163,562,826	164,074,196
North South Road Branch	1,712,443,122	1,676,659,883
Oxygen Moor Branch	8,085,887	8,085,887
Paltan Branch	70,216,500	70,216,500
Paragram Branch	10,229,181	-
Principal Office Branch	1,123,403,083	1,157,885,876
Progoti Sarani Branch	41,390,172	40,999,581
Rajshahi Branch	81,571,502	44,813,352
Ramgonj SME/Agri Branch	12,712,093	13,655,636
Rekabi bazar SME Center	348,681	348,681
Rupnagar Branch	11,296,738	1,208,503
Savar Branch	345,501	345,501
Scotia Branch	495,981,035	495,981,035
Shantingar Branch	1,514,237,268	1,514,802,312
Shantingar Islamic Window Branch	8,363,492	8,363,492
Shyamoli Branch	9,511,764	-
Sonargaon Janapath Road Branch	792,206	-
Station Road Branch	155,932,817	159,772,761
Strand Road Branch	24,076,948	24,059,970

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Sylhet Main Branch	11,842,728	23,438,876
Sylhet Uposhahar Branch	87,510,650	17,140,393
Sylhet Uposhahar Islamic Window Branch	74,149,494	-
Tangail Branch	21,946,648	21,946,648
Tarail Branch	290,718	290,718
Tejgaon Link Road Branch	242,691,689	-
Tongi Branch	2,238,802	2,174,613
Uttara Branch	1,397,717,513	921,820,590
EPZ Branch	5,904,884	5,904,884
	<u>42,166,984,644</u>	<u>36,206,235,463</u>

8.14 Bills purchased and discounted

Payable in Bangladesh	15,302,113,768	22,868,897,540
Payable outside Bangladesh	177,586,817	498,677,145
	<u>15,479,700,585</u>	<u>23,367,574,685</u>

8.15 Maturity-wise grouping of bills purchased and discounted

Payable within 1 month	4,148,566,215	5,437,712,057
More than 1 month but less than 3 months	4,428,471,930	7,509,862,628
More than 3 months but less than 6 months	4,887,715,219	7,378,311,343
More than 6 months	2,014,947,221	3,041,688,657
	<u>15,479,700,585</u>	<u>23,367,574,685</u>

8(a) Consolidated Loans and advances/investments

Loans, cash credits, overdrafts, etc/investments

Bank Asia PLC.	275,845,342,560	254,502,783,718
Bank Asia Securities Limited	4,552,939,579	3,977,674,827
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>280,398,282,139</u>	<u>258,480,458,545</u>
Less: Inter- companies transactions	1,805,556,804	1,256,565,786
	<u>278,592,725,335</u>	<u>257,223,892,759</u>

Bills purchased and discounted

Bank Asia PLC.	15,479,700,585	23,367,574,685
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>15,479,700,585</u>	<u>23,367,574,685</u>
	<u>294,072,425,920</u>	<u>280,591,467,444</u>

9 Fixed assets including premises, furniture and fixtures

Conventional and Islamic banking (Note 9.1)	5,878,418,753	5,615,910,981
Off-shore banking unit	-	-
	<u>5,878,418,753</u>	<u>5,615,910,981</u>

9.1 Conventional and Islamic banking

Cost:

Land	2,626,833,266	2,646,764,306
Building	3,309,685,883	3,278,306,682
Furniture and fixtures	1,903,472,219	1,842,692,785
Equipments	1,859,047,083	1,800,178,016
Computer and accessories	831,025,140	608,319,540
Motor vehicles	269,948,562	295,585,354
Intangible assets	24,000,000	24,000,000

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Construction work in progress	26,872,891	10,000,000
Right-of-use assets	2,341,256,317	1,593,878,116
	13,192,141,361	12,099,724,799
Less: Accumulated depreciation	7,260,007,356	6,430,098,554
Adjustment of assets revaluation	53,715,252	53,715,264
Written down value at the end of the year - Details are shown in Annex C.	<u>5,878,418,753</u>	<u>5,615,910,981</u>
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Bank Asia PLC.	5,878,418,753	5,615,910,981
Bank Asia Securities Limited	74,782,943	85,357,425
BA Exchange Company (UK) Limited	353,472	156,944
BA Express USA, Inc	3,601,231	2,587,527
	<u>5,957,156,399</u>	<u>5,704,012,877</u>
10 Other assets		
Conventional and Islamic banking (Note 10.1)	16,492,784,146	12,908,706,898
Off-shore banking unit	18,581,925	28,796,606
	<u>16,511,366,071</u>	<u>12,937,503,504</u>
10.1 Conventional and Islamic banking		
Income generating other assets		
Investment in BA Exchange Company (UK) Limited - incorporated in UK	37,815,000	37,815,000
Investment in BA Express USA Inc - incorporated in USA	99,360,000	99,358,272
	2,137,165,000	2,137,163,272
Non-income generating other assets		
Non-income generating other assets		
Income receivable (Note 10.2)	2,065,511,014	1,297,139,289
Stock of stamps	11,839,390	10,256,387
Stationery, printing materials, etc	106,828,579	82,341,632
Prepaid expenses	3,607,062	12,782,227
Deposits and advance rent	617,754,220	483,667,668
Advances, prepayments and others (Note 10.3)	211,617,976	172,867,456
Advance income tax (Note 10.4)	10,277,687,264	7,468,535,415
Receivable against government	99,978,826	56,096,601
Sundry debtors	28,660,176	21,891,446
Branch adjustment account (Note 10.5)	413,938,934	760,545,993
Protested bills	123,764,671	123,764,671
Receivable from BA Exchange Company (UK) Limited	69,189,416	56,646,548
Receivable from BA Express USA Inc	290,897,132	200,189,787
Excise duty recoverable	32,684,630	23,149,530
Profit Receivable from Govt Investment Sukuk	1,659,856	1,668,976
	<u>14,355,619,146</u>	<u>10,771,543,626</u>
	<u>16,492,784,146</u>	<u>12,908,706,898</u>
10.2 Income receivable		
Income receivable consists of interest accrued on investment including interest for stimulus package.		
10.3 Advances, prepayments and others		
Advances, prepayments and others account consists of advance amount paid for purchasing of fixed assets, advance payment of rent for new branches of the Bank, advance against salary and legal expenses, etc.		
10.4 Advance income tax		
Advance income tax represents the tax payment to the government exchequer.		
10.5 Branch adjustment accounts		
This represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The un-responded entries of 31 December 2023 are given below:		

Notes to the financial statements

Periods of Reconciliation	Number of responded entries (Debit)	Amount of responded entries (Taka)	Number of responded entries (Credit)	Amount of responded entries (Taka)
Up to 3 months	86	125,221,662	70	61,037,927
More than 3 months but within 6 months	-	-	-	-
More than 6 months but within 1 year	-	-	2	294,920
More than 1 year but within 5 years	-	-	-	-
Above 5 years	-	-	-	-
	<u>86</u>	<u>125,221,662</u>	<u>72</u>	<u>61,332,847</u>

10.6 Receivable from Government in connection with Rangs Properties:

The Bank has a receivable from Government in connection with demolition of Rangs Bhaban in 2008 situated at 113-116 Old Airport Road, Dhaka-1215. Bank Asia had a purchased floor at 3rd floor of the Building, where from the then Scotia Branch used to run. Total receivable in this regard is Tk. 3,19,52,365 (Taka three crore nineteen lac fifty two thousand three hundred sixty five) which was eventually written-off from the Book considering uncertainty and prolonged legal proceedings.

	Amount in Taka	
	31-Dec-23	31-Dec-22
10 (a) Consolidated Other assets		
Bank Asia PLC.	16,511,366,071	12,937,503,504
Bank Asia Securities Limited	423,152,169	452,050,976
BA Exchange Company (UK) Limited	1,963,221	3,404,588
BA Express USA, Inc	164,840,429	54,929,777
	<u>17,101,321,890</u>	<u>13,447,888,845</u>
Less: Inter- companies transactions		
Investment in Bank Asia Securities Limited	1,999,990,000	1,999,990,000
Investment in BA Exchange Company (UK) Limited	42,030,000	36,413,310
Investment in BA Express USA, Inc	105,120,000	96,960,000
Receivable from BA Exchange Company (UK) Limited	69,189,416	56,646,548
Receivable from BA Exchange USA, Inc.	290,897,132	200,189,787
	<u>14,594,095,342</u>	<u>11,057,689,200</u>

10(aa) Demutualization membership of Dhaka Stock Exchange

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk.153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk. 10 each, totaling Tk. 72,151,060.

Under section 14(Ka) of Demutualization Act 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) and completed the sale of 25% (Twenty-five percent) DSE shares to SZSE and SSE. In this connection, BASL sold 1,803,777 number of share at the rate of Tk.21 per share totaling Tk. 37,879,317. Currently BASL holding 5,411,329 shares at a cost of totaling Tk. 114,839,239

The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more that the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

11 Borrowings from other banks, financial institutions and agents

Conventional and Islamic banking (Note 11.1)	17,095,577,660	25,313,872,546
Off-shore banking unit (Note 11.2)	15,875,819,645	25,732,158,197
Less: Adjustment with Head Office	(5,899,500,000)	(21,950,000)
	<u>27,071,897,305</u>	<u>51,024,080,743</u>

11.1 Conventional and Islamic banking

In Bangladesh (Note 11.1.1)	17,095,577,660	25,313,872,546
Outside Bangladesh	-	-
	<u>17,095,577,660</u>	<u>25,313,872,546</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
11.1.1 In Bangladesh		
Secured:	-	-
Un secured:		
Money at call and on short notice	-	-
State Bank of India	750,000,000	-
Standard Chartered Bank	250,000,000	-
	<u>1,000,000,000</u>	<u>-</u>
Borrowings		
Bangladesh Bank Refinance	1,067,354,873	757,840,789
Covid-19 Stimulus PKG-Tk. 5000 Cr - Export	298,222	127,591,942
Refinance under Stimulus Package Tk. 5000 Cr - Agri	382,781,016	665,344,594
Refinance under Stimulus Package Tk. 3000 Cr - Agri	231,696,958	622,543,292
Bangladesh Bank Borrowing under IPPF- II Fund	1,361,826,357	1,431,345,451
Bangladesh Bank Borrowing under Long Term Financing Facilities (LTFF) scheme	288,112,049	288,107,038
SME Foundation Pre Finance	-	8,250,000
Bangladesh Bank Pre-Finance (SREUP)	74,184,377	87,362,500
Borrowing A/C (AGRI Taka 10)	10,120,922	302,794,616
Borrowing From Joyeeta Foundation	6,622,500	26,490,000
Export development fund	8,628,513,129	19,945,353,441
Bangladesh Bank Refinance Scheme for Pre Shipment Loan	327,413,444	234,620,000
BB Refinance for SPCSSECP	1,272,504,945	172,850,000
Bangladesh Bank Borrowing under CMSME Refinance (TL) SMESPD	1,826,363,336	53,330,000
Bangladesh Bank Borrowing under Green Transformation Fund (GTF)	381,656,043	428,668,883
Borrowing From SMEF for Stimulus Loan/Revolving Fund(Trem Loan)	236,129,489	161,380,000
	<u>16,095,577,660</u>	<u>25,313,872,546</u>
	<u>17,095,577,660</u>	<u>25,313,872,546</u>
11.2 Borrowing at Off-shore banking unit		
Secured:	-	-
Un secured:		
Conventional Banking	6,241,500,000	27,270,000
International Finance Corporation	730,000,365	2,020,000,202
Borrowing - ECA	1,841,569,280	1,950,697,995
	<u>8,813,069,645</u>	<u>3,997,968,197</u>
In Bangladesh		
Jamuna Bank PLC.	547,500,000	-
Outside Bangladesh		
Yes Bank, Mumbai	-	505,000,000
SCB Singapore	-	1,515,000,000
National Bank of RAK, UAE	-	2,525,000,000
Bank Muscat, Oman	-	303,000,000
Asian Development Bank	821,250,000	-
Fimbank, Malta	1,095,000,000	-
Caixa Bank, Barcelona	3,504,000,000	7,342,700,000
Standard Chartered Bank, Thailand	-	505,000,000
HDFC, Gift City, Mumbai	-	1,010,000,000
Bank Muscat SAOG	-	2,525,000,000
Indusind Bank Limited	-	303,000,000
State Bank of India, Hongkong	1,095,000,000	2,272,500,000
Nepal Bangladesh Bank Limited	-	757,500,000
DBS Bank Singapore	-	696,900,000
Emirates Islami Bank	-	463,590,000
Ajman Bank, U.A.E.	-	1,010,000,000
	<u>6,515,250,000</u>	<u>21,734,190,000</u>
	<u>15,875,819,645</u>	<u>25,732,158,197</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
11(aa) Consolidated Borrowings from other banks, financial institutions and agents		
Bank Asia PLC.	27,071,897,305	51,024,080,743
Bank Asia Securities Limited	1,805,556,804	1,256,565,786
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>28,877,454,109</u>	<u>52,280,646,529</u>
Less: Inter-company transactions	<u>1,805,556,804</u>	<u>1,256,565,786</u>
	<u>27,071,897,305</u>	<u>51,024,080,743</u>
11(a) Subordinated non-convertible and perpetual bonds		
Subordinated Non-Convertible bond (Note 11(aa).1)	4,000,000,000	6,000,000,000
Perpetual bond (Note 11(aa) 2)	3,680,250,000	3,340,000,000
	<u>7,680,250,000</u>	<u>9,340,000,000</u>
11(aa).1 Subordinated Non-Convertible Bonds		
Subordinated Non-Convertible floating rate bond - 2		
Agrani Bank PLC.	50,000,000	100,000,000
Dhaka Bank PLC.	150,000,000	300,000,000
Janata Bank PLC.	50,000,000	100,000,000
National Life Insurance Co.	100,000,000	200,000,000
Pubali Bank PLC.	200,000,000	400,000,000
Sabinco	30,000,000	60,000,000
Sadharan Bima Corporation	20,000,000	40,000,000
Sonali Bank PLC.	200,000,000	400,000,000
Southeast Bank PLC.	100,000,000	200,000,000
Uttara Bank PLC.	100,000,000	200,000,000
	<u>1,000,000,000</u>	<u>2,000,000,000</u>
Subordinated Non-Convertible floating rate bond - 3		
Agrani Bank PLC.	1,500,000,000	2,000,000,000
Eastern Bank PLC.	600,000,000	800,000,000
Trust Bank Limited	300,000,000	400,000,000
Dutch-Bangla Bank PLC.	300,000,000	400,000,000
Pubali Bank PLC.	300,000,000	400,000,000
	<u>3,000,000,000</u>	<u>4,000,000,000</u>
	<u>4,000,000,000</u>	<u>6,000,000,000</u>
11(aa).2 Perpetual bond		
Institutional subscriber:		
NCC Bank PLC.	1,300,000,000	1,300,000,000
Trust Bank Limited	110,000,000	110,000,000
Jamuna Bank PLC.	730,000,000	730,000,000
Southeast Bank PLC.	500,000,000	500,000,000
NRB Bank Limited	200,000,000	200,000,000
	<u>2,840,000,000</u>	<u>2,840,000,000</u>
Individual subscriber	500,000,000	500,000,000
Public Offer	340,250,000	-
	<u>3,680,250,000</u>	<u>3,340,000,000</u>
11.3 Maturity-wise grouping (Note 11 and Note 11 aa)		
Payable on demand	4,512,500,000	8,898,500,000
Up to 1 month	-	-
More than 1 month but within 3 months	9,060,000,000	17,119,500,000
More than 3 months but within 1 year	10,292,750,000	19,885,382,546
More than 1 year but within 5 years	2,304,812,477	9,375,311,234
More than 5 years	8,582,084,828	5,085,386,963
	<u>34,752,147,305</u>	<u>60,364,080,743</u>

31-Dec-23

31-Dec-22

11.4 Disclosure regarding REPO

Disclosure regarding REPO transactions of the bank are given as per Bangladesh Bank, DOS Circular No. 6 dated July 15, 2010

a (i) Disclosure regarding outstanding REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
1	Bangladesh Bank	26-Dec-23	2-Jan-24	4,619,755,000
2	Bangladesh Bank	26-Dec-23	2-Jan-24	4,037,275,200
3	Bangladesh Bank	27-Dec-23	3-Jan-24	5,928,252,000
4	Bangladesh Bank	27-Dec-23	3-Jan-24	1,959,570,000
Total				16,544,852,200

(ii) Disclosure regarding outstanding Reverse REPO as on 31 December

Sl. #	Counter party name	Agreement date	Reversal Date	Amount (Taka)
Total				Nil

b Disclosure regarding overall transaction of REPO & Reverse REPO

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-
Securities purchased under reverse repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIs	-	-	-

12 Deposits and other accounts

Conventional and Islamic banking (Note 12.1)	359,975,076,402	336,694,572,297
Off-shore banking unit	1,642,071,510	1,000,845,140
	<u>361,617,147,912</u>	<u>337,695,417,437</u>

Deposits and other accounts

Current/AI-wadeeah current accounts and other accounts

Deposits from banks	-	-
Deposits from customers (Note 12.1.2a)	72,399,767,950	67,482,882,465
Off-shore banking unit	1,074,495,629	893,558,137
	73,474,263,579	68,376,440,602

Bills payable

Deposits from banks	-	-
Deposits from customers (Note 12.1.2b)	3,958,476,129	4,167,914,951
	3,958,476,129	4,167,914,951

Savings bank/Mudaraba savings bank deposits

Deposits from banks	-	-
Deposits from customers	83,493,765,110	78,812,880,761
	83,493,765,110	78,812,880,761

Fixed deposits/Mudaraba fixed deposits

Deposits from banks (Note 12.1.1)	9,144,150	16,635,021
Deposits from customers	200,113,923,063	186,214,259,099
Off-shore banking unit	567,575,881	107,287,003
	200,690,643,094	186,338,181,123
	<u>361,617,147,912</u>	<u>337,695,417,437</u>

12.1 Conventional and Islamic banking

Deposits from banks (Note 12.1.1)	9,144,150	16,635,021
Deposits from customers (Note 12.1.2)	359,965,932,252	336,677,937,276
	<u>359,975,076,402</u>	<u>336,694,572,297</u>

12.1.1 Deposits from banks

Fixed deposit/SND: Islamic banking

AB Bank PLC.	38,846	39,176
EXIM Bank PLC.	2,402,497	11,352,208

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Social Islami Bank PLC.	609,280	601,789
Trust Bank Limited	611,612	604,092
	<u>3,662,235</u>	<u>12,597,265</u>
Fixed deposit/SND: Conventional banking		
Modhumoti Bank PLC.	5,075,801	3,625,690
Trust Bank Limited	406,114	412,066
	<u>5,481,915</u>	<u>4,037,756</u>
	<u>9,144,150</u>	<u>16,635,021</u>
12.1.2 Deposits from customers		
Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	72,399,767,950	67,482,882,465
Bills payable (Note 12.1.2b)	3,958,476,129	4,167,914,951
Savings bank/Mudaraba savings deposits	83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits	<u>200,113,923,063</u>	<u>186,214,259,099</u>
	<u>359,965,932,252</u>	<u>336,677,937,276</u>
12.1.2a Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current accounts	25,529,345,048	24,733,889,452
Other demand deposit - Local currency	31,867,254,841	27,135,833,840
Other demand deposit - Foreign currencies	11,768,127,029	11,915,052,012
Foreign currency deposits	3,187,701,131	3,665,056,408
Unclaimed cash dividend	47,339,901	33,050,753
	<u>72,399,767,950</u>	<u>67,482,882,465</u>
12.1.2b Bills payable		
Bills payable - local currency	3,919,763,278	4,124,475,067
Bills payable - foreign currencies	38,712,851	43,439,884
Demand draft	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
12.1.2c Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	136,900,954,206	120,572,168,795
Special notice deposit	27,316,021,785	27,292,815,442
Foreign currency deposits (interest bearing)	4,075,123	4,075,058
Deposit under schemes	<u>35,898,353,864</u>	<u>38,349,237,560</u>
	<u>200,119,404,978</u>	<u>186,218,296,855</u>
12.2 Payable on demand and time deposits		
a) Demand deposits		
Current/Al-wadeeah current accounts and other accounts	26,651,180,578	25,660,498,342
Savings bank/Mudaraba savings deposits	7,514,438,860	7,093,159,268
Foreign currency deposits (non interest bearing)	14,955,828,160	15,580,108,420
Sundry deposits	31,867,254,841	27,135,833,840
Bills payable	<u>3,958,476,129</u>	<u>4,167,914,951</u>
	<u>84,947,178,568</u>	<u>79,637,514,821</u>
b) Time deposits		
Savings bank/Mudaraba savings deposits	75,979,326,250	71,719,721,493
Fixed deposits/Mudaraba fixed deposits	137,472,192,322	120,692,053,063
Foreign currency deposits (interest bearing)	4,075,123	4,075,058
Special notice deposit	27,316,021,785	27,292,815,442
Deposits under schemes	<u>35,898,353,864</u>	<u>38,349,237,560</u>
	<u>276,669,969,344</u>	<u>258,057,902,616</u>
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
12.3 Sector-wise break-up of deposits and other accounts		
Government	4,086,636,000	5,410,770,000
Deposit from banks	3,662,235	12,597,265

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Other public	2,170,366,000	1,782,720,000
Foreign currencies	16,640,687,644	16,628,468,502
Private	338,715,796,033	313,860,861,670
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
12.4 Maturity-wise grouping		
12.4.1 Deposits from banks		
Payable on demand	9,144,150	16,635,021
Up to 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>9,144,150</u>	<u>16,635,021</u>
12.4.2 Customer deposits excluding bills payable		
Payable on demand	3,360,693,703	2,693,370,311
Up to 1 month	50,825,459,774	42,388,296,755
Over 1 month but within 6 months	61,263,048,696	66,919,405,099
Over 6 months but within 1 year	95,996,253,877	72,574,460,352
Over 1 year but within 5 years	109,304,700,000	104,244,552,127
Over 5 years	36,904,853,498	44,690,782,821
	<u>357,655,009,548</u>	<u>333,514,905,221</u>
12.4.3 Bills payable		
Payable on demand	541,021,888	446,038,758
Up to 1 month	1,134,957,763	1,155,933,510
Over 1 month but within 6 months	2,282,496,478	2,565,942,683
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
	<u>361,617,147,912</u>	<u>337,695,417,437</u>
12(a) Consolidated Deposits and other accounts		
Current/AI-wadeeah current accounts and other accounts		
Bank Asia PLC.	73,474,263,579	68,376,440,602
Bank Asia Securities Limited	535,465,276	527,347,378
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>74,009,728,855</u>	<u>68,903,787,980</u>
Less: Inter-company transactions	351,884,444	369,639,929
	<u>73,657,844,411</u>	<u>68,534,148,051</u>
Bills payable		
Bank Asia PLC.	3,958,476,129	4,167,914,951
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>3,958,476,129</u>	<u>4,167,914,951</u>
Savings bank/Mudaraba savings bank deposits		
Bank Asia PLC.	83,493,765,110	78,812,880,761
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
	83,493,765,110	78,812,880,761
Fixed deposits/Mudaraba fixed deposits		
Bank Asia PLC.	200,690,643,094	186,338,181,123
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>200,690,643,094</u>	<u>186,338,181,123</u>
	<u>361,800,728,744</u>	<u>337,853,124,886</u>
13 Other liabilities		
Conventional and Islamic banking (Note 13.1)	48,322,044,007	41,692,136,095
Off-shore banking unit	17,744,316	9,058,202
	<u>48,339,788,323</u>	<u>41,701,194,297</u>
13.1 Conventional and Islamic banking		
Provision for loans and advances/investments (Note 13.1.1)	21,798,000,000	19,080,000,001
Special general provision COVID-19 (Note 13.1.2)	618,000,000	530,000,000
Provision for off-balance sheet exposures (Note 13.1.3)	1,390,000,000	1,195,000,000
Interest suspense account (Note 13.1.4)	5,198,880,298	4,403,014,529
Provision for income tax including deferred tax (Note 13.1.5)	14,161,337,770	11,861,337,770
Provision for performance and festival bonus	576,776,576	475,942,033
Master card and Visa card payables	88,640,578	78,626,366
Expenditures and other payables	1,093,444,406	1,060,920,482
Provision for nostro accounts (Note 13.1.6)	-	-
Other payable	192,873,777	235,635,266
Provision for profit equalization	41,372,036	24,240,856
Provision for diminution in value of shares (Note 13.1.7)	453,383,553	363,383,553
Payable to Government	20,407,621	7,607,621
Provision for other assets (Note 13.1.8)	638,269,593	612,228,003
Provision for start up fund (Note 13.1.9)	102,303,097	78,344,687
Rebate payable on good borrowers	67,700,000	67,700,000
Unearned income	972,850,838	806,303,263
Interest payable on subordinated non-convertible zero coupon bond	72,812,328	91,575,615
Fraction Bonus Share	1,608,744	1,608,744
Nostro account credit balance	36,535,507	377,278,975
Lease liabilities (Note 13.1.10)	796,847,285	341,388,331
	<u>48,322,044,007</u>	<u>41,692,136,095</u>
13.1.1 Provision for loans and advances/investments		
General provision		
Conventional and Islamic:		
Balance as at 1 January	8,311,669,879	7,567,208,819
Add: Provision made during the year	2,278,393,012	2,846,924,060
Less: Transfer to Specific Provision	(4,584,498,643)	(2,102,463,000)
Balance as at 31 December	<u>6,005,564,248</u>	<u>8,311,669,879</u>
Off-shore Banking Unit (OBU):		
Balance as at 1 January	250,867,121	295,499,181
Less: Provision no longer required	(78,431,369)	(44,632,060)
Balance as at 31 December	<u>172,435,752</u>	<u>250,867,121</u>
A. Total general provision on loans and advances/investments	<u>6,178,000,000</u>	<u>8,562,537,000</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Specific provision		
Conventional and Islamic:		
Balance as at 1 January	10,517,463,001	7,290,000,000
Add/ Back: Recoveries of amounts previously written off	326,055,141	347,148,119
Specific provision made during the year	4,174,053,607	1,726,641,239
Transfer from General Provision	4,584,498,643	2,102,463,000
Less: Write off/amicable settlement during the year	(4,019,955,005)	(948,789,357)
Balance as at 31 December	<u>15,582,115,387</u>	<u>10,517,463,001</u>
Off-shore Banking Unit (OBU):		
Balance as at 1 January	-	-
Add: Provision made during the year	37,884,613	-
Less: Provision no longer required	-	-
Balance as at 31 December	<u>37,884,613</u>	<u>-</u>
B. Total Specific provision on loans and advances/investments	<u>15,620,000,000</u>	<u>10,517,463,001</u>
C. Total provision on loans and advances/investments (A+B)	<u>21,798,000,000</u>	<u>19,080,000,001</u>
13.1.2 Special general provision COVID-19		
Balance as at 1 January	530,000,000	865,000,000
Adjustment made during the year	88,000,000	(335,000,000)
Balance as at 31 December	<u>618,000,000</u>	<u>530,000,000</u>
Special general provision COVID-19 is maintained as per BRPD circular letter no. 56 dated December 10, 2020, BRPD circular letter no. 53 dated December 30, 2021 and BRPD circular letter no. 53 dated December 22, 2022.		
13.1.2(a) Consolidated Provision for loans and advances/investments		
Balance at 1 January	20,464,937,819	16,772,645,818
Add/ Back: Recoveries of amounts previously written off	326,055,141	347,148,119
Add: Provision made during the year		
Bank Asia PLC.	6,578,331,232	4,193,933,239
Bank Asia Securities Limited	54,752,648	102,666,901
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,633,083,880</u>	<u>4,296,600,140</u>
	27,424,076,840	21,416,394,077
Less: Write off/amicable settlement during the year	(4,019,955,005)	(948,789,357)
Less: Adjustments of provision made during the year		
Bank Asia PLC.	(78,431,369)	-
Bank Asia Securities Limited	-	(2,666,901)
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>(78,431,369)</u>	<u>(2,666,901)</u>
Balance as at 31 December	<u>23,325,690,466</u>	<u>20,464,937,819</u>
13.1.3 Provision for off-balance sheet exposures		
Balance at 1 January	1,194,434,782	1,489,834,144
Add: Provision made during the year	195,488,550	-
	<u>1,389,923,332</u>	<u>1,489,834,144</u>
Less: Adjustments made during the year	-	(295,399,362)
Balance as at 31 December	<u>1,389,923,332</u>	<u>1,194,434,782</u>

Notes to the financial statements

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	31-Dec-23	31-Dec-22
Provision maintained for OBU as at 01 January	565,218	165,856
Add: Provision made during the year	-	399,362
Less: Adjustments made during the year	(488,550)	-
	<u>76,668</u>	<u>565,218</u>
Balance as at 31 December	<u>1,390,000,000</u>	<u>1,195,000,000</u>

As per BRPD Circular No. 07, dated 21 June 2018 and BRPD Circular No. 13, dated 18 October 2018 no no provision is required for bills for collection and for counter guarantee provision is maintained based on BB rating grade.

13.1.4 Interest suspense account

Balance at 1 January	4,403,014,529	4,266,332,789
Add: Amount transferred to interest suspense account during the year	3,432,144,492	2,070,004,711
	<u>7,835,159,021</u>	<u>6,336,337,500</u>
Less: Amount of interest suspense recovered	1,844,184,331	1,784,029,284
Interest waiver during the year	792,094,392	149,293,687
	<u>2,636,278,723</u>	<u>1,933,322,971</u>
Balance as at 31 December	<u>5,198,880,298</u>	<u>4,403,014,529</u>

13.1.5 Provision for taxation

Current tax (Note 13.1.5(a))	13,689,316,405	11,389,316,405
Deferred tax (Note 13.1.5(c))	472,021,365	472,021,365
	<u>14,161,337,770</u>	<u>11,861,337,770</u>

13.1.5(a) Provision for current tax

Balance at 1 January	11,389,316,405	10,184,393,154
Add: Provision made during the year	2,300,000,000	3,500,000,000
	<u>13,689,316,405</u>	<u>13,684,393,154</u>
Less: Adjustments made during the year	-	2,295,076,749
Balance as at 31 December	<u>13,689,316,405</u>	<u>11,389,316,405</u>

13.1.5(b) Consolidated Provision for current tax

Balance as at 1 January	11,714,373,370	10,479,561,029
Add: Provision made during the year		
Bank Asia PLC.	2,300,000,000	3,500,000,000
Bank Asia Securities Limited	51,108,689	67,972,708
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,351,108,689</u>	<u>3,567,972,708</u>
	<u>14,065,482,059</u>	<u>14,047,533,737</u>
Less: Adjustments made during the year		
Bank Asia PLC.	-	2,295,076,749
Bank Asia Securities Limited	91,905,680	38,083,618
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>91,905,680</u>	<u>2,333,160,367</u>
Balance as at 31 December	<u>13,973,576,379</u>	<u>11,714,373,370</u>

13.1.5(c) Provision for deferred tax

Balance at 1 January	472,021,365	472,021,365
Provision made for deferred tax liabilities	-	-
Provision made for deferred tax assets	-	-
	<u>472,021,365</u>	<u>472,021,365</u>

Notes to the financial statements

Amount in Taka

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13.1.5(d) Deferred Tax (asset)/liability

Particulars	Book value	Tax Base	(Deductible)/ Taxable		
Opening Balance					
Deferred Tax Asset				(2,958,036,469)	(2,050,312,500)
Deferred Tax Liability				640,260,273	824,420,883
Net Deferred Tax Asset				(2,317,776,196)	(1,225,891,617)

Net Deferred Tax Asset as at December 31, 2023

Deferred Tax Asset:					
Loan loss provision	15,620,000,000	-	(11,715,000,000)	(4,393,125,000)	(2,958,036,469)
Closing balance for the year (a)				(4,393,125,000)	(2,958,036,469)

Deferred Tax Liability:					
Interest receivable	2,065,511,014	-	2,065,511,014	774,566,630	486,427,233
Fixed assets	3,221,716,147	2,981,579,940	240,136,207	90,051,078	134,006,405
Right-of-use assets	(2,187,568)	-	(2,187,568)	(820,338)	19,826,635
Closing balance for the year (b)				863,797,370	640,260,273

Net Deferred Tax Asset as at December 31, 2023 (a+b)

Movement for the year				(3,529,327,630)	(2,317,776,196)
Opening deferred tax assets				(2,958,036,469)	(2,050,312,500)
Closing deferred tax assets				(4,393,125,000)	(2,958,036,469)
Changes for the year				(1,435,088,531)	(907,723,969)
Opening deferred tax liabilities				640,260,273	824,420,883
Closing deferred tax liabilities				863,797,370	640,260,273
Changes for the year				223,537,097	(184,160,610)
Changes during the year				(1,211,551,434)	(1,091,884,579)

As per Bangladesh Bank, BRPD circular no. 11 dated December 12, 2011 deferred tax assets may be recognized but restrictions are to be followed if deferred tax assets is calculated and recognized based on the provisions against classified loan, advances; such as i. amount of the net income after tax increased due to recognition of deferred tax assets on such provision will not be distributed as dividend. ii. the amount of deferred tax assets recognized on such provisions should be deducted while calculating the Regulatory Eligible Capital. iii. a description should be provided regarding deferred tax assets recognized on loan loss provision in the notes to the financial statements. On the other hand, deferred tax liabilities must be recognized for those items which are mentioned to recognize in IAS. Hence, the bank did not recognize deferred tax assets but recognize deferred tax liabilities when it arises.

13.1.5(f) Reconciliation of effective tax rate

	2023		2022	
	%	Amount	%	Amount
Profit before provision		11,530,740,833		10,694,804,944
Income Tax as per applicable tax rate	37.50%	4,324,027,812	37.50%	4,010,551,854
Tax exempted income (on govt. treasury securities)	-2.07%	(238,906,782)	-0.19%	(19,998,890)
On probable deductible/non deductible expenses	-15.48%	(1,785,121,030)	-4.59%	(490,552,964)
	19.95%	2,300,000,000	32.73%	3,500,000,000

13.1.5(g) Consolidated Reconciliation of effective tax rate

	2023		2022	
	%	Amount	%	Amount
Profit before provision		11,719,612,855		10,869,236,428
Income Tax as per applicable tax rate	37.50%	4,394,854,821	37.50%	4,075,963,661
Tax exempted income (on govt. treasury securities)	-2.04%	(238,906,782)	-0.18%	(19,998,890)
On probable deductible/non deductible expenses	-15.40%	(1,804,839,350)	-4.49%	(487,992,063)
	20.06%	2,351,108,689	32.83%	3,567,972,708

13.6 Provision for nostro accounts

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months. Details of unrecognized entries are shown in Annex I.

Amount in Taka

	31-Dec-23	31-Dec-22
13.1.7 Provision for diminution in value of shares		
Balance as at 1 January	363,383,553	363,383,553
Add: Provision made during the year	90,000,000	-
Adjustment during the year	-	-
Balance as at 31 December	453,383,553	363,383,553
Provision requirement for quoted and unquoted share including subsidiaries (Annex B)	429,314,378	234,605,554
Provision maintained	453,383,553	363,383,553
Surplus provision maintained	24,069,175	128,777,999
13.1.8 Provision for other assets		
Balance as at 1 January	612,228,003	393,106,522
Add: Provision made during the year	26,041,590	219,121,481
Adjustment during the year	-	-
Balance as at 31 December	638,269,593	612,228,003
Provision requirement	501,813,218	514,840,623
Provision maintained	638,269,593	612,228,003
Surplus provision maintained	136,456,375	97,387,380

(Provision for others made for legal expenses, protested bills, expenditure related unreconciled entries and other assets that classified as bad and loss as per Bangladesh Bank BRPD Circular 4 dated April 12, 2022)

13.1.9 Provision for start up fund

Balance as at 1 January	78,344,687	47,466,168
Add: Provision made during the year		
For the year 2022 (1% of profit after tax)	-	30,878,519
For the year 2023 (1% of profit after tax)	23,958,410	-
Adjustment during the year	-	-
Balance as at 31 December	102,303,097	78,344,687

(As per Bangladesh Bank SMESPD Circular Letter no. 05 dated April 26, 2001 Provision for Start up Fund has been maintained against 1% net profit after tax starting from the year 2020)

13.1.10 Lease liabilities

Balance as at 1 January	341,388,331	467,223,023
Add: Addition during the year	792,458,162	180,064,817
Add: Interest charge during the year	150,849,047	104,674,165
Less: Payment made during the year	487,848,255	410,573,674
Balance as at 31 December	796,847,285	341,388,331

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
The lease liabilities represents the present value of the lease payments discounting using the incremental borrowing rate as per IFRS 16 against which right-of- use assets has been arisen (ref: Annex C).		
13(a) Consolidated Other liabilities		
Bank Asia PLC.	48,339,788,323	41,701,194,297
Bank Asia Securities Limited	2,262,399,192	2,259,945,347
BA Exchange Company (UK) Limited	62,507,577	65,969,666
BA Express USA, Inc	373,157,891	270,814,608
	<u>51,037,852,983</u>	<u>44,297,923,918</u>
Less: Inter- companies transactions		
Receivable from BASL	-	-
Receivable from BA Exchange (UK) Limited	69,189,416	56,646,548
BA Express USA, Inc	290,897,132	200,189,787
	<u>50,677,766,435</u>	<u>44,041,087,583</u>
14 Share capital		
14.1 Authorized capital		
1,500,000,000 ordinary shares of Taka 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
14.2 Issued, subscribed and fully paid up capital		
56,372,480 ordinary shares of Taka 10 each issued for cash	563,724,800	563,724,800
364,010,770 (2010: 243,901,270) ordinary shares of Taka 10 each		
Issued as bonus shares	3,640,107,700	3,640,107,700
Right shares issued 25% for the year 2010	1,050,958,100	1,050,958,100
Issued as bonus shares 20% for the year 2011	1,050,958,120	1,050,958,120
Issued as bonus shares 10% for the year 2012	630,574,870	630,574,870
Issued as bonus shares 10% for the year 2013	693,632,350	693,632,350
Issued as bonus shares 10% for the year 2014	762,995,590	762,995,590
Issued as bonus shares 5% for the year 2015	419,647,570	419,647,570
Issued as bonus shares 12% for the year 2016	1,057,511,890	1,057,511,890
Issued as bonus shares 12.50% for the year 2017	1,233,763,870	1,233,763,870
Issued as bonus shares 5% for the year 2018	555,193,740	555,193,740
	<u>11,659,068,600</u>	<u>11,659,068,600</u>
14.3 Initial public offer (IPO)		
Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 2003		
14.4 Capital to risk-weighted asset		
The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014		
Common Equity Tier -1 capital (Going-Concern Capital)	In line of Basel III	In line of Basel III
Paid up capital	11,659,068,600	11,659,068,600
Statutory reserve (Note 15)	11,750,000,000	11,750,000,000
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	3,416,739,131	3,105,969,227
	<u>26,833,973,875</u>	<u>26,523,203,971</u>
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	41,133,300	39,626,140
Common Equity Tier -1 capital (Going-Concern Capital)	<u>26,792,840,575</u>	<u>26,483,577,831</u>
Additional Tier 1 Capital		-
Perpetual bond	3,680,250,000	3,340,000,000
Total Tier- 1 Capital	<u>30,473,090,575</u>	<u>29,823,577,831</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	6,796,000,000	9,092,537,000
General provision on off-balance sheet exposure	1,390,000,000	1,195,000,000
Subordinated non-convertible zero coupon bonds (as per Annex 4 of Basel III)	2,000,000,000	6,000,000,000
Total Tier- 2 Capital available	10,186,000,000	16,287,537,000
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	18,322,950,800	17,752,452,437
Adjustment as per RBCA Guideline	-	-
Total admissible Tier-2 Capital	10,186,000,000	16,287,537,000
A) Total capital	40,659,090,575	46,111,114,831
B) Total risk weighted assets (RWA)	247,185,581,946	260,486,878,311
C) Minimum total capital requirement 10%	24,718,558,195	26,048,687,831
D) Capital surplus (A-C)	15,940,532,380	20,062,427,000
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	30,898,197,743	32,560,859,789
F) Capital surplus (A-E) with capital conservation buffer	9,760,892,832	13,550,255,042
Capital to risk weighted asset ratio		
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	10.84%	10.17%
Tier- 1 to RWA (minimum 6% under Basel III)	12.33%	11.45%
Capital to Risk Weighted Assets against minimum requirement 10%	16.45%	17.70%
14.4 (a) Consolidated capital to risk-weighted asset		
The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014		
Common Equity Tier -1 capital (Going-Concern Capital)	In line of Basel III	In line of Basel III
Paid up capital	11,659,068,600	11,659,068,600
Non-controlling (Minority) interest	10,297	10,285
Statutory reserve (Note 15)	11,750,000,000	11,750,000,000
General reserve	8,166,144	8,166,144
Retained earnings (Note 17)	3,350,452,926	2,957,002,831
	26,767,697,967	26,374,247,860
Less: Regulatory adjustments		
Reciprocal crossholding in the CET - 1 Capital of Banking, Financial and Insurance Entities	41,133,300	39,626,140
Common Equity Tier -1 capital (Going-Concern Capital)	26,726,564,667	26,334,621,720
Perpetual bond	-	-
Additional Tier 1 Capital	3,680,250,000	3,340,000,000
Total Tier- 1 Capital	30,406,814,667	29,674,621,720
Tier - 2 Capital (Gone-Concern Capital)		
General provision maintained against unclassified loan/investments	6,796,000,000	9,092,537,000
General provision on off-balance sheet exposure	1,390,000,000	1,195,000,000
Subordinated non-convertible zero coupon bonds	2,000,000,000	6,000,000,000
Total Tier- 2 Capital available	10,186,000,000	16,287,537,000
Maximum Limit of Tier-2 Capital (Considering) para 3.2 (v) including foot note no. 9 of RBCA Guideline)	18,222,911,011	17,560,159,598
Adjustment as per RBCA Guideline	-	-
Total admissible Tier-2 Capital	10,186,000,000	16,287,537,000
A) Total capital	40,592,814,667	45,962,158,720
B) Total risk weighted assets (RWA)	249,036,238,180	263,181,642,862
C) Minimum total capital requirement 10%	24,903,623,818	26,318,164,286
D) Capital surplus (A-C)	15,689,190,849	19,643,994,434
E) Minimum total capital plus capital conservation buffer requirement @ 12.50%	31,129,529,773	32,897,705,358
F) Capital surplus (A-E) with capital conservation buffer	9,463,284,894	13,064,453,362
Capital to risk weighted asset ratio		

Notes to the financial statements

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	31-Dec-23	31-Dec-22
Common Equity Tier- 1 to RWA (minimum 4.5% under Basel III)	10.73%	10.01%
Tier- 1 to RWA (minimum 6% under Basel III)	12.21%	11.28%
Capital to Risk Weighted Assets against minimum requirement 10%	16.30%	17.46%

14.5 Percentage of shareholdings at the closing date

Category	At 31 December 2023		At 31 December 2022	
	No. of shares	%	No. of shares	%
Sponsors & Directors	621,477,148	53.30	622,067,148	53.35
General Public	123,148,457	10.56	123,526,402	10.59
Institutions	270,404,806	23.19	304,842,383	26.15
Investment Companies	148,291,676	12.72	111,733,939	9.58
Non-resident Bangladeshi	710,846	0.06	1,310,082	0.11
Foreign Investors	1,873,927	0.16	2,426,906	0.21
	1,165,906,860	100	1,165,906,860	100

14.6 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Less than 5,000	5,506	5,709	0.50	0.52
5,000 to 50,000	1,282	1,303	1.54	1.57
50,001 to 100,000	93	89	0.58	0.56
100,001 to 200,000	46	49	0.56	0.59
200,001 to 300,000	17	23	0.36	0.50
300,001 to 400,000	17	16	0.51	0.48
400,001 to 500,000	7	7	0.27	0.27
500,001 to 1,000,000	34	35	2.06	2.17
1,000,001 to 10,000,000	75	68	23.41	21.83
Over 10,000,000	28	28	70.21	71.50
	7,105	7,327	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2023

SI	Name of the director	Status	Closing position	Opening position
1	Mr. Romo Rouf Chowdhury	Chairman	23,323,746	23,323,746
2	Mr. Mohd Safwan Choudhury (Representing Phulbari Tea Estates Ltd)	Vice Chairman	45,666,246	45,666,246
3	Ms. Zakia Rouf Chowdhury (Representing Amiran Generations Limited)	Vice Chairman	47,558,630	47,558,630
4	Mr. Rume A Hossain	Director	36,216,554	36,216,554
5	Mrs. Hosneara Sinha	Director	53,184,729	53,184,729
6	Ms. Romana Rouf Chowdhury (Representing MAYA Limited)	Director	41,679,196	41,679,196
7	Ms. Farhana Haq	Director	58,230,519	58,230,519
8	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	25,959,122	25,959,122
9	Mr. Nafees Khundker	Director	24,784,734	24,784,734
10	Mr. Dilwar H Choudhury (Independent Director)	Director	-	-
11	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	-	-
12	Mr. Md. Abul Quasem (Independent Director)	Director	-	-
13	Mr. M. A. Baqui Khalily (Independent Director)	Director	-	-
14	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	-	-

15 Statutory reserve

Balance at the beginning of the year	11,750,000,000	10,725,443,940
Add: Addition during the year	-	1,024,556,060
Balance at the end of the year	<u>11,750,000,000</u>	<u>11,750,000,000</u>

15.1 General and other reserve

Bank Asia PLC.	<u>8,166,144</u>	<u>8,166,144</u>
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Notes to the financial statements

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	31-Dec-23	31-Dec-22
15.1(a) Consolidated General and other reserve		
Bank Asia PLC.	8,166,144	8,166,144
Bank Asia Securities Limited		
Opening Balance	1,760,387	150,947
Addition during the year	330,482	1,609,440
Adjustment made during the year	-	-
Closing Balance	2,090,869	1,760,387
	<u>10,257,013</u>	<u>9,926,531</u>
16 Revaluation reserve		
HTM securities (Note 16.1)	107,009,414	82,779,825
HFT securities (Note 16.2)	755,333,928	157,340,380
Fixed Assets revaluation (Note 16.3)	1,823,211,667	1,876,926,919
	<u>2,685,555,009</u>	<u>2,117,047,124</u>
16.1 Revaluation reserve on HTM securities		
Balance at 1 January	82,779,825	61,048,535
Gain from revaluation on investments	25,471,804	25,706,970
Adjustment for sale/maturity of securities	(1,242,215)	(3,975,680)
	<u>107,009,414</u>	<u>82,779,825</u>
16.2 Revaluation reserve on HFT securities		
Balance at 1 January	157,340,380	167,454,171
Gain from revaluation on investments	1,352,950,551	449,360,664
Adjustment for sale/maturity of securities	(754,957,003)	(459,474,455)
	<u>755,333,928</u>	<u>157,340,380</u>
16.3 Revaluation reserve on Fixed Assets		
Balance at 1 January	1,876,926,919	1,930,642,171
Depreciation charged during the year	(53,715,252)	(53,715,252)
	<u>1,823,211,667</u>	<u>1,876,926,919</u>
16 (a) Consolidated Revaluation reserve		
Bank Asia PLC.	2,685,555,009	2,117,047,124
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>2,685,555,009</u>	<u>2,117,047,124</u>
17 Retained earnings		
Balance at 1 January	3,105,969,227	2,804,815,058
Add: Post - tax profit for the year	2,395,840,970	3,045,871,705
Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
	5,555,525,449	5,904,402,015
Less: Issue of cash dividend for the year 2021	-	1,748,860,290
Issue of cash dividend for the year 2022	1,748,860,290	-
Transfer to statutory reserve	-	1,024,556,060
Coupon/dividend on perpetual bond	389,926,028	25,016,438
	2,138,786,318	2,798,432,788
	<u>3,416,739,131</u>	<u>3,105,969,227</u>
17(a) Consolidated Retained earnings		
Balance at 1 January	2,957,002,831	2,650,999,337
Add: Revaluation reserve transferred to retained earnings	53,715,252	53,715,252
Post- tax profit for the year	2,478,851,655	3,052,330,481
Less: Non controlling interest	12	11
	5,489,569,726	5,757,045,059
Less: Issue of cash dividend for the year 2021	-	1,748,860,290
Issue of cash dividend for the year 2022	1,748,860,290	-
Transferred to statutory reserve	-	1,024,556,060
Coupon/dividend on perpetual bond	389,926,028	25,016,438

Notes to the financial statements

	Amount in Taka	
	31-Dec-23	31-Dec-22
Transferred to General and other reserve	330,482	1,609,440
	2,139,116,800	2,800,042,228
	<u>3,350,452,926</u>	<u>2,957,002,831</u>
17(b) Non-controlling (Minority) interest		
Bank Asia Securities Limited	10,297	10,285
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>10,297</u>	<u>10,285</u>
18 Contingent liabilities		
Conventional and Islamic banking	152,117,045,333	153,506,750,679
Off-shore banking unit	7,666,752	56,521,785
	<u>152,124,712,085</u>	<u>153,563,272,464</u>
18.1 Acceptances and endorsements		
Conventional and Islamic banking	57,164,035,754	57,446,507,689
Off-shore banking unit	-	14,488,854
	<u>57,164,035,754</u>	<u>57,460,996,543</u>
18.2 Letters of guarantee (Note 18.2.1)		
Conventional and Islamic banking	31,447,176,388	38,211,461,475
Off-shore banking unit	2,985,627	667,610
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
18.2.1 Letters of guarantee		
Letters of guarantee (Local)	21,545,790,114	22,825,157,280
Letters of guarantee (Foreign)	9,904,371,901	15,386,971,805
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
Balance for which the Bank is contingently liable in respect of guarantees issued favouring:		
Directors or officers	-	-
Government	19,991,541,105	26,475,797,111
Banks and other financial institutions	1,836,041,269	1,968,793,268
Others	9,622,579,641	9,767,538,706
	<u>31,450,162,015</u>	<u>38,212,129,085</u>
18.3 Irrevocable letters of credit (Note 18.3.1)		
Conventional and Islamic banking	37,276,451,790	28,759,170,485
Off-shore banking unit	4,681,125	16,079,604
	<u>37,281,132,915</u>	<u>28,775,250,089</u>
18.3.1 Irrevocable letters of credit)		
Letters of credit Back to Back (Inland)	4,011,792,181	3,399,516,690
Letters of credit (General)	29,662,670,307	21,707,977,273
Back to back L/C	3,606,670,427	3,667,756,126
	<u>37,281,132,915</u>	<u>28,775,250,089</u>
18.4 Bills for collection (Note 18.4.1)		
Conventional and Islamic banking	21,416,723,231	27,331,428,035
Off-shore banking unit	-	25,285,717
	<u>21,416,723,231</u>	<u>27,356,713,752</u>
18.4.1 Bills for collection		
Local bills for collection	12,514,814,420	16,968,980,243
Foreign bills for collection	8,901,908,811	10,387,733,509
	<u>21,416,723,231</u>	<u>27,356,713,752</u>
18.5 Other commitments		
Forward Assets Purchased and Forward Deposits Placed	4,812,658,170	1,758,182,995

31-Dec-23

31-Dec-22

18.6 Workers' profit participation fund (WPPF)

As per Bangladesh Labour Act 2006, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as it is not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.

19 Income statement

Income:

Interest, discount and similar income (Note 19.1)	31,131,854,155	26,605,150,451
Dividend income (Note 22.1)	527,036,928	88,244,680
Fees, commission and brokerage (Note 19.2)	2,014,271,351	1,825,653,628
Gains/ less Losses arising from investment securities	4,700,426	415,604
Gains/ less Losses arising from dealing in foreign currencies (Note 23.1)	2,963,129,653	5,490,530,270
Other operating income (Note 24)	1,386,508,710	1,138,685,128
	<u>38,027,501,223</u>	<u>35,148,679,761</u>

Expenses:

Interest paid/profit shared on deposits and borrowings, etc (Note 21)	17,053,991,947	14,916,319,233
Administrative expenses (Note 19.3)	6,372,671,635	6,116,677,750
Other expenses (Note 34)	2,168,700,864	2,582,537,751
Depreciation on banks assets (Note 33.1)	901,395,944	838,340,083
	<u>26,496,760,390</u>	<u>24,453,874,817</u>
	<u>11,530,740,833</u>	<u>10,694,804,944</u>

19.1 Interest, discount and similar income

Interest income/profit on investments (Note 20)	23,287,064,761	20,423,046,139
Interest on treasury bills/reverse repo/bills	6,861,966,767	5,583,800,846
Interest income on corporate bonds	134,413,617	342,470,619
Interest on debentures	211,324,258	202,502,475
Income from investment in shares, bonds etc	-	-
Capital gain on Government securities and assets	637,084,752	53,330,372
	<u>31,131,854,155</u>	<u>26,605,150,451</u>

19.2 Fees, commission and brokerage

Commission	2,014,271,351	1,825,653,628
Brokerage	-	-
	<u>2,014,271,351</u>	<u>1,825,653,628</u>

19.3 Administrative expenses

Salaries and allowances (Note 25)	5,243,365,548	5,045,556,865
Rent, taxes, insurance, electricity, etc (Note 26)	625,902,063	578,252,761
Legal expenses (Note 27)	28,538,049	25,413,828
Postage, stamp, telecommunication, etc (Note 28)	190,046,039	153,111,892
Stationery, printing, advertisement, etc (Note 29)	168,260,355	174,289,799
Managing Director's salary and fees (Note 30)	13,510,000	18,854,125
Directors' fees (Note 31)	3,776,000	3,024,000
Auditors' fees (Note 32)	1,753,000	955,000
Repair of Bank's assets (Note 33.1)	97,520,581	117,219,480
	<u>6,372,671,635</u>	<u>6,116,677,750</u>

As per BRPD circular letter no. 28 dated 26 July 2022 the expenditure on fuel and electricity was Tk. 61.26 mln for the period January to June 2023 which was Tk 76.82 mln for the period July to December 2022. And as BRPD circular letter no. 30 date 27 July 2022 the expenditure on entertainment, printing & stationeries, business travelling expenses was Tk. was Tk. 103.65 mln for the period January to June 2023 which was Tk. 127.21 mln for the period July to December 2022. On an overall basis, the bank has taken initiative to save extra cost against total target costs for the second half of 2022 under BRPD circular no. 28 dated July 26, 2022 and 30 dated July 27, 2022.

20 Interest income/profit on investments

Conventional and Islamic banking (Note 20.1)	21,923,476,190	19,005,809,058
Off-shore banking unit	2,115,485,037	1,452,752,732
	<u>24,038,961,227</u>	<u>20,458,561,790</u>
Less: inter transaction between OBU and Conventional banking	751,896,466	35,515,651
	<u>23,287,064,761</u>	<u>20,423,046,139</u>

31-Dec-23

31-Dec-22

20.1 Conventional and Islamic banking

Agricultural loan	433,690,863	319,316,834
Cash credit/Bai Murabaha (Muajjal)	457,806,251	385,901,543
Credit card	524,546,287	449,958,131
Credit for poverty alleviation scheme-micro credit	69,855	109,760
Consumer credit scheme	1,489,864,296	1,381,621,172
Demand loan	3,475,512,667	2,078,318,118
Export Development Fund (EDF)	367,283,133	313,368,284
House building loan	99,163,597	130,161,666
Loans (General)	2,449,757,885	2,321,183,500
Loans against trust receipts/ Bai Murabaha post import	622,839,650	768,551,032
Overdrafts/ Quard against scheme	2,840,440,544	2,745,803,049
Packing credit	41,667,434	56,008,697
Payment against documents	8,655,479	20,035,972
Staff loan	84,282,807	87,177,151
Transport loan	169,479,525	169,834,986
Term loan- industrial	2,282,367,829	2,185,309,996
Term loan- others	2,558,002,108	2,249,608,284
Foreign bills purchased	6,296,350	35,128,242
Local bills purchased	91,730,548	121,156,955
Loan Under Covit-19 Stimulus Package	161,992,224	496,557,597
Total interest/profit on loans and advances/investments	18,165,449,332	16,315,110,969
Interest/profit on balance with other banks and financial institutions	3,577,546,395	2,668,233,248
Interest/profit received from foreign banks	180,480,463	22,464,841
	<u>21,923,476,190</u>	<u>19,005,809,058</u>

20(a) Consolidated Interest income/profit on investments

Bank Asia PLC.	23,287,064,761	20,423,046,139
Bank Asia Securities Ltd	209,526,705	160,281,453
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>23,496,591,466</u>	<u>20,583,327,592</u>
Less: Inter-company transactions	115,993,009	98,878,292
	<u>23,380,598,457</u>	<u>20,484,449,300</u>

21 Interest paid/profit shared on deposits and borrowings etc.

Conventional and Islamic banking (Note 21.1)	16,172,350,460	13,937,691,785
Off-shore banking unit	1,633,537,953	1,014,143,099
	<u>17,805,888,413</u>	<u>14,951,834,884</u>
Less: inter transaction with OBU	751,896,466	35,515,651
	<u>17,053,991,947</u>	<u>14,916,319,233</u>

21.1 Conventional and Islamic banking

Interest paid/profit shared on deposits

Fixed deposits/ Mudaraba Fixed deposit	8,067,838,221	5,993,819,357
Scheme deposits	4,849,310,932	5,218,663,228
Sanchaya plus	47,774,709	43,627,266
Savings deposits/ Mudaraba Savings bank	1,641,610,137	1,416,936,278
Special notice deposits	830,857,059	643,052,201
	<u>15,437,391,058</u>	<u>13,316,098,330</u>

Interest on borrowings and others

Local banks including Bangladesh Bank	249,765,582	51,521,260
Interest on subordinated non-covertable bond	477,993,422	567,929,314
Foreign banks	7,200,398	2,142,881
	<u>734,959,402</u>	<u>621,593,455</u>

Amount in Taka

	31-Dec-23	31-Dec-22
	16,172,350,460	13,937,691,785
21(a) Consolidated Interest Expenses/profit paid on Deposits		
Bank Asia PLC.	17,053,991,947	14,916,319,233
Bank Asia Securities Limited	129,341,894	119,900,685
Bank Asia Securities Ltd	-	-
BA Express USA, Inc	-	-
	17,183,333,841	15,036,219,918
Less: Inter-company transactions	115,993,009	98,878,292
	17,067,340,832	14,937,341,626
22 Investment income		
Conventional and Islamic banking (Note 22.1)	8,376,526,748	6,270,764,596
Off-shore banking unit	-	-
	8,376,526,748	6,270,764,596
22.1 Conventional and Islamic Banking		
Interest on treasury bills	1,060,082,625	1,829,572,795
Interest on treasury bonds	4,645,319,271	3,505,721,296
Interest income on corporate bonds	134,413,617	342,470,619
Interest on Islamic bonds	-	1,300,991
Capital gain from investment in shares	4,700,426	415,604
Dividend on shares	527,036,928	88,244,680
Profit on Govt Investment SUKUK	211,324,258	202,502,475
Capital gain on Government securities	637,084,752	53,330,372
Interest on reverse repo	1,156,564,871	247,205,764
	8,376,526,748	6,270,764,596
Interest income derived from perpetual bond investment is shown as dividend income in the year 2023.		
22(a) Consolidated investment income		
Bank Asia PLC.	8,376,526,748	6,270,764,596
Bank Asia Securities Limited	-	-
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	8,376,526,748	6,270,764,596
Less: Inter-company transactions	-	-
	8,376,526,748	6,270,764,596
23 Commission, exchange and brokerage		
Conventional and Islamic banking (Note 23.1)	4,986,368,757	7,259,202,384
Off-shore banking unit	(8,967,753)	56,981,514
	4,977,401,004	7,316,183,898
23.1 Conventional and Islamic Banking		
Commission on L/C	702,561,841	276,791,670
Commission on back to back L/C against Export	679,468,384	819,708,152
Fees and commission including Export	286,727,194	288,985,233
Commission on L/G	305,786,556	329,703,175
Commission on Export	11,343,710	11,845,859
Commission on PO, DD, TT, TC, etc	26,965,300	35,422,694
Other commission	10,386,119	6,215,331
	2,023,239,104	1,768,672,114
Foreign exchange gain	2,963,129,653	5,490,530,270
	4,986,368,757	7,259,202,384
23(a) Consolidated Commission, exchange and brokerage		
Bank Asia PLC.	4,977,401,004	7,316,183,898
Bank Asia Securities Ltd	142,385,428	195,774,974
BA Exchange Company (UK) Limited	41,310,306	27,725,518
BA Express USA, Inc	182,355,226	115,659,529
	5,343,451,964	7,655,343,919

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
24 Other operating income		
Conventional and Islamic banking (Note 24.1)	1,371,628,170	1,127,546,959
Off-shore banking unit	14,880,540	11,138,169
	<u>1,386,508,710</u>	<u>1,138,685,128</u>
24.1 Conventional and Islamic banking		
Locker charge	13,345,790	12,967,350
Service and other charges	738,001,076	553,433,147
Master/Visa card fees and charges	440,010,726	359,977,730
Postage/telex/SWIFT/fax recoveries	119,250,265	123,266,754
Non-operating income	21,808,332	22,489,892
Rebate on nostro account	39,211,981	55,412,086
	<u>1,371,628,170</u>	<u>1,127,546,959</u>
24 (a) Consolidated other operating income		
Bank Asia PLC.	1,386,508,710	1,138,685,128
Bank Asia Securities Ltd	45,654,677	76,835,465
BA Exchange Company (UK) Limited	1,818,534	2,205,291
BA Express USA, Inc	637,525	207,532
	<u>1,434,619,446</u>	<u>1,217,933,416</u>
25 Salaries and allowances		
Conventional and Islamic banking (Note 25.1)	5,232,723,857	5,036,303,827
Off-shore banking unit	10,641,691	9,253,038
	<u>5,243,365,548</u>	<u>5,045,556,865</u>
25.1 Conventional and Islamic banking		
Basic salary	1,999,902,824	1,696,369,921
Allowances	1,809,527,332	1,636,072,591
Festival bonus	349,939,006	255,435,041
Gratuity	380,000,000	865,326,617
Provident fund contribution	193,354,695	163,099,657
Performance bonus	500,000,000	420,000,000
	<u>5,232,723,857</u>	<u>5,036,303,827</u>
25(a) Consolidated Salaries and allowances		
Bank Asia PLC.	5,243,365,548	5,045,556,865
Bank Asia Securities Ltd	109,121,769	92,687,337
BA Exchange Company (UK) Limited	18,728,738	14,381,908
BA Express USA, Inc	36,707,151	27,681,514
	<u>5,407,923,206</u>	<u>5,180,307,624</u>
26 Rent, taxes, insurance, electricity etc.		
Conventional and Islamic banking (Note 26.1)	625,571,610	577,966,746
Off-shore banking unit	330,453	286,015
	<u>625,902,063</u>	<u>578,252,761</u>
26.1 Rent, taxes, insurance, electricity etc.		
Rent expenses (26.1.1)	512,261,274	493,825,552
Insurance	319,571,108	267,239,390
Power and electricity	131,068,889	123,087,328
	<u>962,901,271</u>	<u>884,152,270</u>
Less: Adjustment as per "IFRS 16: Leases"	487,848,255	410,573,674
Add: Interest portion on lease liabilities	150,849,047	104,674,165
	<u>625,902,063</u>	<u>578,252,761</u>
26.1.1 The amount represents actual rent expense before adjustment as per IFRS 16: Leases. Business segment wise actual rent expense is given below:		
Conventional banking	497,353,434	481,980,758
Islamic banking	14,577,387	11,558,779

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Off-shore banking unit	330,453	286,015
	<u>512,261,274</u>	<u>493,825,552</u>
26(a) Consolidated Rent, taxes, insurance, electricity etc.		
Bank Asia PLC.	625,902,063	578,252,761
Bank Asia Securities Ltd	8,514,432	9,152,626
BA Exchange Company (UK) Limited	5,761,664	3,479,995
BA Express USA, Inc	19,835,872	16,020,697
	<u>660,014,031</u>	<u>606,906,079</u>
27 Legal expenses		
Conventional and Islamic banking (Note 27.1)	28,538,049	25,338,865
Off-shore banking unit	-	74,963
	<u>28,538,049</u>	<u>25,413,828</u>
27.1 Conventional and Islamic Banking		
Legal expenses	28,538,049	25,338,865
Other professional charges	-	-
	<u>28,538,049</u>	<u>25,338,865</u>
27(a) Consolidated Legal expenses		
Bank Asia PLC.	28,538,049	25,413,828
Bank Asia Securities Ltd	149,685	665,869
BA Exchange Company (UK) Limited	334,965	263,670
BA Express USA, Inc	80,156	-
	<u>29,102,855</u>	<u>26,343,367</u>
28 Postage, stamps, telecommunication etc.		
Conventional and Islamic banking (Note 28.1)	189,517,244	152,491,855
Off-shore banking unit	528,795	620,037
	<u>190,046,039</u>	<u>153,111,892</u>
28.1 Conventional and Islamic banking		
Telephone, courier and postage	108,363,242	92,799,799
Master/VISA card process fee	35,737,937	27,108,934
ATM charge	4,104,013	3,584,107
SWIFT and Reuter charge	37,153,535	24,427,936
Internet	4,158,517	4,571,079
	<u>189,517,244</u>	<u>152,491,855</u>
28(a) Consolidated Postage, stamps, telecommunication etc.		
Bank Asia PLC.	190,046,039	153,111,892
Bank Asia Securities Ltd	2,897,719	2,601,323
BA Exchange Company (UK) Limited	397,563	354,215
BA Express USA, Inc	991,220	1,423,372
	<u>194,332,541</u>	<u>157,490,802</u>
29 Stationery, printing, advertisements etc.		
Conventional and Islamic banking (Note 29.1)	168,127,269	174,196,354
Off-shore banking unit	133,086	93,445
	<u>168,260,355</u>	<u>174,289,799</u>
29.1 Conventional and Islamic banking		
Office and security stationery	69,905,632	68,834,997
Calendar, diary, souvenir, etc	20,000,000	23,348,620
ATM card /Supplies And Stationeries	46,207,614	26,457,880
Books and periodicals	1,563,648	1,991,278
Publicity and advertisement	30,450,375	53,563,579
	<u>168,127,269</u>	<u>174,196,354</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
29(a) Consolidated Stationery, printing, advertisements etc.		
Bank Asia PLC.	168,260,355	174,289,799
Bank Asia Securities Ltd	919,535	660,159
BA Exchange Company (UK) Limited	2,276,829	1,705,328
BA Express USA, Inc	2,905,353	1,016,427
	<u>174,362,072</u>	<u>177,671,713</u>
30 Managing Director's salary and fees		
Basic salary	7,150,000	9,158,649
House rent allowance	825,000	2,032,708
Entertainment allowances	-	423,135
Incentive bonus	650,000	1,471,100
Festival bonus	1,430,000	2,129,600
Utility allowance and others	1,705,000	1,234,177
House maintenance allowance	1,100,000	657,252
Provident fund	-	779,504
Leave fare assistance	650,000	968,000
	<u>13,510,000</u>	<u>18,854,125</u>
31 Directors' fees		
Directors' fees	<u>3,776,000</u>	<u>3,024,000</u>
31(a) Consolidated Directors' fees		
Bank Asia PLC.	3,776,000	3,024,000
Bank Asia Securities Ltd.	544,500	440,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>4,320,500</u>	<u>3,464,000</u>
32 Auditors' fees		
Audit fees	1,753,000	955,000
Others	-	-
	<u>1,753,000</u>	<u>955,000</u>
32(a) Consolidated Auditors fees		
Bank Asia PLC.	1,753,000	955,000
Bank Asia Securities Ltd	76,667	76,667
BA Exchange Company (UK) Limited	738,521	673,200
BA Express USA, Inc	1,868,495	1,934,922
	<u>4,436,683</u>	<u>3,639,789</u>
33 Depreciation and repair of Bank's assets		
Conventional and Islamic banking (Note 33.1)	998,875,528	955,531,466
Off-shore banking unit	40,997	28,097
	<u>998,916,525</u>	<u>955,559,563</u>
33.1 Conventional and Islamic banking		
Depreciation		
Owned assets	554,377,105	527,090,901
Leased assets	346,977,842	311,221,085
	<u>901,354,947</u>	<u>838,311,986</u>
Repairs		
Building	15,331,422	12,021,430
Furniture and fixtures	4,028,374	4,474,908

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Equipments	21,833,279	20,612,629
	41,193,075	37,108,967
Maintenance	56,327,506	80,110,513
	998,875,528	955,531,466
33(a) Consolidated Depreciation and repairs of Bank's assets		
Bank Asia PLC.	998,916,525	955,559,563
Bank Asia Securities Ltd	24,637,951	21,997,848
BA Exchange Company (UK) Limited	143,309	621,925
BA Express USA, Inc	2,684,505	1,371,372
	1,026,382,290	979,550,708
34 Other expenses		
Conventional and Islamic banking (Note 34.1)	2,154,628,806	2,563,932,243
Off-shore banking unit	14,072,058	18,605,508
	2,168,700,864	2,582,537,751
34.1 Conventional and Islamic banking		
Car expenses	471,246,976	419,487,683
Contractual service expenses	748,033,000	771,548,450
Computer expenses	215,152,872	197,834,767
Other management and administrative expenses	340,167,313	422,098,729
Entertainment	40,112,289	65,181,056
AGM/EGM expenses	1,477,150	11,730,614
Payment to superannuation fund	38,020,000	15,320,000
Donation and subscription to institutions	275,498,141	627,643,701
Travelling expenses	18,192,015	15,666,461
Training and internship	6,158,517	16,920,782
Directors' travelling expenses	70,533	-
Sharia council fees	500,000	500,000
	2,154,628,806	2,563,932,243
34(a) Consolidated other expenses		
Bank Asia PLC.	2,168,700,864	2,582,537,751
Bank Asia Securities Ltd	12,713,700	12,896,931
BA Exchange Company (UK) Limited	6,213,566	4,928,273
BA Express USA, Inc	46,230,620	67,322,015
	2,233,858,750	2,667,684,970
34(b) Provision for loans and advances/investments and off-balance sheet items		
Conventional and Islamic banking	6,875,935,169	4,193,165,937
Off-shore banking unit	(41,035,306)	(44,232,698)
	4,797,015,250	4,148,933,239
Break up of provision for loans and advances/Investments is shown below:		
General provision		
Conventional and Islamic banking	2,366,393,012	2,511,924,060
Off-shore banking unit	(78,431,369)	(44,632,060)
	2,287,961,643	2,467,292,000
Specific provision		
Conventional and Islamic banking	4,174,053,607	1,726,641,239
Off-shore banking unit	37,884,613	-
	4,211,938,220	1,726,641,239

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Provision for off-balance sheet items		
Conventional and Islamic banking	195,488,550	(295,399,362)
Off-shore banking unit	(488,550)	399,362
	195,000,000	(295,000,000)
Provision for diminution in value of investments	90,000,000	-
Other provisions	26,041,590	219,121,481
Provision for start up fund	23,958,410	30,878,519
	<u>6,834,899,863</u>	<u>4,148,933,239</u>
34(c) Consolidated Provision for loans and advances/investments		
Bank Asia PLC.	6,834,899,863	4,148,933,239
Bank Asia Securites Limited:		
Specific Provision	54,752,648	100,000,000
Provision for diminution in value of investments	90,000,000	-
Other provisions	-	-
	144,752,648	100,000,000
BA Exchange Company (UK) Limited	-	-
BA Express USA, Inc	-	-
	<u>6,979,652,511</u>	<u>4,248,933,239</u>
35 Receipts from other operating activities		
Conventional and Islamic banking (Note 35.1)	2,013,413,348	1,181,292,935
Off-shore banking unit	14,880,540	11,138,169
	<u>2,028,293,888</u>	<u>1,192,431,104</u>
35.1 Conventional and Islamic banking		
Locker charge	13,345,790	12,967,350
Service and other charges	738,001,076	553,433,147
Master card fees and charges	440,010,726	359,977,730
Postage/telex/SWIFT/ fax recoveries	119,250,265	123,266,754
Other non-operating income	702,805,491	131,647,954
	<u>2,013,413,348</u>	<u>1,181,292,935</u>
35(a) Consolidated Receipts from other operating activities		
Bank Asia PLC.	2,028,293,888	1,192,431,104
Bank Asia Securities Ltd	45,654,677	76,835,465
BA Exchange Company (UK) Limited	1,818,534	2,205,291
BA Express USA, Inc	637,525	207,532
	2,076,404,624	1,271,679,392
Less: inter- companies transactions	-	-
	<u>2,076,404,624</u>	<u>1,271,679,392</u>
36 Payments for other operating activities		
Conventional and Islamic banking (Note 36.1)	3,017,823,504	3,343,257,834
Off-shore banking unit	14,402,511	18,891,523
	<u>3,032,226,015</u>	<u>3,362,149,357</u>
36.1 Conventional and Islamic banking		
Rent, rates and taxes	625,571,610	577,966,746
Legal expenses	28,538,049	25,413,828
Directors' fees	3,776,000	3,024,000
Postage, stamp, telecommunication, etc	190,046,039	153,111,892
Other expenses	2,154,628,806	2,563,932,243
Managing Director's salary	13,510,000	18,854,125
Auditors' fee	1,753,000	955,000
	<u>3,017,823,504</u>	<u>3,343,257,834</u>

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
36(a) Payments for other operating activities		
Bank Asia PLC.	3,032,226,015	3,362,149,357
Bank Asia Securities Ltd	24,896,703	25,833,416
BA Exchange Company (UK) Limited	13,446,279	9,699,353
BA Express USA, Inc	69,006,363	86,701,006
	<u>3,139,575,360</u>	<u>3,484,383,132</u>
37 Net Assets Value per Share (NAV)		
Total shareholders' equity	29,519,528,884	28,640,251,095
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Assets Value per Share (NAV)	<u>25.32</u>	<u>24.56</u>
37(a) Consolidated Net Assets Value per Share (NAV)		
Total shareholders' equity	29,402,737,678	28,463,837,649
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Assets Value per Share (NAV)	<u>25.22</u>	<u>24.41</u>
37(b) Earnings per share (EPS)		
Net profit after tax (Numerator)	2,005,914,942	3,045,871,705
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.72</u>	<u>2.61</u>
37(c) Consolidated Earnings per share (EPS)		
Net profit after tax (Numerator)	2,088,925,627	3,052,330,481
Number of ordinary shares outstanding (Denominator)	1,165,906,860	1,165,906,860
Earnings per share (EPS)	<u>1.79</u>	<u>2.62</u>
37(d) Net Operating Cash Flows per Share (NOCFPS)		
Net cash flows from operating activities	(6,759,077,311)	16,576,983,362
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Operating Cash Flows per Share (NOCFPS)	<u>(5.80)</u>	<u>14.22</u>
37(e) Consolidated Net Operating Cash Flows per Share (NOCFPS)		
Net cash flows from operating activities	(6,637,402,302)	16,114,504,873
Number of ordinary shares outstanding	1,165,906,860	1,165,906,860
Net Operating Cash Flows per Share (NOCFPS)	<u>(5.69)</u>	<u>13.82</u>
38 Reconciliation of net profit with cash flows from operating activities (Solo basis)		
Profit before tax as per profit and loss account	4,695,840,970	6,545,871,705
Adjustment for non-cash items:		
Provision for Loans and advances	6,499,899,863	4,193,933,239
Provision for Off balance sheet items	195,000,000	(295,000,000)
Provision for Diminution in value of investments	90,000,000	-
Provision for other assets	50,000,000	250,000,000
Depreciation of Property plant and equipment	998,916,525	955,559,563
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(13,454,684,742)	(15,603,656,638)
Other operating assets	(400,309,832)	348,218,683
Deposits from customers and banks	23,921,730,475	19,912,982,535
Other operating liabilities	(24,887,942,769)	3,153,827,892
Trading liabilities	(1,658,375,958)	(386,603,576)
Income tax paid	(2,809,151,843)	(2,498,150,041)
Cash flows from operating activities as per cash flow statement	<u>(6,759,077,311)</u>	<u>16,576,983,362</u>
38(a) Reconciliation of net profit with cash flows from operating activities (Consolidated basis)		
Profit before tax as per profit and loss account	4,829,960,344	6,620,303,189
Adjustment for non-cash items:		
Provision for Loans and advances	6,554,652,511	4,293,933,239
Provision for Off balance sheet items	195,000,000	(295,000,000)
Provision for Diminution in value of investments	90,000,000	-

Notes to the financial statements

Amount in Taka

	31-Dec-23	31-Dec-22
Provision for other assets	50,000,000	250,000,000
Depreciation of Property plant and equipment	1,026,382,290	979,550,708
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(13,480,958,476)	(15,591,983,473)
Other operating assets	(538,335,941)	411,064,662
Deposits from customers and banks	23,947,603,858	19,428,195,021
Other operating liabilities	(24,887,942,769)	3,153,827,892
Trading liabilities	(1,563,578,265)	(565,596,792)
Income tax paid	(2,860,185,854)	(2,569,789,573)
Cash flows from operating activities as per cash flow statement	<u>(6,637,402,302)</u>	<u>16,114,504,873</u>

39 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 2,751 (2022: 2,865).

40 Audit committee

The Audit Committee of the Board of Directors of Bank Asia PLC. was constituted in the 44th meeting of the Board held on January 18, 2003 in compliance with the Bangladesh Bank directives. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. The present Audit Committee was reconstituted by the Board in the 494th meeting held on 30th April, 2023, consisting of the following members:

Name	Status with the Audit Committee	Educational qualification
Mr. Dilwar H Choudhury	Chairman	BA
Mr. Mohd. Safwan Choudhury	Member	BA (Hon's) MA
Mr. Ashraful Haq Chowdhury	Member	M.Sc.
Mr. M. A. Baqui Khalily	Member	Ph.D.
Mr. Nafees Khundker	Member	MBA

The Company Secretary of the Bank acts as the Secretary of the Committee.

No. of meeting	Date	No. of meeting	Date
231st Audit	12th January 2023	236th Audit	17 th August 2023
232nd Audit	18th March 2023	237th Audit	10 th October 2023
233rd Audit	9th April 2023	238th Audit	19 th October 2023
234th Audit	30th April 2023	239th Audit	23 rd November 2023
235th Audit	27th July 2023		

In the year 2023, 9 (Nine) meetings of the Audit Committee were held in which, the following issues, amongst others, were reviewed and discussed:

- External Audit Report of the Bank and the recommendations made there under.
- Bangladesh Bank comprehensive inspection report and the recommendations made therein.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports.
- Management Report on Accounts of the Bank for the year ended on 31.12.2022.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.

The Audit Committee has further satisfied that

- * The rules and regulations of the Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors are duly complied with.
- * Internal control and security measures have been adequately undertaken by the Bank towards facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).
- * The system of internal control and the business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- * The efforts have been made to keep assets of the Bank safe along with liabilities and commitments are made transparent.
- * The Financial Statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and contained full disclosure.

41 RELATED PARTY TRANSACTIONS

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval of Bangladesh Bank and other authorities had been obtained wherever applicable. Significant related party transactions of the Bank for the period January – December 2023 is given below:

Name of Organization	Relationship	Service Type	Transaction amount (Tk.)
Agro Food Services Ltd.	Common Directors/ Close family members Director	Office Rent	18,006,812
Garda Shield Security Service Ltd.	-do-	Maintenance	524,911
Rangs workshop Ltd	-do-	Car repair and Services	534,094
Ranks ITT Ltd.	-do-	Network Connectivity fees	27,266,670
DHS Motors	-do-	Car providers & Car repair and Services	136,708
Shield Security Service	-do-	Security Service providers	515,734,035
Reliance Insurance	-do-	Insurance Service	42,431,779
Ali Estates Limited	-do-	Office Rent	299,929,710
M/s. M Ahmed Tea & Land Co. Limited	-do-	Office Rent	396,000
Opex Fashions Limited	-do-	Office Rent	8,276,259

41.1 Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2023 is given below:

Particulars	Amount Tk
Short-term employee benefit	132,165,024

Key Management personnel includes Managing Director, Additional Managing Director, Deputy Managing Director, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

42 COVERAGE OF EXTERNAL AUDIT

The external auditors of the Bank, MABS & J Partners, Chartered Accountants worked about 5,800 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

43 SHARE TRADING

The bank started trading its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2023 was Tk. 20.20 (2022: Tk. 20.50) at DSE and Tk. 20.50 at CSE (2022: 20.20).

44 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its 524th meeting held on April 28, 2024 has recommended 15% Cash dividend subject to the approval of the shareholders at the next Annual General Meeting.

The name of Bank Asia PLC. has been changed to Bank Asia PLC. with effect from April 16, 2024 as per approval of Bangladesh Bank. Other than this, no material events which have occurred after the reporting period which could affect the values stated in the financial statements.

Bank Asia PLC.

Highlights on the overall activities

as at and for the year ended 31 December 2023

Sl no.	Particulars	Amount in Taka		Amount in USD	
		2023	2022	2023	2022
1	Paid-up Capital	11,659,068,600	11,659,068,600	106,475,512.33	115,436,323
2	Total Capital	40,659,090,575	46,111,114,831	371,315,895.66	456,545,691
3	Capital (deficit)/surplus	15,940,532,380	20,062,427,000	1,462,150,595.36	198,637,891
4	Total Asset	474,228,612,424	468,400,943,572	4,330,854,907.98	4,637,633,105
5	Total Deposit	361,617,147,912	337,695,417,437	3,302,439,706.96	3,343,518,985
6	Total loans and advances / investments	291,325,043,145	277,870,358,403	2,660,502,677.12	2,751,191,667
7	Total contingent liabilities and commitments	152,124,712,085	153,563,272,464	1,389,266,777.03	1,520,428,440
8	Credit deposit ratio	72.48%	68.17%	72.48%	68.17%
9	Percentage of classified loans / investments against total loans and advances / investments	6.70%	4.87%	6.70%	4.87%
10	Profit after tax and provision	2,395,840,970	3,045,871,705	21,879,826.21	30,157,146
11	Amount of classified loans/investments during current year	19,510,359,705	13,519,786,227	178,176,800.96	133,859,267
12	Provisions kept against classified loans / investments	15,620,000,000	10,517,463,001	142,648,401.83	104,133,297
13	Provision surplus (shortfall) against classified loans / investments	42,043,418	222,615,901	1,665,534.11	2,204,118
14	Cost of fund	7.00%	5.96%	7.00%	5.96%
15	Interest earning assets	432,199,114,747	426,187,538,664	3,947,023,878.97	4,219,678,601
16	Non-interest earning assets	42,029,497,677	42,213,404,908	383,831,029.01	417,954,504
17	Return on investment (ROI) [PAT/(Shareholders' equity + Borrowing)]	3.73%	3.42%	4.23%	3.42%
18	Return on assets (ROA) [PAT/ Average assets]	0.51%	0.67%	0.79%	0.67%
19	Income from investment	8,376,526,748	6,270,764,596	76,497,961.17	62,086,778
20	Capital to Risk Weighted Asset (CRAR)	16.45%	17.70%	16.45%	17.70%
21	Earnings per share	1.72	2.61	1.72	2.61
22	Net income per share	1.72	2.61	1.72	2.61
23	Price earning ratio	11.74	7.85	11.74%	7.85

Exchange rate used 1 USD equivalent to BDT 109.50 to BDT (2022 :101)

Bank Asia PLC. Balance with other banks-Outside Bangladesh (Nostro Account)

Annex A

as at 31 December 2023

Name of the Bank	Account type	Currency type	2023		2022	
			FC amount	Exchange rate	FC amount	Exchange rate
Conventional and Islamic banking:						
Interest bearing						
Citibank NA, New York	CD	USD	9,298,813	103.50	962,427,095	103.50
Habib American Bank, New York	CD	USD	15,664,649	103.50	1,621,291,197	103.50
Mashreqbank psc, New York	CD	USD	-	-	-	-
Wells Fargo Bank N.A, New York	CD	USD	443,239	103.50	45,875,238	-
Zhejiang Chouzhou Commercial Bank (USD)	CD	USD	98,213	103.50	10,165,019	103.49
Zhejiang Chouzhou Commercial Bank (CNY)	CD	CNY	1,257,362	14.80	18,608,959	14.80
					2,658,367,508	1,173,967,897
Non-interest bearing :						
AB Bank Ltd, Mumbai	CD	ACU	67,810	103.50	7,018,353	103.50
AKTIF Bank, Istanbul -JPY	CD	JPY	2,857,516	0.76	2,171,712	0.76
AI Rajhi Bank, KSA	CD	SAR	519,786	27.50	14,294,123	27.50
AXIS Bank Ltd	CD	ACU	451,537	103.50	46,734,051	103.50
Bank of Sydney	CD	AUD	-	-	-	69.45
Bank Alfalah Limited , Karachi PAK (ACU)	CD	ACU	47,780	103.50	4,945,257	103.50
Bhutan National Bank Ltd, Thimphu	CD	USD	143,816	103.50	14,885,003	103.50
Citibank N.A., London	CD	GBP	11,281	126.05	1,421,985	126.05
Citibank N.A., London (EURO)	CD	EURO	857	109.75	94,056	-
Commerzbank AG, Frankfurt (EURO)	CD	EURO	317,503	109.75	34,845,968	109.75
Commerzbank AG, Frankfurt (USD)	CD	USD	141,571	103.50	14,652,634	103.50
Habib Metropolitan Bank Ltd, Karachi	CD	ACU	392,568	103.50	40,630,766	103.50
HDFC Bank Limited, Mumbai, India	CD	ACU	198,691	103.50	20,564,528	-
ICICI Bank Ltd, Hongkong	CD	USD	69,220	103.50	7,164,234	103.50
ICICI Bank Ltd, Mumbai	CD	ACU	580,201	103.50	60,052,537	103.50
JP Morgan Chase Bank, New York	CD	USD	3,418,516	103.50	353,841,392	-
Mashreqbank PSC (Dubai AE)	CD	AED	1,046,661	28.20	29,515,831	28.20
Mashreqbank psc, Mumbai (EURO)	CD	EURO	8,104	109.75	889,403	109.75
Muslim Commercial Bank Ltd, Colombo	CD	ACU	75,036	103.50	7,766,255	103.50
Nepal Bangladesh Bank Ltd, Kathmandu	CD	ACU	65,364	103.50	6,765,163	103.50
Rivad Bank, Rivadh (SAR)	CD	SAR	44,557	27.50	1,225,318	27.50
Standard Chartered Bank, Mumbai	CD	ACU	10,034	103.50	1,038,506	103.50
Standard Chartered Bank, New York	CD	USD	151,237	103.50	15,653,079	103.50
Unicredit Bank AG Munich	CD	EURO	-	109.75	-	109.75
Wells Fargo Bank N.A, London	CD	EURO	1,222,967	109.75	134,220,662	109.75
Zurcher Kantonal Bank, Switzerland	CD	CHF	18,245	110.95	2,024,243	110.95
					822,415,059	673,362,315
Off-shore banking unit:						
Commerzbank AG, Frankfurt	CD	EURO	25,801	147.82	3,813,977	133.04
Habib American Bank, New York	CD	USD	732,792	109.50	80,240,688	101.00
Sonali Bank, London	CD	GBP	3	175.30	575	161.59
					84,055,240	616,552,858
					3,564,837,807	2,463,883,070

Bank Asia PLC. Investment in Shares

as at 31 December 2023

Annex B

SL. No.	Name of the company	Face value	No. of shares including bonus shares	Cost of holding	Cost of Per Share	Quoted rate per share as at 31 Dec 2023	Total market value as at 31 Dec 2023	Unrealized profit/(loss) as at 31 Dec 2023
Quoted Shares								
1	AB Bank PLC.	10	164,373	9,721,019	59.14	9.70	1,594,418	(8,126,601)
2	The ACME Laboratories Limited	10	1,000,000	57,650,000	57.65	85.00	85,000,000	27,350,000
3	Dhaka Bank PLC.	10	658,548	15,811,737	24.01	12.50	8,231,850	(7,579,887)
4	Exim Bank PLC.	10	1,924,051	38,577,223	20.05	10.40	20,010,130	(18,567,093)
5	Golden Son Limited	10	119,185	8,586,791	72.05	18.20	2,169,167	(6,417,624)
6	Lanka Bangla Finance Limited	10	1,310,017	59,762,976	45.62	26.00	34,060,442	(25,702,534)
7	Mercantile Bank PLC.	10	570,314	10,493,778	18.40	13.30	7,585,176	(2,908,602)
8	Phoenix Finance and Investments Limited	10	1,398,248	49,440,057	35.36	16.30	22,791,442	(26,648,615)
9	Prime Finance & Investment Limited	10	72,576	12,001,821	165.37	11.50	834,624	(11,167,197)
10	Prime Insurance Company Limited	10	6,362	574,298	90.27	82.80	526,774	(47,524)
11	Southeast Bank PLC.	10	1,503,655	34,749,467	23.11	13.30	19,998,612	(14,750,855)
12	United Commercial Bank PLC.	10	3,182,718	63,781,669	20.04	12.40	39,465,703	(24,315,966)
13	Energypac Power Generation Limited	10	1,192,800	49,978,320	41.90	34.50	41,151,600	(8,826,720)
A. Provision requirement for quoted shares				411,129,156			283,419,938	(127,709,218)
Available cash balance				52,920,538				
				464,049,694				
Close-End Mutual Fund								
14	1st Janata Bank Mutual Fund	10	7,248,082	50,000,169	6.90	6.10	44,213,300	(5,786,869)
15	MBL 1st Mutual Fund	10	5,000,000	50,000,000	10.00	6.70	33,500,000	(16,500,000)
16	EBL NRB Mutual Fund	10	22,376,041	149,665,000	6.69	6.50	145,444,267	(4,220,733)
17	First Bangladesh Fixed Income Fund	10	38,807,348	250,000,000	6.44	5.10	197,917,475	(52,082,525)
18	EXIM Bank 1st Mutual Fund	10	17,078,783	119,209,905	6.98	5.80	99,056,941	(20,152,964)
B. Provision requirement for Mutual Fund as per BB Circular				90,510,254			520,131,983	(98,743,091)

Sl. No.	Name of the company	Face value	No. of Shares including bonus Share	Cost of holding	Per Unit cost	Unquoted Rate	
						Per share (NAV)	Unrealized profit (loss)
Un Quoted Shares							
1	Industrial and Infrastructure Development Finance Co. Ltd.	10	13,380,903	59,000,260	4.41	(9.29)	(59,000,260)
2	Central Depository Bangladesh Limited	10	1,142,361	3,138,890	2.75	39.31	41,769,597
3	SEML PBSL Fixed Income Fund	10	5,000,000	50,000,000	10.00	10.27	1,350,000
4	Bangladesh Rating Agency Limited	100	32,015	3,201,512	100.00	18.80	(2,599,670)
5	ERA InfoTech Ltd	100	97,843	191,926	1.96	236.66	22,963,599
6	UFS Bank Asia Unit Fund	10	2,900,000	29,000,000	10.00	12.46	(29,000,000)
C. Unrealized profit of unquoted stocks						97,149,593	(24,516,734)
7	Provision required for subsidiaries		22,553,122	144,532,588			(178,345,335)
D. Provision for unquoted stock							(202,862,069)
E. Total Provision Requirement (A+B+D)							(429,314,378)
F. Provision maintained							453,383,553
G. Provision Excess / (Shortfall) for quoted and unquoted share							24,069,175

Considered quoted and unquoted shares together as part of its investment portfolio for required provision calculation.

Bank Asia PLC. Conventional Banking, Islamic Banking and Off-shore Banking unit Schedule of fixed assets including premises, furniture and fixtures

Annex C-1

as at 31 December 2023

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2023		Charged during the year	Charged from Revaluation reserve during the year	Disposal/ adjustment during the year	Balance as at 31 Dec 2023	
Own assets										
Land	2,646,764,306	-	(19,931,040)	2,626,833,266	-	-	-	-	-	2,626,833,266
Building	3,278,306,682	11,448,161	19,931,040	3,309,685,883	5	1,750,014,955	135,237,779	53,715,252	-	1,938,967,986
Furniture and fixtures	1,675,529,937	67,141,476	(6,362,042)	1,736,309,371	20	1,289,519,770	116,332,230	-	(5,370,117)	1,400,481,883
Machinery & Equipments	1,693,976,877	98,809,517	(39,940,450)	1,752,845,944	20	1,196,216,348	178,918,769	-	(39,940,450)	1,335,194,667
Computer and accessories	536,115,440	223,204,400	(498,800)	758,821,040	20	478,101,497	44,363,599	-	(594,392)	521,870,704
Motor vehicles	286,585,354	-	(25,636,792)	260,948,562	16.67	215,774,403	25,809,476	-	(25,541,198)	216,042,681
Sub-total	10,117,278,596	400,603,554	(72,438,084)	10,445,444,066		4,929,626,973	500,661,853	53,715,252	(71,446,157)	5,412,557,921
Leased assets										
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	-	72,204,100
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	-	9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	-	354,568,087
Total	10,471,846,683	400,603,554	(72,438,084)	10,800,012,153		5,284,195,060	500,661,853	53,715,252	(71,446,157)	5,767,126,008
Intangible assets										
Corporate Membership ¹	24,000,000	-	-	24,000,000	-	-	-	-	-	24,000,000
Sub-total	24,000,000	-	-	24,000,000		-	-	-	-	24,000,000
Work in progress -building										
Kawran bazar building ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Renovation & Decoration	10,000,000	16,872,891	-	26,872,891	-	26,872,891	-	-	-	26,872,891
Sub-total	10,000,000	16,872,891	-	26,872,891		26,872,891	-	-	-	26,872,891
Total	10,505,846,683	417,476,445	(72,438,084)	10,850,885,044		5,284,195,060	500,661,853	53,715,252	(71,446,157)	5,767,126,008
Right-of-use assets										
Office space ⁽³⁾	1,566,361,844	792,458,162	(63,582,302)	2,295,237,704	-	1,191,403,382	336,999,208	-	-	1,528,402,590
ATM	27,516,272	18,502,341	-	46,018,613	-	8,215,376	9,978,634	-	-	18,194,010
Sub-total	1,593,878,116	810,960,503	(63,582,302)	2,341,256,317		1,199,618,758	346,977,842	-	-	1,546,596,600
Grand Total	12,099,724,799	1,228,436,948	(136,020,386)	13,192,141,361		6,483,813,818	847,639,695	53,715,252	(71,446,157)	7,313,722,608

1. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.

Conventional Banking, Islamic Banking and Off-shore Banking unit Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2022

Particulars	Cost			Rate of dep. %	Balance as at 31 Dec 2022	Depreciation			Written down value as at 31 Dec 2022	
	Balance as at 01 Jan 2022	Addition during the year	Disposal/adjustment during the year			Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year		Balance as at 31 Dec 2022
Own assets										
Land	2,646,764,306	-	-	-	2,646,764,306	-	-	-	-	2,646,764,306
Building	3,251,439,208	26,867,474	-	5	3,278,306,682	123,205,230	53,715,264	-	1,750,014,955	1,528,291,727
Furniture and fixtures	1,336,770,966	341,108,971	(2,350,000)	20	1,675,529,937	108,579,000	-	(1,464,583)	1,289,519,770	386,010,167
Machinery & Equipments	1,453,607,795	240,433,817	(64,735)	20	1,693,976,877	179,294,095	-	(49,630)	1,196,216,348	497,760,529
Computer and accessories	508,248,485	27,866,955	-	20	536,115,440	26,396,814	-	-	478,101,497	58,013,943
Motor vehicles	279,461,817	10,442,592	(3,319,055)	20	286,585,354	35,900,497	-	(1,714,845)	215,774,403	70,810,951
Sub-total	9,476,292,577	646,719,809	(5,733,790)		10,117,278,596	473,375,636	53,715,264	(3,229,058)	4,929,626,973	5,187,651,623
Leased assets										
Furniture and fixtures	167,162,848	-	-	20	167,162,848	-	-	-	167,162,848	-
Machinery & Equipments	106,201,139	-	-	20	106,201,139	-	-	-	106,201,139	-
Computer and accessories	72,204,100	-	-	20	72,204,100	-	-	-	72,204,100	-
Motor vehicles	9,000,000	-	-	20	9,000,000	-	-	-	9,000,000	-
Sub-total	354,568,087	-	-		354,568,087	-	-	-	354,568,087	-
Total	9,830,860,664	646,719,809	(5,733,790)		10,471,846,683	473,375,636	53,715,264	(3,229,058)	5,284,195,060	5,187,651,623
Intangible assets										
Corporate Membership ¹	24,000,000	-	-	-	24,000,000	-	-	-	-	24,000,000
Work in progress - building										
Kawran bazar building ²	338,910,783	31,386,062	(370,296,845)	-	-	-	-	-	-	-
Renovation & Decoration	20,834,613	4,685,277	(15,519,890)	-	10,000,000	-	-	-	-	10,000,000
Total	359,745,396	36,071,339	(385,816,735)		10,000,000	-	-	-	-	10,000,000
Grand Total	10,214,606,060	682,791,148	(391,550,525)		10,505,846,683	473,375,636	53,715,264	(3,229,058)	5,284,195,060	5,221,651,623
Right-of-use assets										
Office space ³	1,536,519,798	180,064,817	(150,222,771)	-	1,566,361,844	305,899,674	-	(82,704,212)	1,191,403,382	374,958,462
ATM	20,874,406	6,641,866	-	-	27,516,272	3,898,154	-	-	8,215,376	19,300,896
Sub-total	1,557,394,204	186,706,683	(150,222,771)		1,593,878,116	309,797,828	-	(82,704,212)	1,199,618,758	394,259,358
Grand Total	11,772,000,264	869,497,831	(541,773,296)		12,099,724,799	783,173,464	53,715,264	(85,933,270)	6,483,813,818	5,615,910,981

1. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref. Note 13.1.10) and initial payment for executing the contract.

Bank Asia PLC. and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

as at 31 December 2023

Annex C-3

Particulars	Cost				Rate of dep. %	Depreciation				Written down value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2023		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2023	
Own assets										
Land	2,646,764,306	-	(19,931,040)	2,626,833,266	0	-	-	-	-	2,626,833,266
Building	3,293,890,517	14,880,767	23,734,378	3,332,505,662	5	1,764,795,525	135,923,094	53,715,252	4,763,285	1,959,197,156
Furniture and fixtures	1,711,112,801	78,207,915	(7,427,843)	1,781,892,873	20	1,310,480,442	124,742,536	-	(5,370,117)	1,429,852,861
Machinery & Equipments	1,712,114,518	102,012,055	(39,365,441)	1,774,761,132	20	1,208,988,250	181,616,383	-	(42,911,391)	1,347,693,242
Computer and accessories	550,184,741	223,567,858	(498,800)	773,253,799	20	487,938,167	45,742,813	-	(498,798)	533,182,182
Motor vehicles	286,585,354	-	(25,636,792)	260,948,562	16.67	215,774,404	25,809,476	-	(25,541,198)	216,042,682
Sub-total	10,200,652,237	418,668,595	(69,125,538)	10,550,195,294		4,987,976,788	513,834,302	53,715,252	(69,558,219)	5,485,968,123
Leased assets										
Furniture and fixtures	167,162,848			167,162,848	20	167,162,848				167,162,848
Machinery & Equipments	106,201,139			106,201,139	20	106,201,139				106,201,139
Computer and accessories	72,204,100			72,204,100	20	72,204,100				72,204,100
Motor vehicles	9,000,000			9,000,000	20	9,000,000				9,000,000
Sub-total	354,568,087	-	-	354,568,087		354,568,087	-	-	-	354,568,087
Total	10,555,220,324	418,668,595	(69,125,538)	10,904,763,381		5,342,544,875	513,834,302	53,715,252	(69,558,219)	5,840,536,210
Intangible assets										
Corporate Membership ¹	24,000,000	-	-	24,000,000		-	-	-	-	24,000,000
Sub-total	24,000,000	-	-	24,000,000		-	-	-	-	24,000,000
Work in progress -building										
Renovation & Decoration	10,000,000	16,872,891		26,872,891		-	-	-	-	26,872,891
Total	10,000,000	16,872,891	-	26,872,891		-	-	-	-	26,872,891
Grand Total	10,589,220,324	435,541,486	(69,125,538)	10,955,636,272		5,342,544,875	513,834,302	53,715,252	(69,558,219)	5,840,536,210
Right-of-use assets										
Office space ⁽²⁾	1,664,903,580	792,458,162	(67,066,451)	2,390,295,291		1,226,867,048	349,196,509	-	-	1,576,063,557
ATM	27,516,272	18,502,341	-	46,018,613		8,215,376	9,978,634	-	-	18,194,010
Sub-total	1,692,419,852	810,960,503	(67,066,451)	2,436,313,904		1,235,082,424	359,175,143	-	-	1,594,257,567
Grand Total	12,281,640,176	1,246,501,989	(136,191,989)	13,391,950,176		6,577,627,299	873,009,444	53,715,252	(69,558,219)	7,434,793,776

1. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.

Bank Asia PLC. and its Subsidiaries Consolidated Schedule of fixed assets including premises, furniture and fixtures

Annex C-4

as at 31 December 2022

Particulars	Cost				Rate of dep. %	Depreciation			Written down value as at 31 Dec 2022
	Balance as at 01 Jan 2022	Addition during the year	Disposal/adjustment during the year	Balance as at 31 Dec 2022		Charged during the year	Charged from Revaluation reserve during the year	Disposal/adjustment during the year	
Own assets									
Land	2,646,764,306	-	-	2,646,764,306	0	-	-	-	2,646,764,306
Building	3,264,531,173	26,867,474	2,491,870	3,293,890,517	5	1,584,372,511	124,446,237	53,715,264	1,764,795,525
Furniture and fixtures	1,371,912,970	341,346,971	(2,147,140)	1,711,112,801	20	1,196,535,769	115,409,256	(1,464,583)	1,310,480,442
Machinery & Equipments	1,470,402,673	241,239,174	472,671	1,712,114,518	20	1,026,843,865	181,760,307	-	1,208,988,250
Computer and accessories	520,045,586	30,139,155	-	550,184,741	20	460,186,801	27,751,366	-	487,938,167
Motor vehicles	279,461,817	10,442,592	(3,319,055)	286,585,354	20	181,588,751	35,900,497	(1,714,844)	215,774,404
Sub-total	9,553,118,525	650,035,366	(2,501,654)	10,200,652,237	4,449,527,697	485,267,663	53,715,264	(533,836)	4,987,976,788
Leased assets									
Furniture and fixtures	167,162,848	-	-	167,162,848	20	167,162,848	-	-	167,162,848
Machinery & Equipments	106,201,139	-	-	106,201,139	20	106,201,139	-	-	106,201,139
Computer and accessories	72,204,100	-	-	72,204,100	20	72,204,100	-	-	72,204,100
Motor vehicles	9,000,000	-	-	9,000,000	20	9,000,000	-	-	9,000,000
Sub-total	354,568,087	-	-	354,568,087	-	354,568,087	-	-	354,568,087
Total	9,907,686,612	650,035,366	(2,501,654)	10,555,220,324	4,804,095,784	485,267,663	53,715,264	(533,836)	5,342,544,875
Intangible assets									
Corporate Membership ¹	24,000,000	-	-	24,000,000	-	-	-	-	24,000,000
Work in progress -building									
Kawran bazar building ⁽²⁾	338,910,783	31,386,062	(370,296,845)	-	-	-	-	-	-
Renovation & Decoration	20,834,613	4,685,277	(15,519,890)	10,000,000	-	-	-	-	10,000,000
Total	359,745,396	36,071,339	(385,816,735)	10,000,000	-	-	-	-	10,000,000
Grand Total	10,291,432,008	686,106,705	(388,318,389)	10,589,220,324	4,804,095,784	485,267,663	53,715,264	(533,836)	5,342,544,875
Right-of-use assets									
Office space ⁽³⁾	1,633,538,025	183,016,663	(151,651,108)	1,664,903,580	992	1,664,903,580	317,410,299	(82,704,212)	1,226,867,048
ATM	20,874,406	6,641,866	-	27,516,272	-	4,317,222	3,898,154	-	8,215,376
Sub-total	1,654,412,431	189,658,529	(151,651,108)	1,692,419,852	996,478,183	321,308,453	-	(82,704,212)	1,235,082,424
Grand Total	11,945,844,439	875,765,234	(539,969,497)	12,281,640,176	5,800,573,967	806,576,116	53,715,264	(83,238,048)	6,577,627,299

1. Membership fees to Baridhara Cosmopolitan Club Limited (BCCL)

2. For Machinery, Furniture and Fixture and Office Renovation

3. Right-of-use assets arises for implementing of the "IFRS 16: Lease". This amount comprises lease liabilities (ref: Note 13.1.10) and initial payment for executing the contract.

Bank Asia PLC.

Statement of tax position

Annex D

as at 31 December 2023

Accounting year	Assessment year	Status
2000	2001-2002	Assessment Finalized
2001	2002-2003	Assessment Finalized
2002	2003-2004	Assessment Finalized
2003	2004-2005	Assessment Finalized
2004	2005-2006	Assessment Finalized
2005	2006-2007	Assessment Finalized
2006	2007-2008	Assessment Finalized
2007	2008-2009	Assessment Finalized
2008	2009-2010	Assessment Finalized
2009	2010-2011	Assessment Finalized
2010	2011-2012	At Honorable High Court stage
2011	2012-2013	At Honorable High Court stage
2012	2013-2014	Assessment Finalized
2013	2014-2015	Assessment Finalized
2014	2015-2016	Assessment Finalized
2015	2016-2017	Assessment Finalized
2016	2017-2018	Assessment Finalized
2017	2018-2019	Assessment Finalized
2018	2019-2020	Assessment Finalized
2019	2020-2021	Assessment Finalized
2020	2021-2022	Assessment Under Appellate Tribunal Level
2021	2022-2023	Assessment Under DCT Level
2022	2023-2024	Return Submitted

Bank Asia PLC.

Details of Large Loan

Annex E

as at 31 December 2023

	2023	2022
Number of clients	12	9
Amount of outstanding advances (Taka)	85,746	60,136
Amount of classified advances (Taka)	-	-
Measures taken for recovery (Taka)	-	-

Client-wise break up is as follows

Amount in million

Sl. No.	Name of clients	Outstanding (Taka) 2023			Outstanding (Taka) 2022		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Akij GROUP	3,199	3,566	6,765	-	-	-
2	X-Index Group	4,806	1,041	5,847	-	-	-
3	Abul Khair	2,207	3,380	5,587	-	-	-
4	Meghna Group	3,438	4,385	7,823	-	-	-
5	ACI Group	4,890	3,623	8,513	4,426	509	4,935
6	Summit Group	5,566	2,779	8,345	4,561	1,275	5,836
7	BSRM	3,863	3,779	7,642	3,418	3,674	7,092
8	Bashundhara Group	7,148	77	7,225	6,793	87	6,880
9	CITY Group	6,040	1,991	8,030	4,424	3,437	7,861
10	Pran Group	4,306	4,553	8,858	4,937	3,541	8,478
11	Echotex Group	1,565	4,424	5,989	1,024	4,579	5,602
12	MAX Group	3,012	2,110	5,122	3,121	3,179	6,300
13	Doreen Power Group	-	-	-	5,267	1,885	7,152
	Total	50,040	35,706	85,746	37,972	22,165	60,136

Bank Asia PLC.

Names of Directors and their interest in different entities

Annex F

as at 31 December 2023

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
1.	Mr. Romo Rouf Chowdhury	Chairman	Ranks Telecom Limited
			Softex Communications Limited
			Ranks ITT Limited
			Shield Security Services Limited
			Rangs Properties Limited
			Rangs Limited
			Rangs Workshop Limited
			Rancon Motors Limited
			Rancon Automobiles Limited
			Ranks Petroleum Limited
			Rancon Electronics Limited
			Rancon Engineering Limited
			Rancon Holdings Limited
			Rancon Car Hubs Limited
			Rancon Infrastructure & Engineering Limited
			Rancon Electronic Limited
			Rancon Oceana Limited
			Rancon Hospitality Limited
			Rancon Auto Industries Limited
			Rancon Eccessories Limited
			Rancon Sea Fishing Limited
			Rancon Trucks & Buses Limited
			Rancon Motor Bikes Limited
			Ranks Agro Bioteq Limited
			Metro Foils Limited
			Agro Food Services Limited
			Sea Resources Limited
			Sea Fishers Limited
			Deep Sea Fishers Limited
			Sea Resources Agencies Limited
			Fishers Shipyard Limited
			Bank Asia PLC.
Anandaniketan Ltd.			
Bank Asia PLC.			
FIVDB			
JVS Ltd.			
2.	Mr. Mohd. Safwan Choudhury (Representing Phulbari Tea Estates Ltd.)	Vice Chairman	M. Ahmed Cold Storage Ltd.
			M. Ahmed Food & Spices Ltd.
			M. Ahmed Real Estates Ltd.
			M. Ahmed Tea & Lands Co. Ltd.
			Phulbari Tea Estates Ltd.
			Premier Dyeing & Calendaring Ltd.

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
3	Ms. Zakia Rouf Chowdhury (Representing Amiran Generations Limited)	Vice Chairman	Bank Asia PLC.
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Metro Foils Limited
			Rancon Motor Bikes Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Pharmaceuticals Limited
			Rangs Properties Limited
			Rangs Workshop Limited
			Rancon Engineering Limited
			Ranks Agro Biotech Limited
			Ranks Appliance Limited
			Ranks Commercial Vehicles Limited
			Ranks Dolonchapa Express Ltd.
			Rancon Electronic Limited
			Ranks ITT Limited
			Ranks Petroleum Limited
			Ranks Telecom Limited
Sea Fishers Limited			
Sea Resources Cold Storage Limited			
Sea Resources Limited			
Shield Security Services Limited			
Softex Communications Limited			
4	Mr. Rumeen A Hossain	Director	Bank Asia PLC.
			Rangs Industries Ltd.
			Rangs Pharmaceuticals Limited
			Ranks ITT Limited
			Ranks Petroleum Ltd.
Ranks Telecom Limited			
Romask Limited			

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
5.	Ms. Hosneara Sinha	Director	Bank Asia PLC.
			Pritha Fashions Ltd.
			Sinha Auto Spinning Mills Ltd.
			Agro Food Services Ltd.
			Amiran Romana Ltd.
			Amreen Romana Ltd.
			Bank Asia PLC.
			Deep Sea Fishers Limited
			Fishers Shipyard Limited
			Mavis Ispat Limited
			Maya Limited
			Metro Foils Limited
			Rancon Automobiles Limited
			Rancon Autos Limited
			Rancon Motors Limited
			Rangs Industries Ltd.
			Rangs Limited
			Rangs Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
6.	Ms. Romana Rouf Chowdhury (Representing Maya Limited)	Director	Rangs Properties Limited
			Rangs Workshop Limited
			Ranks Agro Biotech Limited
			Ranks Interiors Limited
			Ranks ITT Limited
			Ranks Real Estate Limited
			Ranks Telecom Limited
			Romask Limited
			Sash Limited
			Sea Fishers Limited
			Sea Natural Food Ltd.
			Sea Natural Ltd.
			Sea Resources Agencies Limited
			Sea Resources Limited
			Shield Security Services Limited
			SRL Marine Product Ltd.
			Ali Estates Limited
			Bank Asia PLC.
			DHS Automobiles Limited
			DHS Autos Limited
DHS Commercial Vehicles Limited			
DHS Motors Limited			
DHS Motor Bikes Limited			
FAR Limited			
Platform Services Limited			
Platform Solutions Limited			
Rancon Home Solutions Limited			
7.	Ms. Farhana Haq	Director	

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.
8.	Mr. Enam Chowdhury (Representing Zest Polymers Limited)	Director	Agro Food Services Ltd.
			ASAP Healthy Food Limited
			Bank Asia PLC.
			Deep Sea Fishers Limited
			Nessbit Technologie Limited
			Rangs Pharmaceuticals Limited
			Sea Fishers Limited
			Sea Resources Agencies Limited
			Sea Resources Cold Storage Limited
			Sea Resources Limited
			SEAMUMS Cold Storage Limited
			Tiger Digital Ventures Limited
9.	Mr. Nafees Khundker	Director	Bank Asia PLC.
			DHS Motors Limited
			Rangs Motors Workshop Limited
			Rangs Pharmaceuticals Limited
			Rangs Construction Ltd.
			Rangs Interiors Limited
			Rangs Power Tech Limited
			Rangs Telecom Limited
Sash Limited			
10.	Mr. Dilwar H Choudhury (Independent Director)	Director	Bank Asia PLC.
			DHC-Associates
			Latif Center
11.	Mr. Ashraful Haq Chowdhury (Independent Director)	Director	Bank Asia PLC.
			Star Allied Venture Limited
12.	Mr. Md. Abul Quasem (Independent Director)	Director	Anwar Galvanizing Ltd.
			Bank Asia PLC.
			Baraka Patenga Power Limited
13.	Mr. M. A. Baqui Khaliy (Independent Director)	Director	Bank Asia PLC.
14.	Mr. Helal Ahmed Chowdhury (Independent Director)	Director	Bank Asia PLC.

Bank Asia PLC.

Islamic Banking Operations

Annex G

as at and for the year ended 31 December 2023

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-HIKMAH.

1. Deposit Collection and income Sharing Ratio (ISR) based Profit Distribution

For procuring funds from depositors, our Islamic Banking follows Al-Wadiah and Mudaraba principles. In case of Al-Wadiah Account, no profit is allowed at present. But for Mudaraba depositors, Bank Asia as the first Bank in Bangladesh, follows Income Sharing technique. It is different from traditional Weightage System so far practiced by almost all Islamic Banking operators in the country.

Income sharing module of Bank Asia has been appreciated by different quarters/institutions/organizations, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Income Sharing Ratio (ISR) for each type of depositor and the Bank. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75 : 25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudaraba depositors and the Bank (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

The ISR declared on Mudaraba deposits for the year 2023

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.08.2023	
	Client	Bank
Mudaraba Term Deposit Account (MTDA) 1 month tenure	50%	50%
Mudaraba Term Deposit Account (MTDA) 2 month tenure	50%	50%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Below Tk.1 Crore)	80%	20%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Tk.1 Crore & below 10 Crore)	86%	14%
Mudaraba Term Deposit Account (MTDA) 3 month tenure (Institute) (Tk.10 Crore & above)	88%	12%
Mudaraba Term Deposit Account (MTDA) 6 month tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 6 month tenure (Institute)	86%	14%
Mudaraba Term Deposit Account (MTDA) 1 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 1 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 2 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 2 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 3 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 4 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 4 Year tenure (Institute)	90%	10%
Mudaraba Term Deposit Account (MTDA) 5 Year tenure (Individual)	90%	10%
Mudaraba Term Deposit Account (MTDA) 5 Year tenure (Institute)	90%	10%
Corporate Term Deposit Account (CTDA) 3 month tenure (Tk. 1 Crore and below 10 Crore)	86%	14%
Corporate Term Deposit Account (CTDA) 3 month tenure (Tk. 10 Crore and above)	88%	12%
Corporate Term Deposit Account (CTDA) 6 month tenure (Tk. 1 Crore and below 10 Crore)	88%	12%
Corporate Term Deposit Account (CTDA) 6 month tenure (Tk. 10 Crore and above)	90%	10%
Corporate Term Deposit Account (CTDA) 1 Year tenure (Tk. 1 Crore and below 10 Crore)	90%	10%
Corporate Term Deposit Account (CTDA) 1 Year tenure (Tk. 10 Crore and above)	90%	10%
Mudaraba Monthly Profit Paying Deposit (MMPPD)- 1 - 2 years	85%	15%
Mudaraba Monthly Profit Paying Deposit (MMPPD)- 3-5 years	90%	10%
Mudaraba Deposit Pension Scheme (MDPS) 3 – 12 Years	85%	15%

Types of Mudaraba Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.08.2023	
	Client	Bank
Mudaraba Hajj Savings Scheme (MHSS) 1 Year – 10 Years	90%	10%
Cash Waqf	90%	10%
Mudaraba Savings Account (MSA)	45%	55%
Mudaraba Savings Account-Staff (MSA-Staff)	45%	55%
Mudaraba Savings Account - Smart (MSA - Smart)	45%	55%
Mudaraba Corporate Privilege Savings Account (MCPSA)	45%	55%
Mudaraba Special Notice Deposit Account (MSND)	40%	60%
Smart Junior Saver (School Banking)	50%	50%

2. Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

- Fixed return based investment
- Variable return based investment

Fixed return based investment system is applicable for our Bai-Murabaha Muajjal Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit /mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method.

Variable return based income is applied for our Musaharaka mode of investment. In these cases, only ratio of Income Sharing is stated in the agreement. Bank bags income on the basis of the concerned venture according to the agreed ratio (comparable to our Mudaraba deposit products). Genuine loss, if any, is borne according to capital ratio of the client & the Bank.

3. Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

For Bai-Murabaha Muajjal Investment

While creating each deal, in case of Bai-Murabaha Muajjal mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis.

If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc.

All accrual income is subject to prevailing classification and provisioning rules of Bangladesh Bank.

For Musharaka Investment

In recognizing the revenue from Musharaka Investment we follow the actual (cash/ realization) basis instead of accrual i.e. no income is recognized until the result of the venture is arrived at.

4. Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure/ supervise Shariah compliance in banking operation, Bank Asia has a knowledgeable Shariah Supervisory Committee comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

Bank Asia PLC. Islamic Banking Unit Balance Sheet

Annex G-1

as at 31 December 2023

Amount in Taka

	31 Dec 2023	31 Dec 2022
PROPERTY AND ASSETS		
Cash	1,697,086,233	1,409,700,260
Cash in hand (including foreign currencies)	48,490,726	56,422,354
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	1,648,595,507	1,353,277,906
Balance with other banks and financial institutions	10,502,424,299	8,702,502,662
In Bangladesh	10,502,424,299	8,702,502,662
Outside Bangladesh	-	-
Placement with other banks and financial institutions	-	-
Investments in shares and securities	5,017,750,000	4,817,750,000
Government	4,317,750,000	4,317,750,000
Others	700,000,000	500,000,000
Investments	20,972,415,882	15,827,529,858
General Investment	20,934,478,371	15,738,040,803
Bills purchased and discounted	37,937,511	89,489,055
Fixed assets including premises, furniture and fixtures	3,653,564	3,522,869
Other assets	1,496,885,579	3,183,585,297
Non - banking assets	-	-
Total assets	<u>39,690,215,557</u>	<u>33,944,590,946</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other banks, financial institutions and agents	125,800,677	-
Deposits and other Accounts		
Al-wadeeah current and other deposits accounts, etc.	1,722,006,211	1,661,221,019
Bills payable	28,163,080	56,160,215
Mudaraba savings deposits	6,132,159,865	5,455,180,165
Mudaraba term deposits	25,889,636,213	23,146,572,918
	33,771,965,369	30,319,134,317
Other liabilities	5,792,449,511	3,625,456,629
Total liabilities	<u>39,690,215,557</u>	<u>33,944,590,946</u>
OFF- BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	20,582,853	-
Letters of guarantee	471,168,289	411,507,356
Irrevocable letters of credit	560,679,905	-
Bills for collection	48,572,315	-
Other contingent liabilities	-	-
	1,101,003,362	411,507,356
Other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	<u>1,101,003,362</u>	<u>411,507,356</u>

Bank Asia PLC. Islamic Banking Unit Profit and Loss Statement

Annex G-2

for the year ended 31 December 2023

	Amount in Taka	
	31 Dec 2023	31 Dec 2022
Operating income		
Investment income	1,722,453,742	1,244,096,784
Profit paid on deposits, borrowings, etc.	1,806,806,867	1,272,698,114
Net investment income	(84,353,125)	(28,601,330)
Profit on Investment with bank and financial institutions	250,674,258	240,603,466
Commission, exchange and brokerage	75,022,923	94,598,765
Other operating income	31,424,289	16,976,613
Total operating income	272,768,345	323,577,514
Salaries and allowances	113,703,092	101,783,021
Rent, taxes, insurance, electricity, etc.	17,416,816	13,664,062
Legal expenses	1,168,136	15,000
Postage, stamp, telecommunication, etc.	1,170,040	1,278,160
Stationery, printing, advertisement, etc.	1,895,659	945,359
Depreciation and repair of Bank's assets	2,523,071	2,230,602
Other expenses	35,966,307	34,622,805
Total operating expenses	173,843,121	154,539,009
Profit before provision	98,925,224	169,038,505

Bank Asia PLC. Off-shore Banking Unit Balance Sheet

Annex H

as at 31 December 2023

	Notes	31 Dec 2023		31 Dec 2022	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions					
	3	-	-	-	-
In Bangladesh		-	-	10,000,000	1,010,000,000
Outside Bangladesh		767,628	84,055,240	6,104,484	616,552,858
		767,628	84,055,240	16,104,484	1,626,552,858
Investments					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loans and advances					
	4				
Loans, cash credits, overdrafts, etc.		31,333,245	3,430,990,300	36,793,185	3,716,111,667
Bills purchased and discounted		127,872,219	14,002,008,006	211,590,103	21,370,600,408
		159,205,464	17,432,998,306	248,383,288	25,086,712,075
Fixed assets including premises, furniture & fixtures					
		-	-	-	-
Other assets					
	5	169,698	18,581,925	285,115	28,796,606
Non - banking assets					
		-	-	-	-
Total assets		<u>160,142,790</u>	<u>17,535,635,471</u>	<u>264,772,887</u>	<u>26,742,061,539</u>
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
	6	144,984,654	15,875,819,645	254,773,844	25,732,158,197
Deposits and other accounts					
	7				
Current deposits		9,812,745	1,074,495,629	8,847,110	893,558,137
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed deposits		5,183,341	567,575,881	1,062,248	107,287,003
Bearer certificate of deposit		-	-	-	-
		14,996,087	1,642,071,510	9,909,358	1,000,845,140
Other liabilities	8	162,049	17,744,316	89,685	9,058,202
Total liabilities		<u>160,142,790</u>	<u>17,535,635,471</u>	<u>264,772,887</u>	<u>26,742,061,539</u>
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements	9	-	-	143,454	14,488,854
Letters of guarantee		27,266	2,985,627	6,610	667,610
Irrevocable letters of credit	10	42,750	4,681,125	159,204	16,079,604
Bills for collection		-	-	230,920	25,285,717
Other contingent liabilities		-	-	-	-
		70,016	7,666,752	540,188	56,521,785
Other commitments		-	-	-	-
Total Off-Balance Sheet items including contingent liabilities		<u>70,016</u>	<u>7,666,752</u>	<u>540,188</u>	<u>56,521,785</u>

Bank Asia PLC. Off-shore Banking Unit Profit and Loss Statement

Annex H-1

for the year ended 31 December 2023

	Notes	31 Dec 2023		31 Dec 2022	
		USD	Taka	USD	Taka
Operating Income					
Interest income	11	19,793,086	2,115,485,037	15,715,629	1,452,752,732
Interest paid on deposits and borrowings, etc.	12	15,283,851	1,633,537,953	10,970,825	1,014,143,099
Net interest/net profit on investments		4,509,235	481,947,084	4,744,803	438,609,633
Investment Income		-	-	-	-
Commission, exchange and brokerage	13	57,293	(8,967,753)	64,120	56,981,514
Other operating income	14	139,227	14,880,540	120,491	11,138,169
Total operating income (A)		4,705,755	487,859,871	4,929,414	506,729,316
		-	-	-	-
Salaries and allowances		99,567	10,641,691	100,098	9,253,038
Rent, taxes, insurance, electricity, etc.		3,092	330,453	3,094	286,015
Legal expenses		-	-	811	74,963
Postage, stamp, telecommunication, etc.		4,948	528,795	6,707	620,037
Stationery, printing, advertisements, etc.		1,245	133,086	1,011	93,445
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		384	40,997	304	28,097
Other expenses		131,662	14,072,058	201,271	18,605,508
Total operating expenses (B)		240,897	25,747,080	313,296	28,961,103
Profit before provision (C=A-B)		4,464,858	462,112,791	4,616,118	477,768,213

Off-shore Banking Unit (OBU) Notes to the Financial Statements

Annex H-2

as at and for the year ended 31 December 2023

1 Status of the unit

Off-shore banking Unit ("the Unit") is a separate business unit of Bank Asia PLC., governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore banking unit permission vide letter no.BRPD(P-3)744(94)/2007-1853 dated 21 June 2007 under Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985. The Bank commenced the operation of its Off-shore Banking Unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong.

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, Bangladesh Bank BRPD Circular No. 02 dated 25 February 2019 & subsequent amendment circulars, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

2.2 Foreign currency

Items included in the financial statements of the Unit are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Unit are presented in US Dollar (USD) and Taka where USD is the functional currency and Taka are the Unit's presentation currency.

2.3 Loans and advances

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation. Interest is not charged on bad and loss loans and advances/investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad loss loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5%

2.4 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 109.50 (2022 : BDT 101.00). Income and expenses are translated at an average rate @ USD 1 = BDT 106.88 (2022 : BDT 92.44). Assets and liabilities and Income and expenses of Conventional Banking have been translated into Taka currency @ USD 1 = BDT 103.50

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka

3 Balance with other banks and financial institutions

In Bangladesh	-	-	-	-
Placements with Eastern Bank Limited	-	-	10,000,000	1,010,000,000
	-	-	10,000,000	1,010,000,000
Outside Bangladesh				
Commerzbank A.G, Frankfurt	34,831	3,813,977	9,996	1,009,613
Habib American Bank, New York	732,792	80,240,688	6,094,482	615,542,715
Sonal Bank (UK) Limited, London	5	575	5	530
	767,628	84,055,240	6,104,484	616,552,858
	767,628	84,055,240	16,104,484	1,626,552,858

4 Loans and advances

Loans, cash credit, overdrafts etc. (Note 4.1)	31,333,245	3,430,990,300	36,793,185	3,716,111,667
Bills purchased and discounted (Note 4.2)	127,872,219	14,002,008,006	211,590,103	21,370,600,408
	159,205,464	17,432,998,306	248,383,288	25,086,712,075

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka
4.1 Loans, cash credit, overdrafts etc.				
Term loan industrial	31,179,764	3,414,184,152	36,377,614	3,674,138,997
Loan against trust receipts	-	-	215,184	21,733,560
Overdraft	153,481	16,806,148	200,387	20,239,110
	<u>31,333,245</u>	<u>3,430,990,300</u>	<u>36,793,185</u>	<u>3,716,111,667</u>
4.2 Bills purchased and discounted				
Payable in Bangladesh	127,872,219	14,002,008,006	211,590,103	21,370,600,408
Payable outside Bangladesh	-	-	-	-
	<u>127,872,219</u>	<u>14,002,008,006</u>	<u>211,590,103</u>	<u>21,370,600,408</u>
5 Other assets				
Branch adjustment account	169,698	18,581,925	169,698	17,139,488
Prepaid expenses	-	-	100,417	10,142,109
Income receivable	-	-	15,000	1,515,009
	<u>169,698</u>	<u>18,581,925</u>	<u>285,115</u>	<u>28,796,606</u>
6 Borrowings from other banks, financial institutions and agents				
Borrowing from other banks (Note 6.1)	64,500,000	7,062,750,000	215,190,000	21,734,190,000
Borrowing from Bank Asia Treasury Division	57,000,000	6,241,500,000	270,000	27,270,000
Borrowing - ECA	16,817,984	1,841,569,280	19,313,842	1,950,697,995
Borrowing from IFC	6,666,670	730,000,365	20,000,002	2,020,000,202
	<u>144,984,654</u>	<u>15,875,819,645</u>	<u>254,773,844</u>	<u>25,732,158,197</u>
6.1 Borrowing from other banks				
In Bangladesh				
Jamuna Bank Limited	5,000,000	547,500,000	-	-
Outside Bangladesh				
Yes Bank, Mumbai	-	-	5,000,000	505,000,000
SCB Singapore	-	-	15,000,000	1,515,000,000
National Bank of RAK, UAE	-	-	25,000,000	2,525,000,000
Bank Muscat, Oman	-	-	3,000,000	303,000,000
Asian Development Bank	7,500,000	821,250,000	-	-
Fimbank, Malta	10,000,000	1,095,000,000	-	-
Caixa Bank, Barcelona	32,000,000	3,504,000,000	72,700,000	7,342,700,000
Standard Chartered Bank, Thailand	-	-	5,000,000	505,000,000
HDFC, Gift City, Mumbai	-	-	10,000,000	1,010,000,000
Bank Muscat SAOG	-	-	25,000,000	2,525,000,000
Indusind Bank Limited	-	-	3,000,000	303,000,000
State Bank of India, Hongkong	10,000,000	1,095,000,000	22,500,000	2,272,500,000
Nepal Bangladesh Bank Limited	-	-	7,500,000	757,500,000
DBS Bank Singapore	-	-	6,900,000	696,900,000
Emirates Islami Bank	-	-	4,590,000	463,590,000
Ajman Bank, U.A.E.	-	-	10,000,000	1,010,000,000
	<u>59,500,000</u>	<u>6,515,250,000</u>	<u>215,190,000</u>	<u>21,734,190,000</u>
	<u>64,500,000</u>	<u>7,062,750,000</u>	<u>215,190,000</u>	<u>21,734,190,000</u>
7 Deposits and other accounts				
Customer deposits and other accounts (Note 7.1)	<u>14,996,087</u>	<u>1,642,071,510</u>	<u>9,909,358</u>	<u>1,000,845,140</u>

Off-shore Banking Unit (OBU) Notes to the Financial Statements

	31 Dec 2023		31 Dec 2022	
	USD	Taka	USD	Taka
7.1 Customer deposits and other accounts				
Foreign currency (Current)	4,650,905	509,274,119	6,734,203	680,154,510
Other demand deposits (Current)	5,161,840	565,221,510	2,112,907	213,403,627
Fixed deposit	5,183,341	567,575,881	1,062,248	107,287,003
	<u>14,996,087</u>	<u>1,642,071,510</u>	<u>9,909,358</u>	<u>1,000,845,140</u>
8 Other liabilities				
Provision for loans and advances	(376,141)	(41,187,391)	(474,836)	(47,958,416)
Provision for off balance sheet items	(4,462)	(488,550)	3,954	399,362
Due to Head Office	380,602	41,675,941	470,882	47,559,054
FDR on Export Bill	136,713	14,970,088	50,494	5,099,911
Interest suspense account	25,335	2,774,233	39,191	3,958,291
	<u>162,049</u>	<u>17,744,321</u>	<u>89,685</u>	<u>9,058,202</u>
9 Acceptances and endorsements				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (Acceptances)	-	-	143,454	14,488,854
	<u>-</u>	<u>-</u>	<u>143,454</u>	<u>14,488,854</u>
10 Irrevocable letters of credit				
Letters of credit (Back to Back)	-	-	-	-
Letters of credit (cash)	42,750	4,681,125	159,204	16,079,604
	<u>42,750</u>	<u>4,681,125</u>	<u>159,204</u>	<u>16,079,604</u>
11 Interest income				
Demand loan	-	-	402	37,190
Loan against trust receipt	593	63,374	20,102	1,858,188
Term loan - industrial	1,453,419	155,341,432	1,203,713	111,271,238
Foreign bill purchased	18,046,836	1,928,845,878	14,287,435	1,320,730,530
Overdraft	18,343	1,960,502	13,088	1,209,825
	<u>19,519,191</u>	<u>2,086,211,186</u>	<u>15,524,740</u>	<u>1,435,106,971</u>
Interest/profit on balance with other banks and financial institutions	171,486	18,328,434	143,858	13,298,263
Interest/profit received from foreign banks	102,408	10,945,417	47,030	4,347,498
	<u>19,793,086</u>	<u>2,115,485,037</u>	<u>15,715,629</u>	<u>1,452,752,732</u>
12 Interest paid on deposits and borrowings etc.				
Interest on deposit	272,446	29,119,047	29,871	2,761,295
Interest on borrowings	15,011,404	1,604,418,906	10,940,954	1,011,381,804
	<u>15,283,851</u>	<u>1,633,537,953</u>	<u>10,970,825</u>	<u>1,014,143,099</u>
13 Commission, exchange and brokerage				
Commission on L/C	3,973	424,634	8,231	760,874
Commission on export	38,252	4,088,334	45,090	4,168,108
Commission on PO, DD, TT, TC, etc	15,068	1,610,499	10,799	998,259
Foreign exchange gain and charges	-	(15,091,220)	-	51,054,273
	<u>57,293</u>	<u>(8,967,753)</u>	<u>64,120</u>	<u>56,981,514</u>
14 Other operating income				
SWIFT charge recovery	4,205	449,457	4,410	407,660
Other	135,021	14,431,083	116,081	10,730,509
	<u>139,227</u>	<u>14,880,540</u>	<u>120,491</u>	<u>11,138,169</u>

Bank Asia PLC. Statement of outstanding unreconciled entries (nostro account)

as at 31 December 2023

Annex I

Amount in USD

Sl. no.	Period of unreconciliation	As per local book				As per correspondents' book			
		Debit entries		Credit entries		Debit entries		Credit entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Less than 1 month	18	6,972,874	89	5,008,886	222	26,368,461	456	16,983,530
2	More than 1 month but less than 3 months	-	-	3	1,243	-	-	-	-
3	More than 3 months but less than 6 months	-	-	-	-	-	-	-	-
4	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
5	More than 9 months but less than 12 months	-	-	-	-	-	-	-	-
6	More than 12 months	-	-	-	-	-	-	-	-
	Total	18	6,972,874	92	5,010,129	222	26,368,461	456	16,983,530

Bank Asia PLC.

Reconciliation between Bangladesh Bank statement and Bank's book

as at 31 December 2023

The reconciling items relates to clearing of the following:

- Bangladesh Bank cheques
- Foreign currency demand drafts
- Government bonds, Sanchayapatra, etc

Local currency	As per Bangladesh Bank Statement	As per Bank's General ledger	Reconciling Difference
	BDT	BDT	BDT
Bangladesh Bank, Dhaka	13,850,250,078.82	14,565,198,738.89	(714,948,660.07)
Bangladesh Bank, Dhaka (Al-wadeeah current account)	1,552,406,831.43	1,648,595,507.05	(96,188,675.62)
Bangladesh Bank, Chittagong	189,433,228.89	189,433,228.89	-
Bangladesh Bank, Sylhet	42,097,385.40	55,097,385.40	(13,000,000.00)
Bangladesh Bank, Khulna	26,486,656.95	26,486,656.95	-
Bangladesh Bank, Rajshahi	18,270,246.92	18,270,246.92	-
Bangladesh Bank, Bogra	75,439,994.26	15,434,894.26	60,005,100.00
Bangladesh Bank, Barishal	30,100,145.29	30,097,145.29	3,000.00
Bangladesh Bank, Rangpur	849,424.14	771,306.83	78,117.31
Total	15,785,333,992.10	16,549,385,110.48	(764,051,118.38)

Bank credited but not debited by Bangladesh Bank

282.50

Bank debited but not credited by Bangladesh Bank

676,188,675.62

Bangladesh Bank credited but not debited by Bank

118,021,511.82

Bangladesh Bank debited but not credited by Bank

205,884,237.08

(764,051,118.38)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	USD	USD	BDT	USD
USD Clearing account	10,273,498.88	12,675,248.56	1,311,888,225.96	(2,401,749.68)
Total	10,273,498.88	12,675,248.56	1,311,888,225.96	(2,401,749.68)

Bank credited but not debited by Bangladesh Bank

2,500,203.41

Bank debited but not credited by Bangladesh Bank

500,000.00

Bangladesh Bank credited but not debited by Bank

-

Bangladesh Bank debited but not credited by Bank

4,401,953.09

(2,401,749.68)

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	15,253.36	15,253.36	1,922,686.03	-
	15,253.36	15,253.36	1,922,686.03	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	191,568.34	191,568.34	21,024,625.32	-
	191,568.34	191,568.34	21,024,625.32	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-

Foreign currency	As per Bangladesh Bank statement	As per Bank's general ledger		Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	34,380.88	-
	45,238.00	45,238.00	34,380.88	-
Bank credited but not debited by Bangladesh Bank				-
Bank debited but not credited by Bangladesh Bank				-
Bangladesh Bank credited but not debited by Bank				-
Bangladesh Bank debited but not credited by Bank				-
				-
Total (BDT)			17,884,255,029	-

Bank Asia PLC. Segment Reporting

The Bank reports its operations under the following business segments as per International Financial Reporting Standards (IFRS) 8 “Operating segment”

Amount in Taka

Particulars	Bank Asia PLC.				Bank Asia PLC. and its subsidiaries				Inter company transaction	Consolidated
	Inside Bangladesh		Outside Bangladesh		Inside Bangladesh		Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.			
Interest income	19,449,125,982	1,722,453,742	2,115,485,037	23,287,064,761	209,526,705	-	-	(115,993,009)	23,380,598,457	
Interest paid on deposits and borrowings, etc	13,613,647,127	1,806,806,867	1,633,537,953	17,053,991,947	129,341,894	-	-	(115,993,009)	17,067,340,832	
Net interest income	5,835,478,855	(84,353,125)	481,947,084	6,233,072,814	80,184,811	-	-	-	6,313,257,625	
Investment income	8,125,852,490	250,674,258	-	8,376,526,748	-	-	-	-	8,376,526,748	
Commission, exchange and brokerage	4,911,345,834	75,022,923	(8,967,753)	4,977,401,004	142,385,428	41,310,306	182,355,226	-	5,343,451,964	
Other operating income	1,340,203,881	31,424,289	14,880,540	1,386,508,710	45,654,677	1,818,534	637,525	-	1,434,619,446	
Total operating income (A)	20,212,881,060	272,768,345	487,859,871	20,973,509,276	268,224,916	43,128,840	182,992,751	-	15,154,598,158	
Salaries and allowances	5,119,020,765	113,703,092	10,641,691	5,243,365,548	109,121,769	18,728,738	36,707,151	-	5,407,923,206	
Rent, taxes, insurance, electricity, etc	608,154,794	17,416,816	330,453	625,902,063	8,514,432	5,761,664	19,835,872	-	660,014,031	
Legal expenses	27,369,913	1,168,136	-	28,538,049	149,685	334,965	80,156	-	29,102,855	
Postage, stamp, telecommunication, etc	188,347,204	1,170,040	528,795	190,046,039	2,897,719	397,563	991,220	-	194,332,541	
Stationery, printing, advertisements, etc	166,231,610	1,895,659	133,086	168,260,355	919,535	2,276,829	2,905,353	-	174,362,072	
Managing Director's salary and fees	13,510,000	-	-	13,510,000	-	-	-	-	13,510,000	
Directors' fees	3,776,000	-	-	3,776,000	544,500	-	-	-	4,320,500	
Auditors' fees	1,753,000	-	-	1,753,000	76,667	738,521	1,868,495	-	4,436,683	
Depreciation and repairs of Bank's assets	996,352,457	2,523,071	40,997	998,916,525	24,637,951	143,309	2,684,505	-	1,026,382,290	
Other expenses	2,118,662,499	35,966,307	14,072,058	2,168,700,864	12,713,700	6,213,566	46,230,620	-	2,233,858,750	
Total operating expenses (B)	9,243,178,242	173,843,121	25,747,080	9,442,768,443	159,575,958	34,595,155	111,303,372	-	9,748,242,928	
Profit before provision (C=A-B)	10,969,702,818	98,925,224	462,112,791	11,530,740,833	108,648,958	8,533,685	71,689,379	-	11,719,612,855	
Provision:										
Provision for loans and advances/investments				6,499,899,863	54,752,648	-	-	-	6,554,652,511	
Provision for off-balance sheet items				195,000,000	-	-	-	-	195,000,000	
Provision for diminution in value of investments				90,000,000	-	-	-	-	90,000,000	
Other provisions				50,000,000	-	-	-	-	50,000,000	
Total provision (D)				6,834,899,863	54,752,648	-	-	-	6,889,652,511	
Profit before tax provision (E=C-D)				4,695,840,970	53,896,310	8,533,685	71,689,379	-	4,829,960,344	
Provision for taxation				2,300,000,000	51,108,689	-	-	-	2,351,108,689	
Profit after tax provision				2,395,840,970	2,787,621	8,533,685	71,689,379	-	2,478,851,655	

Bank Asia PLC. Segment Reporting

Annex K-1

The Bank reports its operations under the following business segments as per International Financial Reporting Standards (IFRS) 8 "Operating segment"

Amount in Taka

Particulars	Bank Asia PLC.				Bank Asia PLC. and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh		Off-shore Banking unit	Total	Outside Bangladesh		Inter company transaction		
	Conventional Banking	Islamic Banking			Bank Asia Bangladesh	BA Exchange Company (UK) Ltd			
PROPERTY AND ASSETS									
Cash	20,079,791,620	1,697,086,233	-	21,776,877,853	8,699	59,402	53,251	-	21,776,999,205
Balance with other banks and financial institutions	13,090,274,691	10,502,424,299	84,055,240	23,676,754,230	572,829,729	15,610,502	217,988,625	(351,884,444)	24,131,298,642
Money at call and on short notice	300,000,000	-	-	300,000,000	-	-	-	-	300,000,000
Investments	109,742,402,372	5,017,750,000	-	114,760,152,372	1,041,252,282	-	-	-	115,801,404,654
Loans and advances/investments	252,919,628,957	20,972,415,882	17,432,998,306	291,325,043,145	4,552,939,579	-	-	(1,805,556,804)	294,072,425,920
Fixed assets including premises, furniture and fixtures	5,874,765,189	3,653,564	-	5,878,418,753	74,782,943	353,472	3,601,231	-	5,957,156,399
Other assets	14,995,898,567	1,496,885,579	18,581,925	16,511,366,071	423,152,169	1,963,221	164,840,429	(2,507,226,548)	14,594,095,342
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	417,002,761,396	39,690,215,557	17,535,635,471	474,228,612,424	6,664,965,401	17,986,597	386,483,536	(4,664,667,796)	476,633,380,162
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, Financial institutions and agents	11,070,276,983	125,800,677	15,875,819,645	27,071,897,305	1,805,556,804	-	-	(1,805,556,804)	27,071,897,305
Subordinated Non-Convertible Zero Coupon Bond	7,680,250,000	-	-	7,680,250,000	-	-	-	-	7,680,250,000
Deposits and other accounts	326,203,111,033	33,771,965,369	1,642,071,510	361,617,147,912	535,465,276	-	-	(351,884,444)	361,800,728,744
Other liabilities	41,807,229,342	5,792,449,511	17,744,316	48,339,788,323	2,262,399,192	62,507,577	373,157,891	(360,086,548)	50,677,766,435
Total liabilities	386,760,867,358	39,690,215,557	17,535,635,471	444,709,083,540	4,603,421,272	62,507,577	373,157,891	(2,517,527,796)	447,230,642,484
Total shareholders' equity	29,519,528,884	-	-	29,519,528,884	2,061,544,129	(44,520,980)	13,325,645	(2,147,140,000)	29,402,737,678
Total liabilities and shareholders' equity	416,280,396,242	39,690,215,557	17,535,635,471	474,228,612,424	6,664,965,401	17,986,597	386,483,536	(4,664,667,796)	476,633,380,162

Bank Asia Securities Limited

Independent Auditor's Report to the Shareholders of Bank Asia Securities Limited

Opinion

We have audited the financial statements of **Bank Asia Securities Limited**, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Bank Asia Securities Limited for the year ended 31 December 2022, were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants who expressed an unmodified opinion on those financial statements on 14 March 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Bank Asia Securities Limited is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other application laws and regulations and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

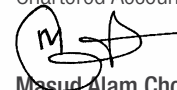
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 2020, We also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure was incurred for the purpose of the company's business.

Dhaka, 25 April 2024

Sign Signed for and on behalf of
MABS & J Partners
Chartered Accountants



Masud Alam Chowdhury ACA
Partner
ICAB Enrollment No: 2088
DVC: 2404252088AS502004

Bank Asia Securities Limited

Statement of Financial Position

as at 31 December 2023

	Notes	31 Dec 2023	31 Dec 2022
<i>Amount in Taka</i>			
Non-current assets			
Property, plant and equipment	4	74,782,943	85,357,425
Demutualization membership of DSE	5	114,839,239	114,839,239
Total non- current assets		189,622,182	200,196,664
Current Assets			
Advances, deposits and prepayments	6	61,157,340	67,508,148
Investment in shares	7	926,413,043	874,306,412
Margin loans to customer	8	4,552,939,579	3,977,674,827
Accounts receivable	9	30,417,122	12,093,453
Advance income tax	10	331,577,707	372,449,376
Deferred tax assets	23	6,050,614	4,671,014
Cash and cash equivalents	11	572,838,428	598,386,140
Total current assets		6,481,393,833	5,907,089,369
Total assets		6,671,016,015	6,107,286,033
Shareholders' equity and liabilities			
Share capital	12	2,000,000,000	2,000,000,000
Capital reserve	12.1	2,090,869	1,760,387
Retained earnings	13	65,503,874	61,667,135
Shareholders' equity		2,067,594,743	2,063,427,521
Non-current liabilities			
Financial lease obligation	14	31,771,220	47,356,532
Total non- current liabilities		31,771,220	47,356,532
Current Liabilities			
Clients' payable (customer deposits)	15	535,465,276	527,347,378
Loans and borrowings	16	1,805,556,804	1,256,565,786
Accounts payable	17	32,566,056	28,985,927
Other liabilities	18	28,400,491	27,897,120
Interest suspense account	19	890,799,214	890,799,214
Provision for diminution in value of investments	20	84,911,772	84,911,772
Provision for client margin loan	21	909,690,466	854,937,818
Provision for corporate income tax	22	284,259,973	325,056,964
Total current liabilities		4,571,650,052	3,996,501,979
Total liabilities		4,603,421,272	4,043,858,511
Total equity and liabilities		6,671,016,015	6,107,286,033

These Financial Statements should be read in conjunction with the annexed notes

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Sign Signed for and on behalf of
MABS & J Partners
Chartered Accountants



Masud Alam Chowdhury ACA
Partner
ICAB Enrollment No: 2088
DVC: 2404252088AS502004

Dhaka, 25 April 2024

Bank Asia Securities Limited

Statement of Profit or loss and Other Comprehensive Income

for the period ended 31 December 2023

		<i>Amount in Taka</i>	
	Notes	2023	2022
Brokerage commission	24	142,385,428	195,774,974
Interest income	25	209,526,705	160,281,453
Interest expense	26	(129,341,894)	(119,900,685)
Net interest income		80,184,811	40,380,767
Other operating income/(loss)	27	45,654,677	76,835,465
Total operating income		268,224,916	312,991,207
Operating expenses	28	(159,575,958)	(141,178,759)
Profit before provision		108,648,958	171,812,447
Provision for diminution in value of investments	20	-	-
Provision for client margin loan	21	(54,752,648)	(100,000,000)
Profit /(Loss) before tax		53,896,310	71,812,447
Current tax expense	22	(51,108,689)	(67,972,708)
Deferred tax Income/(expense)	23	1,379,600	1,074,520
Income tax expense		(49,729,089)	(66,898,188)
Profit after tax		4,167,221	4,914,259
Other comprehensive income		-	-
Total comprehensive income/(loss)		4,167,221	4,914,259
Appropriation to			
Capital reserve		(330,482)	(1,609,440)
Total Comprehensive income		3,836,739	3,304,820
Earnings per share	29	0.21	0.25

These financial statements should be read in conjunction with the annexed notes

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Sign Signed for and on behalf of
MABS & J Partners
Chartered Accountants



Masud Alam Chowdhury ACA
Partner
ICAB Enrollment No: 2088
DVC: 2404252088AS502004

Dhaka, 25 April 2024

Bank Asia Securities Limited

Statement of Cash Flows

for the period ended 31 December 2023

	<i>Amount in Taka</i>	
	2023	2022
A. Cash flows from operating activities		
Cash received from		
Interest income	209,526,705	160,281,453
Brokerage commission	142,385,428	195,774,974
Cash payment for		
Interest expenses	(115,993,010)	(98,878,292)
Operating expenses	(134,434,635)	(121,712,814)
Customers' deposits	8,117,898	(194,004,332)
Margin loan to customers	(555,060,123)	312,177,557
Other assets	(11,972,861)	22,556,070
Accounts Payable	3,580,130	(76,679,377)
Income tax paid	(51,034,011)	(71,639,532)
Net cash flows from/ (used in) operating activities	(504,884,480)	127,875,705
B. Cash flows from investing activities		
Investment in shares	(52,106,631)	(58,902,218)
Acquisition of property and equipment	(17,547,619)	(3,315,557)
Net cash used in investing activities	(69,654,250)	(62,217,775)
C. Cash flows from financing activities		
Loans and borrowings	548,991,018	(255,016,925)
Net cash from financing activities	548,991,018	(255,016,925)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(25,547,712)	(189,358,994)
E. Opening cash and cash equivalents	598,386,140	787,745,134
F. Closing cash and cash equivalents	572,838,428	598,386,140

These Financial Statements should be read in conjunction with the annexed notes

-sd-

Chairman

-sd-

Director

-sd-

Chief Executive Officer

Bank Asia Securities Limited

Statement of Changes in Equity

for the period ended 31 December 2023

Particulars	Amount in Taka			
	Share capital	Capital reserve	Retained earnings/ (Accumulated Losses)	Total
Period ended 31 Dec 2022				
Opening balance	2,000,000,000	150,947	58,362,315	2,058,513,262
Net profit for the period	-	-	4,914,259	4,914,259
Transfer during the year	-	1,609,440	(1,609,440)	-
Closing balance	2,000,000,000	1,760,387	61,667,135	2,063,427,522
Period ended 31 Dec 2023				
Opening balance	2,000,000,000	1,760,387	61,667,135	2,063,427,522
Net profit for the period	-	-	4,167,221	4,167,221
Transfer during the year	-	330,482	(330,482)	-
Closing balance	2,000,000,000	2,090,869	65,503,874	2,067,594,743

These Financial Statements should be read in conjunction with the annexed notes

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Chairman

-sd-

Director

-sd-

Chief Executive Officer

Bank Asia Securities Limited

Notes to the Financial Statements

as at and for the period ended 31 December 2023

1. Reporting Entity

Bank Asia Securities Limited (“the Company”), a majority owned subsidiary company of Bank Asia PLC. was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (2nd Floor), 2 Dilkusha Commercial Area, Dhaka 1000.

The Company obtained permission from Bangladesh Securities and Exchange Commission on 16 March 2011 to operate as a full fledged stock broker and stock dealer bearing registration nos. Reg/3.1/DSE-237/2011/463 and Reg/3.1/DSE-237/2011/464 respectively.

The main objective of the Company is to act as a full fledged stock broker and stock dealer to execute buy and sell orders and to maintain own portfolio as well as customers portfolio under the discretion of customers. The Company also performs the other activities relates to capital market as and when regulators permits the company to carry out activities as per their guidelines.

2. Basis of Preparation

2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance following International Financial Reporting Standards (IFRSs), The Companies Act-1994, and other laws and rules applicable in Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.2 Components of the financial statements

The financial statements referred to here comprise:

- a) Statement of Financial Position;
- b) Statement of Profit or loss and Other Comprehensive income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- * Property, Plant and Equipment
- * Provision on margin loan and Investment in shares
- * Deferred Tax Asset/Liabilities
- * ROU assets and lease liabilities

2.4 Statement of cash flows

Statement of Cash Flows has been prepared as per International Accounting Standard IAS-7 under direct method. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

2.5 Reporting period

These financial statements cover period from 1 January 2023 to 31 December 2023.

2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 25 April 2024

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company’s functional currency.

2.8 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.9 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

2.10 Investment in securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend incomes which are reported at cost value. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment as per BSEC guideline.

2.11 Provision, Contingent asset and contingent liabilities

As per IAS-37 “Provisions, Contingent Liabilities and Contingent Assets” the Bank Asia Securities Limited recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because:

*It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

*The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

2.12 Taxation

Current tax

Provision for current tax is made in accordance with the provision of Income Tax Act, 2023 and subsequent amendments made thereto from time to time.

Deferred Tax

Deferred Tax is calculated as per International Accounting Standard IAS-12 “Income Taxes”. Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

2.13 Branch Details

The Company has a total six number of Branch offices, three digital booth and Two Extension Office (excluding Head Office), with no overseas branch as on December 31, 2023.

Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

3.1 Revenue Recognition

In terms of provision of IFRS-15 on revenue and disclosures in the financial statements of the company the following items have been recognized as mentioned.

Brokerage commission

Income from brokerage is recognized on daily basis in the Statement of Profit or loss and other Comprehensive Income after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, at which point performance is assured to be completed.

Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

Dividend income and profit/ (loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.2 Interest paid and other expenses

In terms of the provisions of IAS-1 “Presentation of Financial Statements” interest and other expenses are recognized on accrual basis.

3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2023 as per International Accounting Standard IAS- 33 “Earnings Per Share”.

3.4 Property, plant and equipment

Items of property, plant and equipment, are measured at cost less accumulated depreciation and impairment losses, as per IAS-16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

**Bank Asia
Securities Limited
Notes to the Financial Statements**

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of day-to-day servicing items of property, plant and equipment are expensed when incurred.

Depreciation

Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. Asset category-wise depreciation rates are as follows:

Asset category	Rate of depreciation (%)
Computer and accessories	20
Furniture and fixtures	20
Office equipment	20
Office renovation	20
Details are given in Annexure-I.	

3.5 Intangible assets

Computer software

Computer software acquired by the Company which have finite useful lives are measured at cost less accumulated amortization.

Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss.

Amortization of intangible assets

Computer software are amortized @ 20% per annum in a straight-line method.

3.6 Lease assets

The company has applied "IFRS 16: Lease" using the modified retrospective approach.

3.7 Advance, deposits and prepayments

- Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment etc.
- Deposits are measured at payment value.
- Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of Comprehensive Income.

3.8 Advance Income tax

The amount of advance income tax are mainly deduction at sources by DSE on daily transaction of broker & dealer operation. Tax deduction on interest income and dividend income are also included.

3.9 Related party

As per International Accounting Standards IAS-24 "Related Party Disclosures", A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.10 Events after reporting period

As per IAS-10 "Events after Reporting Period" are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

3.11 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

3.12 Departures from IFRS

The Financial Reporting Council (FRC) has been formed, but no financial reporting standards have yet been issued as per the provisions of the Financial Reporting Act (FRA), 2015. Hence, the financial statements of the Company as at and for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and as per the requirements of the provisions, circulars, rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and The Income Tax Act 2023. In case any requirements of the BSEC provisions, circulars, rules and regulations shall prevail, and such departures from IFRS have been followed accordingly. In addition, there has been a departure from the provisions of IFRS-9 with regard to interest income. Material departures from the requirements of IFRS are as follows:

i) Provision for impairment of client margin loan

IFRS: In accordance with IFRS-9, an entity should recognize a loss allowance for expected credit losses on a financial asset and shall not reduce the carrying amount of the financial asset in the statement of financial position. The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis considering all reasonable and supportable information, including that which is forward-looking. An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

BSEC: As per BSEC letter no. BSEC/MSMID/NE/2023/840 dated October 22, 2023, provision has been made for impairment of margin loan arising out of year-end (31.12.2023) revaluation of shares purchased through margin loan complying with the relevant instruction. Bank Asia Securities Limited has opted for the option to maintain minimum 20% of total impairment of margin loan arising from diminution in value of investments as provision as on 31.12.2023 in accordance with the aforesaid Directives.

ii) Recognition of interest income from margin loan

IFRS: In accordance with IFRS-9, interest revenue should be calculated by using the effective interest method by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income should be recognized when the financial asset is no longer credit-impaired and the improvement can be related objectively.

Departure: The Company recognized interest from margin loan when the loan is no longer credit-impaired. However, some margin loan interest was recognized as income from credit-impaired when the account become positive.

iii) Valuation of shares of DSE

IFRS: As per para-5.2.2 of IFRS-9, an entity shall apply the impairment requirements to financial assets that are measured at amortized cost in accordance with paragraph 4.1.2 of IFRS-9 and to financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS-9.

Departure: There is no active market for shares in DSE and the sale price to Strategic Investor, Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), has been determined through negotiation. The sale had to be made within the time limit as given in the Exchange Demutualization Act-2013 and approved by the Bangladesh Securities and Exchange Commission (BSEC). This was not a transaction in active market. And we strongly believe that with the involvement of the strategic partners and the development of capital market under the guidance of the BSEC, the share price of the exchanges will increase significantly.

3.13 Others

Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

3.14 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of International Accounting Standards (IASs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following International Accounting Standards (IASs) are applicable for the financial statements for the period under review:

- IAS- 1 Presentation of Financial Statements
- IAS- 7 Statements of Cash Flows
- IAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS- 10 Events after the Reporting Period
- IAS- 12 Income Taxes
- IAS- 16 Properties, Plant and Equipment
- IAS- 19 Employees Benefit
- IAS- 24 Related Party Disclosure
- IAS- 32 Financial Instruments Presentation
- IAS- 33 Earning Per shares
- IAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS- 38 Intangible Assets

**Bank Asia
Securities Limited
Notes to the Financial Statements**

IFRS- 7 Financial Instruments : Disclosures;
IFRS- 9 Financial Instruments
IFRS- 13 Fair Value Measurement
IFRS- 15 Revenue
IFRS- 16 Lease

3.15 Amended standards and interpretations:

IFRS 16 Leases

The Company has applied " IFRS 16: Lease" using the modified retrospective approach as per paragraph C8 of IFRS 16 with necessary adjustment as stated in IAS 8 and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 . IFRS 16 supersedes IAS 17 and applicable from January 01, 2019.

Leases previously classified as operating leases

- a) Bank Asia Securities Limited recognize a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17 and measure that lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate at 9% at the date of initial application i.e. January 01, 2020.
- b) Recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17 and choose, on a lease-by-lease basis, to measure that right-of-use asset; an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset is reduced by impairment losses as per IAS 36, and adjusted for certain measurements of the lease liability if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is premeasured when there is a change in future lease payments arising from a change in an index or rate, if there is change in estimate of the amount expected to be payable under a residual value guarantee, or if changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company may elect not to apply the IFRS 16 for short-term leases and leases for which the underlying asset is of low value.

4. Property, Plant and Equipment

	31 Dec 2023	31 Dec 2022
Opening balance	22,279,353	29,451,019
Add: Addition during the period	17,547,619	3,315,557
Less: Depreciation charge for the period	12,440,651	10,487,223
A. Closing balance	27,386,322	22,279,353

4.1 Right of use of assets

Opening balance	63,078,070	73,065,185
Add: Addition during the year	-	2,951,846
	63,078,070	76,017,031

	31 Dec 2023	31 Dec 2022
Less: Adjustment/disposal	3,484,149	1,428,336
Less: Depreciation charge for right of use of assets	12,197,301	11,510,625
B. Closing balance	47,396,621	63,078,070
Grand Total (A+B)	74,782,943	85,357,424

Details are given in Annex I

5. Demutualization Membership of Dhaka Stock Exchange

	31 Dec 2023	31 Dec 2022
	114,839,239	114,839,239

The majority owned (99.99%) subsidiary company of the Bank, Bank Asia Securities Limited (BASL) has acquired the membership of Dhaka Stock Exchange for Tk 153,119,000. As per the scheme of Demutualization of DSE, BASL being the initial shareholders of DSE, is entitled to receive 7,215,106 shares of Tk 10 each, totaling Tk 72,151,060.

Under section 14(Ka) of Demutualization Act 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) and completed the sale of 25% (Twenty-five percent) DSE shares to SZSE and SSE. In this connection, BASL sold 1,803,777 number of share at the rate of Tk.21 per share totaling Tk. 37,879,317. Currently BASL holding 5,411,329 shares at a cost of totaling Tk. 114,839,239.

The Scheme is not yet completed and these shares are also currently not traded. Hence the actual fair value is not readily ascertainable. However, management expect the fair value to be similar or more that the current revalued amount. Once more clarity about the Scheme and related factors are available a determination of fair value and related adjustments including impairment assessment, if any shall be made at that time.

6. Advances, Deposits and Prepayments

Investment in Xpert Fintec(Old BTSL)	30,000,000	30,000,000
Advance for Renovation of New Branch	-	7,111,658
Security Deposit for CSE TREC	30,000,000	30,000,000
Advance for Legal Advice & Stamp	77,340	96,490
Collateral amount for digital booth to DSE	400,000	300,000
Own subscription in IPOs but not yet allotted	680,000	-
	61,157,340	67,508,148

7. Investment in Shares (Details are given in Note 7.1, 7.2 & 7.3)

	31 Dec 2023	31 Dec 2022
	926,413,043	874,306,412

7.1 Investment in shares in Dealer Account

	31 Dec 2023	31 Dec 2022
	543,432,726	491,329,492

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Sufficient provision has maintained as per BSEC guidelines against this unrealized loss. Please see note 20.00 for details. **Details are given in Annex II**

7.2 Investment In share Under SFCM

	31 Dec 2023	31 Dec 2022
	382,980,317	382,976,919

All investments in marketable securities are valued on an aggregate portfolio basis at cost price, at the balance sheet date. Investment made under Bangladesh Bank DOS circular No. 01 dated February 10, 2020 (**Details are given in Annex III**).

7.3 Proprietary positions in securities and specified investments (Investments in shares)

Proprietary positions in Equity securities		
Value of "A" category instruments	797,185,763	807,807,861
Value of "B/G/N/..." category instruments	17,017,868	10,572,987
Value of "Z" category instruments	-	-
Value of "OTC" category instruments	-	-
Value of Non-Listed Instruments	-	-
Proprietary positions in MFs & CISs		
Value of listed funds	107,959,029	42,396,974
Value of non-listed funds	-	9,287,940

Bank Asia Securities Limited
Notes to the Financial Statements

	31 Dec 2023	31 Dec 2022
Value of listed debt instruments	4,250,383	4,240,650
	<u>926,413,043</u>	<u>874,306,412</u>

8. Margin Loans to Customers

Opening balance	3,977,674,827	4,244,364,917
Add: Interest charged during the period	192,087,839	135,002,089
	4,169,762,666	4,379,367,006
Less: Repayment of Margin Loan during the period/(addition)	(383,176,913)	401,692,179
Closing balance	<u>4,552,939,579</u>	<u>3,977,674,827</u>

The Company extends margin loan facilities to customers for trading of shares on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The ratio during the year based on directives issued by Bangladesh Securities and Exchange Commission.

8.1 Margin loans to customers (Account receivable from margin clients)

Receivable to Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)	2,561,991,353	2,851,413,305
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	125,819,633	86,897,980
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	108,188,411	86,322,793
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	1,756,940,182	953,040,749
Total margin loan	<u>4,552,939,579</u>	<u>3,977,674,827</u>

9. Accounts Receivable

Receivable from Dhaka Stock Exchange Ltd (Broker) (note 9.1)	19,263,830	380,003
Receivable from Chittagong Stock Exchange PLC (Broker)	10,327	1
Receivable Dividend (Dealer & SFCM)	11,142,964	11,713,449
	<u>30,417,122</u>	<u>12,093,453</u>

9.1 Receivable from Dhaka Stock Exchange Ltd (Broker)

Receivable against A,B,G and N category	16,009,681	-
Receivable against Z category	2,107,231	380,003
Receivable against DVP category	1,146,918	-
Total receivable from DSE	<u>19,263,830</u>	<u>380,003</u>

10. Advance Income Tax

Opening balance	372,449,376	338,893,462
Tax deducted at source from brokerage commission	33,783,524	44,026,410
Tax deducted at source from dividend income	5,278,998	6,157,480
Advance Tax as per Section 64 & 74 (New 173 & 214)	8,110,010	17,516,100
Advance tax others (Trade Licence)	15,000	3,000
Tax deducted at source from bank interest	3,846,479	3,936,541
	51,034,011	71,639,532
Less: Adjusted during the period	91,905,680	38,083,618
Closing balance	<u>331,577,707</u>	<u>372,449,376</u>

	31 Dec 2023	31 Dec 2022
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11. Cash and Cash Equivalents

Cash in hand (note 11.1)	8,699	107
Cash at Bank (note 11.2)	572,829,729	598,386,033
	<u>572,838,428</u>	<u>598,386,140</u>

11.1 Cash in hand

Head-office & Branch	8,699	107
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11.2 Cash at Bank

Bank Asia PLC. (Consolidated Customer A/C-00836000674)	351,729,120	369,482,673
ONE Bank Limited (Consolidated Customer A/C-0015025406003)	82,319,517	124,965,113
Midland Bank Ltd (Consolidated Customer A/C-0001-1060000011)	137,959,225	102,862,201
Bank Asia PLC. (Current Deposit Account-00833007917)	151,337	157,256
Bank Asia PLC. (BP A/C for BGTB-00836000739)	3,988	-
ONE Bank Limited (Dealer Account-0015025405007)	666,542	918,790
	<u>572,829,729</u>	<u>598,386,033</u>

12. Share Capital

Authorized capital :

20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
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Issued, subscribed and paid up capital:

20,000,000 ordinary shares of Taka 100 each	2,000,000,000	2,000,000,000
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The Company's shareholding position as at 31 December 2023 was as under:

Name of shareholder	No. of shares	% of holding	Value/Taka
Bank Asia PLC.	19,999,300	99.997%	1,999,930,000
Mr. Anisur Rahman Sinha	100	0.0005%	10,000
Mr. A. Rouf Chowdhury	100	0.0005%	10,000
Ms. Romana Rouf Chowdhury	100	0.0005%	10,000
Mr. Md. Nuzrul Huda	100	0.0005%	10,000
Mr. Md. Arfan Ali	100	0.0005%	10,000
Mr. Md. Sazzad Hossain	100	0.0005%	10,000
Mr. Mohammad Ibrahim Khalil	100	0.0005%	10,000
	<u>20,000,000</u>	<u>100.00%</u>	<u>2,000,000,000</u>

12.1 Capital reserve

Opening balance	1,760,387	150,947
Add: Addition during the year	330,482	1,609,440
	2,090,869	1,760,387
Less: Adjusted during the period	-	-
Closing balance	<u>2,090,869</u>	<u>1,760,387</u>

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company maintained a capital reserve by 10% on profit after tax of last year.

**Bank Asia
Securities Limited
Notes to the Financial Statements**

	31 Dec 2023	31 Dec 2022
13. Retained Earnings		
Opening balance	61,667,135	58,362,315
Less: Dividend paid	-	-
	61,667,135	58,362,315
Add: Total comprehensive income during the period	4,167,221	4,914,259
Less: Transfer to capital reserve	(330,482)	(1,609,440)
Closing balance	65,503,874	61,667,135
14. Financial Lease Obligation		
Opening balance	47,356,532	56,158,627
Add: Addition during the year	-	2,951,846
	47,356,532	59,110,473
Less: Conversion to short term	15,585,312	11,753,941
Closing balance	31,771,220	47,356,532
15. Clients' Payable (Customer Deposits)		
	535,465,276	527,347,378
Customer deposits represent uninvest funds lying with the Company's account at the reporting date.		
16. Loans and Borrowings		
Bank Asia PLC.	1,416,909,912	868,403,324
Bank Asia PLC.-(SFCM)	388,646,892	388,162,462
	1,805,556,804	1,256,565,786
17. Accounts Payable		
Payable for IPO Application Process	17,760,000	-
Interest Payable	13,348,884	21,022,393
Dhaka Stock Exchange Ltd (Broker)	1,457,172	7,963,534
	32,566,056	28,985,927
18. Other Liabilities		
	28,400,491	27,897,120
18.1 Liabilities for expenses		
	14,702,731	16,251,885
The amount represents provisions against operating expenses during the period.		
18.2 Current portion of lease obligation		
Opening balance	11,645,236	11,713,533
Add: Interest charge during the year	4,349,213	5,330,929
Add: Conversion from long term	15,585,312	11,753,941
	31,579,761	28,798,403
Less: Paid during the period	17,882,000	17,153,167
Closing balance	13,697,761	11,645,236

31 Dec 2023 31 Dec 2022

19. Interest Suspense Account

Opening balance	890,799,214	890,799,214
Add: Interest suspense during the year	-	-
Closing Balance	890,799,214	890,799,214

The amount represents interest income from loan accounts of the clients who have negative equity with Bank Asia Securities Limited. The amount will be recognized as income when client equity become positive balance.

20. Provision for Diminution in Value of Investments

Opening Balance	84,911,772	84,911,772
Add: Provision made during the period	-	-
Closing balance	84,911,772	84,911,772

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 & BSEC/Survalance/Mukhopatro(5th Khondo)/2019/360; Date: 15 March 2023 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss within December 31, 2025.

21. Provision for Client Margin Loan (Note 21.1 & 21.2)

Opening Balance	854,937,818	754,937,818
Add: Provision made during the period for unrealized loss arising for client margin loan	49,000,000	102,666,901
Add: Provision made during the period for outstanding margin loan	5,752,648	(2,666,901)
Closing Balance	909,690,466	854,937,818

21.1 Provision for unrealized loss arising for client margin loan

Opening Balance	815,161,070	712,494,169
Add: Provision made during the period	49,000,000	102,666,901
Closing Balance	864,161,070	815,161,070

As per BSEC instruction circular reference SEC/CMRRCD/2009-193/196 dated 28 December 2016 and SEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/Mukhopatro(5th Khondo)/2011/60; Date: 19 December 2018, BSEC/SRI/Policy/3/2020/68; Date: 12 January 2020 subsequent BSEC letter no. BSEC/SRI/NE/2020/605 dated December 28, 2022 & BSEC/MSMID/NE/2023/840 dated October 22, 2023 Bank Asia Securities Ltd has the option to maintain provision of total unrealized loss arising for client margin loan within June 30, 2024.

21.2 Provision for outstanding margin exposure

Opening balance	39,776,748	42,443,649
Add: Addition during the year	5,752,648	-
	45,529,396	42,443,649
Less: Adjusted during the period	-	2,666,901
Closing balance	45,529,396	39,776,748

To compliance with Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the company also maintained a mandatory provision by 1% on outstanding margin exposures. Add or adjustment will depend on size of outstanding margin loan for the respective year.

22. Provision for Corporate Income Tax

Opening balance	325,056,964	295,167,874
Add: Provision made during the period	51,108,689	67,972,708
Less: Adjusted during the period	91,905,680	38,083,618
Closing balance	284,259,973	325,056,964

**Bank Asia
Securities Limited
Notes to the Financial Statements**

	31 Dec 2023	31 Dec 2022
23. Deferred Tax		
Opening balance	4,671,014	3,596,494
Add: Provision for the during year	-	-
Less: Adjustment during the year	(1,379,600)	(1,074,520)
Closing balance	6,050,614	4,671,014
WDV of fixed assets as per accounts	27,386,323	22,279,354
WDV of fixed assets as per tax base	49,388,553	39,264,858
Temporary difference	(22,002,231)	(16,985,504)
Applicable tax rate	27.50%	27.50%
Deferred tax liabilities/(assets)	(6,050,613)	(4,671,014)
24. Brokerage Commission		
Brokerage commission	167,638,300	230,334,353
Less: Hawla charges	3,950	43,000
Laga charges	16,696,788	21,947,379
Service charge from clients for CDBL	8,552,134	12,569,000
	142,385,428	195,774,974
25. Interest Income		
Income from bank deposits	17,438,866	25,279,364
Income from margin loan	192,087,839	135,002,089
	209,526,705	160,281,453
26. Interest Expense		
Interest on loan	115,993,009	98,878,292
Interest expense agnt. customer deposit	13,348,885	21,022,393
	129,341,894	119,900,685
27. Others Operating Income		
BO account opening fees	737,000	1,200,500
Margin account renewal fees	914,000	734,000
Income from transfer/transmission/corporate action	816,004	1,590,950
Margin account opening fees	162,000	708,000
BO account renewal fees	1,136,700	1,078,700
IPO processing fees	18,660	69,015
Other income*	620,044	767,299
Dividend Income from investment in shares	26,761,563	42,992,987
Capital gain from investment in shares (Note # 27.01)	14,488,706	27,694,015
	45,654,677	76,835,465
Other income includes cheque collection charge, RTGS charge, cheque dishonor charge & other unclassified income		
27.1. Capital gain from investment in shares		
Sales price of shares	135,598,141	170,088,891
Less: Cost Price of Shares	121,109,435	142,394,876
Capital gain from shares investment	14,488,706	27,694,015

31 Dec 2023

31 Dec 2022

28. Operating Expenses

Audit fees	76,667	76,667
Bank charges	377,024	359,136
Bank guarantee commission	2,430,636	2,798,336
Business and promotional expenses	346,312	187,145
Cleaning expenses	509,134	413,568
Computer accessories	345,772	343,099
Traveling & Conveyance	325,898	439,552
Depreciation	24,637,951	21,997,848
Directors' remuneration	544,500	440,000
Entertainment	1,732,216	1,909,203
Fuel and oil	72,884	65,230
Insurance premium	699,723	525,594
Internet charges	2,429,697	2,074,393
Internship Allowance	120,000	157,500
Investor protection fund to DSE & CSE	29,213	171,252
License and renewal fees	1,247,765	1,814,437
Newspaper	49,624	66,403
Rent & others (Note: 28.1)	6,082,493	6,717,829
Others	29,089	38,341
Postage and courier	37,960	32,527
Printing and stationery	919,535	660,159
Professional & Legal expenses	149,685	665,869
Repair and maintenance	1,205,404	1,312,911
Salaries and allowances	109,121,769	92,687,337
Telephone & Mobile Bill	430,062	494,403
Training Expenses	219,527	89,997
Utilities	5,405,418	4,640,023
Closing balance	159,575,958	141,178,759

**Bank Asia
Securities Limited
Notes to the Financial Statements**

	31 Dec 2023	31 Dec 2022
28.1 Rent & others		
Office rent	1,733,280	1,386,900
Interest portion on lease liabilities	4,349,213	5,330,929
	<u>6,082,493</u>	<u>6,717,829</u>

Total rent expenses for the period was Tk. 19,615,280.06 as per IAS 17. To implement "IFRS16: Lease" this rent expense has been adjusted with depreciation arises against right of use of assets (ref: Annex I) and interest expenses arises against lease liabilities.

29. Earning per Sharess

Profit After Tax	4,167,221	4,914,259
Number of Ordinary Shares	20,000,000	20,000,000
Earning per shares	<u>0.21</u>	<u>0.25</u>

30. Disclosure on Payments/ Perquisites to Directors and Key Management Personnel (As Per Requirement of Companies Act 1994, Schedule-Xi, Part-ii)

30.1 Paid to Directors

Board Meeting Attendance Fees	<u>544,500</u>	<u>440,000</u>
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30.2 Paid to Key Management Personnel

Key management Personnel are those Persons having authority and responsibility for Planning, Directions and Controlling the activities of the Company.

- i) No Compensation/ Other allowance/ commission was allowed to Directors including Managing Director, Managing Agent or manager of the company except as stated above.
- ii) There is no amount payable to Directors including Managing Director, Managing Agent or manager of the Company for any sort of commission on purchases, profit or guarantee.
- iii) BOD Meeting attendance fee for attending each Board Meeting was Tk. 10,000 for each director.

31. Number Of Employee

The number of employees receiving remuneration of Tk. 36,000 or above per employee per year were 69 in 31 December 2023.
(In 2022 it was 69 employees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BA EXCHANGE COMPANY (UK) LIMITED

Opinion

We have audited the financial statements of BA Exchange Company (UK) Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BA EXCHANGE COMPANY (UK) LIMITED

- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the financial reporting framework, the Companies Act 2006 and the relevant tax compliance regulations.

We considered the provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with which may be fundamental to the ability of the Company to operate and hence may affect the Company's ability to continue as a going concern. These include compliance with Regulation (EU) 2015/ 847 on information accompanying transfers of funds (the Payments Regulation), Payment Services Regulations 2017, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Proceeds of Crime Act 2002. In addition there are other laws in relation to Terrorism Finance and Anti Bribery and Corruption which are relevant.

We understood how the Company is complying with those frameworks by making enquiries of management, staff and consultants and those responsible for legal and compliance procedures. We corroborated our enquires through our review of minutes and papers provided by the Company and in during the review of the Company's reporting the Financial Conduct Authority.

We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur, by discussing with the local director, where he considered there was a susceptibility to fraud.

Our audit planning identified fraud risks in relation to management override. We considered the processes and controls the Company had established to address risks identified or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.

We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business, together with enquires of the local directors and staff.

Our audit procedures were designed to respond to risks of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors> responsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Forhad Ahmed
Senior Statutory Auditor
For and on behalf of AGP Consulting
Chartered Accountants
Statutory Auditor

Date: 4 March 2024
Q West
Great West Road
Brentford
TW8 0GP

BA EXCHANGE COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	323,830	266,761
Cost of Sales		(23,596)	(42,084)
Gross Profit		300,234	224,677
Administrative expenses		(236,161)	(194,054)
Profit before taxation		64,073	30,623
Tax on Profit		-	-
Profit for the financial Year		64,073	30,623

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	8		2,524		1,293
Current assets					
Debtors	9	14,013		28,171	
Cash at bank and in hand		111,848		132,180	
		125,861		160,351	
Creditors: amounts falling due within one year	10	(446,165)		(543,497)	
Net current liabilities			(320,304)		(383,146)
Net liabilities			(317,780)		(381,853)
Capital And Reserves					
Called up share capital			300,000		300,000
Profit and loss reserves			(617,780)		(681,853)
Total Equity			(317,780)		(381,853)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 4 March 2024 and are signed on its behalf by:

Mr A K H Azad
Director

Company registration number 7314397 (England and Wales)

BA EXCHANGE COMPANY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

BA Exchange Company (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 131 Whitechapel Road (Ground Floor), London, England, E1 1DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bank Asia PLC.. These consolidated financial statements are available from its registered office. Head Office Bank Asia Corporate Office, Rangs Tower 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1000, Bangladesh

1.2 Going concern

The Company reported a profit during the year after a number of years of losses in an ongoing competitive market, and the company is carrying accumulated losses. The results have improved and are in line with expectations.

The director considers that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds by way of the inter company position the Board of the Bank has approved this, to allow the Company to be able to meet all its commitments as they fall due.

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2023.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Commission income

Income from remittance services is recognised when a customer gives instructions to the Company to make a remittance on their behalf.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings 25% Reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

1.9 Foreign exchange

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non - monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological advances. Residual value consider such things as projected disposal values.

3 Turnover and other revenue

100% Turnover of the company for the year ended 31 December 2023 (2022 - 100%) have arisen from within the United Kingdom.

4 Operating (loss)/profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	2,545	3,000
Depreciation of owned tangible fixed assets	349	298
Operating lease charges	23,110	20,471

5 Auditor's remuneration

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the company	2,545	3,000
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6 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 7

Management	4	3
Counter Staff	3	4
	7	7

Their aggregate remuneration comprised:

Wages and salaries	140,620	128,181
	140,620	128,181

7 Directors' remuneration

Remuneration paid to directors	66,200	66,200
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8 Tangible fixed assets Plant & Machinery

	2023
Cost	
At 1 January 2023	21,902
Additions	1580
At 31 December 2023	<u>23,482</u>
Depreciation and impairment	
At 1 January 2023	20,609
Depreciation charged in the year	349
At 31 December 2023	<u>20,958</u>
Carrying amount	
At 31 December 2023	<u>2,524</u>
At 31 December 2022	<u>1,293</u>

9 Debtors

Amounts falling due within one year:	2023 £	2022 £
Other debtors	<u>14,013</u>	<u>28,171</u>

10 Creditors: amounts falling due within one year

Trade creditors	391,402	485,288
Taxation and social security	3,907	932
Other creditors	50,856	57,277
	<u>446,165</u>	<u>543,497</u>

11 Reserves

Profit and loss account

The profit and loss account consists of the profits retained within the business and is recorded at historic cost.

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

All of the Company's remittances are routed through its parent entity Bank Asia PLC. as part of the normal business cycles, these transactions are at arms length, these amounts have no transactional value and purely for settlement. All commission income is earned from the remitters. There is a position at the year end included in Trade Creditors of £391,402 (2022 - £485,288)

13 Parent company

The Company's ultimate parent undertaking is Bank Asia PLC., a company incorporated in Bangladesh. The accounts for this entity may be obtained from Head Office Bank Asia Corporate Office, Bank Asia Tower, 32-34, Kazi Nazrul Islam Avenue, Kawran Bazar Dhaka-1000, Bangladesh or on their website www.bankasia-bd.com.

BA EXPRESS USA, INC.

INDEPENDENT AUDITOR'S REPORT

MONIS SIDDIQUI, CPA P.C.

Certified Public Accountants

REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors BA Express USA, Inc

Jackson Heights, New York

We have audited the accompanying financial statements of BA Express USA, Inc. (the "Company") (a New York corporation), which comprise the balance sheet as of December 31, 2023, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BA Express USA, Inc as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Monis Siddiqui, CPA P.C.

Manhasset Hills, New York

April 09, 2024

BA EXPRESS USA, INC.

BALANCE SHEET

Year Ended December 31, 2023

Assets	2023 (\$)
Current Assets:	
Cash, cash equivalents and investments	1,991,250
Accounts receivable	1,457,511
Total current assets	3,448,761
Furniture, equipment & leasehold improvements, net	32,888
Other assets	
Organization costs, net	5,016
Security deposits	42,865
Total other assets	47,881
Total assets	3,529,530

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Remittance payable	3,074,412
Due to beneficiary	252,808
Other liabilities	80,615
Total liabilities	3,407,835
Stockholder's equity	121,695
Total liabilities and stockholder's equity	3,529,530

See the accompanying notes and auditor's report

BA EXPRESS USA, INC.

STATEMENT OF OPERATIONS

Year Ended December 31, 2023

	2023 (\$)
Revenue	
Commissions & fees	88,852
Realized gain on foreign exchange	1,706,223
Interest income	5,965
Total revenues	1,801,040
Expenses	
Payroll and wages	257,757
Payroll taxes	81,202
Commission fees	88,827
Professional fees	17,483
Filing and regulatory costs	22,331
Rent and lease costs	172,951
General and administrative expenses	489,712
Total expenses	1,130,263
Net Income Before Provision For taxes	670,777
Provision For Taxes	-
Net Income	670,777

See the accompanying notes and auditor's report

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2023

	Balance Beginning (\$)	Net Change (\$)	Balance Ending (\$)
Common stock, no par value	-	-	-
Paid-in capital	960,000	-	960,000
Deficit	(1,509,082)	670,777	(838,305)
Stockholders' equity	(549,082)	670,777	121,695

See the accompanying notes and auditor's report

BA EXPRESS USA, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

	2023 (\$)
Cash flows from operating activities :	
Net income	670,777
Adjustments to reconcile net income to net cash provided in operating activities	
Depreciation	25,118
Amortization	860
Changes in operating assets and liabilities	
Accounts receivable	(976,596)
Other current assets	16,435
Security deposits	(2,200)
Remittance payable	775,520
Other liabilities	33,312
Due to beneficiary	(82,330)
Net cash provided by operating activities	<u>460,896</u>
Cash flows from investing activities	
Furniture, equipment & leasehold improvements	<u>(32,418)</u>
Net increase in cash and cash equivalents	428,478
Cash, cash equivalents and investments - beginning of year	<u>1,562,772</u>
Cash, cash equivalents and investments - ending of year	<u><u>1,991,250</u></u>

See the accompanying notes and auditor's report

BA EXPRESS USA, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

BA Express USA, Inc (the "Company") is a New York Corporation formed on September 20, 2011 for the purpose of conducting business as an international money transmitter registered with the New York Department of Financial Services. The primary objective of the Company is to uphold the image and be a leading remittance service providing company in USA. The Company maintains its central office in Jackson Heights, New York. BA Express USA, Inc is a 100% owned subsidiary of Bank Asia PLC..

Basis of Accounting

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Company performs credit evaluations of its customers and generally does not require collateral. The Company does not believe significant credit risks exist at December 31, 2023, with respect to its accounts receivable. The company uses direct write-off method to recognize bad debt expense.

Revenue Recognition

The primary source of the Company's revenues is comprised of the transaction-based fees, which typically constitute a percentage of dollar volume processed, per transaction processed, or some combination thereof. Fees from money transfers are based on the principal amount of the transaction and location where the funds are to be transferred and is recorded as income at the time of the sale.

The secondary source of the Company's revenues is generated by buying and selling currency at favorable rates.

Foreign Currency Translation

Accounts with balances denominated in currencies other than U.S. dollars are translated into U.S. dollars at applicable exchange rates as of the date of the transaction. Amounts denoted in a foreign are converted into U.S. dollars, and the exchange differences are included in the costs and revenues under the related account.

Furniture, Equipment and Leasehold Improvements

Furniture, Equipment and Leasehold Improvements are stated at cost, less accumulated depreciation. Depreciation is recorded using a straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation is removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Income Taxes

No provision for income taxes has been made in the financial statements. The Company has \$71,970 net operating loss carryforwards for federal income tax purposes as of December 31, 2023. Because the future utilization of these tax carryforward losses is uncertain, no related deferred tax asset has been reflected in the accompanying financial statements.

Management of the Company did not identify any uncertain tax positions taken or expected to be taken in an income tax return which would require adjustment to or disclosure in its financial statements. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

BA EXPRESS USA, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities are carried at fair value, or are carried at amounts which approximate fair value as the market value of such items is not materially sensitive to shifts in market interest rates due to the limited term to maturity of these instruments.

The Company adopted SFAS No. 157, which defines fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability.

The Company categorizes the fair value of its financial assets and liabilities according to the hierarchy established by the Financial Accounting Standards Board, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. These Level 1 assets represent quoted prices in active markets and, therefore, do not require significant management judgment.

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, for the asset or liability such as: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in less active markets; or other inputs that can be derived principally from, or corroborated by, observable market data.

Level 3: Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities. Unrealized gains and losses are included in earnings and are reported in the Statement of Income as a component of other income and losses. Generally, for all trading securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. As of December 31, 2023, the Company was liquid in its security positions.

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following for the year ended December 31, 2023:

FDIC insured amount	\$	59,962
Cash in transit		1,431,288
Certificate of deposits		500,000
Cash, cash equivalents and investments	\$	<u>1,991,250</u>

The certificates of deposit are restricted. The Company has a \$500,000 certificate of deposit used as collateral to satisfy the signed agreement with New York State Department of Financial Services.

NOTE 4: FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following for the year ended December 31, 2023:

Furniture and fixtures	\$	16,847
Leasehold improvements		185,643
		<u>202,490</u>
Less: accumulated depreciation		(169,602)
Furniture, equipment and leasehold improvements, net	\$	<u>32,888</u>

Depreciation expense for the year ended December 31, 2023 was \$25,118.

NOTE 5: ORGANIZATION COSTS

Organization costs consist of the following for the year ended December 31, 2023:

Capitalized organization costs	\$	12,917
Less: accumulated amortization		(7,901)
Organization costs, net	\$	<u>5,016</u>

Amortization expense for the year ended December 31, 2023 was \$860.

BA EXPRESS USA, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

NOTE 6: OPERATING LEASES

The company conducts its operations from offices that are leased under a five-year noncancelable operating lease expiring February 28, 2024. There is an option to renew the lease for an additional period of five years at an increased monthly rental.

On February 20, 2020, the Company entered into a ten-year lease agreement for a retail space in Jackson Heights, New York. The lease, commenced on March 1, 2020, provides for base rent of approximately \$6,500 per month with a 3.5% annual increase. Total base rent payable over the lease period is approximately \$915,000. The Company has an option to extend the term of the lease for an additional ten-year period. Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2023 for each of the next five years are:

2024	\$	89,500
2025		92,650
2026		95,950
2027		99,300
2028		102,700
Thereafter		119,200
Total base rent obligation		<u>599,200</u>

On February 20, 2020, the Company entered into a five-year lease agreement for a retail space in Ozone Park, New York. The lease, commenced on June 1, 2023, provides for base rent of approximately \$2,200 per month with a 2.27% annual increase. Total base rent payable over the lease period is approximately \$138,000. The Company has an option to extend the term of the lease for an additional five-year period. Minimum future rental payments under the non-cancelable operating leases having a remaining term in-excess of one year as of December 31, 2023 for each of the next five years are:

2024		26,700
2025		27,300
2026		27,900
2027		28,500
2028		14,400
Total base rent obligation	\$	<u>124,800</u>

Rent expense for the year ended December 31, 2023 was \$172,951.

NOTE 7: BAD DEBT EXPENSE

Bad debt expense for the year ended December 31, 2023 was \$113,210.

NOTE 8: RELATED PARTY TRASACTIONS

The Company is a 100% owned subsidiary of Bank Asia PLC. The Company signed paying agent agreement with Bank Asia PLC.. For the year ended December 31, 2023, there was no expense paid for related party agent fee.

NOTE 9: CONCENTRATION OF CREDIT RISK

The company may be subject to credit risk to its cash and cash equivalents. The Federal Deposit Insurance Corporation ("FDIC") insured up to \$250,000 for substantially all depository accounts. From time to time, the Company mad have amounts on deposits in-excess of FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2023, the Company had \$0 cash and cash equivalents in-excess of the FDIC limits.

NOTE 10: SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred subsequent to the date of the financial statements through April 9, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Management & Executives

President and Managing Director

- Mr. Sohail R K Hussain

Additional Managing Director

- Mr. Shafiuzzaman
- Mr. Abu Nayeem Mohammad Mahfuz

Deputy Managing Director

- Mr. Md. Sazzad Hossain
- Mr. Mohammad Ziaul Hasan Molla
- Mr. S.M. Iqbal Hossain
- Mr. Alamgir Hossain
- Mr. Muhammad Mustafa Haikal Hashmi
- Mr. Arequl Arefeen
- Mr. Sheikh Mohammad Anisuzzaman

Senior Executive Vice President

- Mr. Md. Zahid Hossain
- Mr. Md. Zia Arfin
- Mr. Tanfiz Hossain Chowdhury
- Mr. Arshadul Kabir Bhuiyan
- Mr. Tahmidur Rashid
- Mr. Md. Abdul Latif
- Mr. Md. Mostafizur Rahman
- Mr. Hossain Ahmad
- Mr. Md. Shaminoor Rahman
- Ms. Alkona Kabir Choudhuri

Executive Vice President

- Mr. Farhad Ahmad Khan
- Mr. Md. Murshid-Al-Amin
- Mr. Humayun Yusuf Kabir
- Md. Rezaul Islam
- Mr. Md. Serajul Islam

Senior Vice President

- Mr. Md. Saiful Islam Laskar
- Mr. Zahirul Haque
- Mr. Golam Gaffar Imtiaz Chowdhury
- Mr. Mohammed Rashidul Kabir Rajib
- Mr. Md. Amanullah
- Mr. Sumon Das
- Mr. Md. Saiful Islam
- Mr. Mohammad Ibrahim Khalil FCA

- Mr. M. Esamul Arephin
- Mr. Quazi Mortuza Ali
- Mr. Syed Humayun Kabir
- Mr. Mohammad Mainul Islam
- Ms. Suraiya Afroz
- Mr. Mohammad Ismail Hossain
- Mr. M.M. Shariful Islam
- Mr. Md. Mazibur Rahman

Vice President

- Mr. Mohammad Burhan Uddin Khondker
- Mr. Saiful Islam
- Mr. Mehbub Hasan
- Mr. M.R. Chowdhury Rashed
- Mr. A.K.M. Mohsin Uddin
- Mr. Hasan A. Saimoom
- Mr. Zahirul Islam Khan
- Mr. Mahbub A Alam
- Mr. A.M. Saifur Rahman
- Mr. Md. Mansur Ali Miah
- Mr. S.M. Salahuddin
- Mr. Md. Kamruzzaman
- Mr. Rakibul Hasan
- Mr. Mahbubur Rahman
- Mr. M. Hasibul Alam
- Mr. Md. Fayezur Rahman
- Mr. Md. Ashraf Hossain
- Mr. Sheikh Munirul Hakim
- Mr. Mohammad Moinul Islam
- Mr. Mohammod Murad Hossain
- Mr. Md. Aminur Roshid
- Mr. A.K.M. Fakhrul Ahsan
- Mr. Md. Rezaul Islam
- Mr. Muket Abdullah
- Mr. Jakir Hossain
- Mr. Mohammad Rezwanul Islam
- Mr. Mohammad Mahbubul Haque Bhuiyan
- Mr. Mohammad Munzur Rashid
- Mr. A.H.M. Taslim Chowdhury
- Mr. Md. Faruk Hossain
- Mr. Bipul Sarker
- Mr. Zahidul Islam Khan Majlis
- Mr. Md. Bashir Uddin Ahmed
- Mr. Md. Khairul Basher
- Mr. Nashir Uddin Ahmed Khan
- Mr. Mohammad Ali

Branches at a Glance

Branch Name	Address	Phone Number	Swift Code
Corporate Branch	Noor Tower (1st floor), 110, Bir Uttam C.R. Dutta Road, Dhaka	Ph: 880-2-9674501-2,9677031, 9614061-3	BALBDDH002
Principal Office Branch	Tea Board Building, 111-113, Motijheel C/A.	Ph: 880-2-9571450-1,9563652, 9571020-1,9571023	BALBDDH003
Gulshan Branch	Bay's Gallaria, 57, Gulshan Avenue (Ground Floor) Dhaka - 1212	Ph: 880-2-9889268-9, 88281038828387	BALBDDH004
Agrabad Branch	69, Agrabad C/A, Chittagong	Ph: 880-31-714665,724876, 714703, 2517303	BALBDDH005
Malkhanagar Branch	Union Parishad Bhaban, Taitola Bazar, Malkhanagar, Munshigonj	Ph: 01711831040	
Scotia Branch	Rangs Bhaban Holding # 117/A, Old Airport Road, Tejgaon, Dhaka	Ph: 880-2-8142290, 9137512-5	BALBDDH007
MCB Dilkusha Branch	4, Dilkusha C/A, Dhaka	Ph: 880-2-9568871 - 3	BALBDDH008
MCB Sk. Mujib Road Branch	1269/b Sk. Mujib Road, Agrabad C/A, Chittagong	Ph: 880-31-715125 - 7	BALBDDH009
Sylhet Main Branch	60, Niloy Darga Gate, Chowhatta, Sylhet	Ph: 880-821-724722, 712256	
Tarail Branch	Tarail Bazar, Kishoreganj	Ph: 09434-75099	
MCB Banani Branch	A.R.Tower, 24, Kamal Ataturk Road, Banani, Dhaka - 1213	Ph: 880-2-9885610,9894699, 9889104	BALBDDH012
Khatunganj Branch	Asia Center, 273/268 Khatunganj, Chittagong	Ph: 880-31-610036, 638013-4, 618419, 63841	BALBDDH013
Lohagara Branch	Mostafa Centre, Lohagara, Chittagong.	Ph: 03034-56304	
North South Road Branch	89, Shaheed Syed Nazrul Islam Shoroni, (16,16/1, Malitola Lane) North South Road, Dhaka- 1100	Ph: 880-2-9563768-9, 9567671	BALBDDH017
Uttara Branch	House # 79A, Road #07, Uttara Model Town, Dhaka	Ph: 880-2-8957427 - 9	BALBDDH015
Ashulia Branch	Chowdhury Plaza (1st Floor), Zamgara Bazar, Ashulia, Savar, Dhaka	Ph: 880-2-7702447	
Mitford Branch	Bismillah Tower (1st & 2nd floor), 147/148, Mitford Road, Dhaka	Ph: 880-2-7320620 - 1	BALBDDH014
CDA Avenue Branch	665, CDA Avenue, East Nasirabad, Panchlaish, Chittagong	Ph: 880-31-2850091-2, 2863640	BALBDDH018
Sylhet Uposhohor Branch	Sylhet Tower, Subhani Ghat, Bishwa Road, Sylhet	Ph: 880-821-2833448-9	
Dhanmondi Branch	Meher Plaza, House # 13/A (2nd Floor), Road # 5, Dhaka-1205	Ph: 880-2-9668361, 8624872-5, 9675918	
Station Road Branch	Mohiuddin Market (1st floor), 170, Station Road, Chittagong	Ph: 88-031-2850934-5	BALBDDH022
Bashundhara Branch	Plot # 25, Block-A, Avenue Road, Bashundhara R/A, Dhaka.	Ph: 880-2-8402021, 8845182	
Khulna Branch	Al-Mashah Complex, 44, Mojid Sarani, KDA Avenue (Shib Bari Mor), Khulna-9100	Ph: 88-041-2830136-7, 2831451, 2831361	
Rajshahi Branch	Ahmed Plaza, 182, Alu Patti Mor, Rajshahi-6100	Ph: 880-721-812503-4	
Chatkhil Branch	Khilpara Road, 3147 Chatkhil Bazar, Chatkhil, Noakhali	Ph: 03222-75179	
EPZ Branch	Zone Service Complex (Ground Floor), CEPZ, Chittagong	Ph: 880-31-800340, 800406	BALBDDH027
Mohakhali Branch	82, Mohakhali C/A, Dhaka-1212	Ph: 02-9857236, 9857420, 9857429	BALBDDH028
Mirpur Branch	Nishi Plaza, Plot # 1, Avenue 4, Section 6, Block C, Pallabi, Mirpur, Dhaka-1216	Ph: 9013814, 9013841, 9013844	
Anderkilla Branch	184, J.M Sen Avenue, Anderkilla, Chittagong	Ph: 880-31-2854882-3, 2854556	BALBDDH030
Rohitpur Branch	Rima Plaza, Rohitpur Boarding, Keranigonj, Dhaka	Ph: 880-2-7766677	

Branches at a Glance

Branch Name	Address	Phone Number	Swift Code
Bogra Branch	Jamil Shopping Centre, Baragola, Bogra	Ph: 880-51-51642-3	
Jessore Branch	Jess Tower (1st Floor), 39/M.K. Road, Jessore	Ph: 0421-67783-4, 67748	
Bahadderhat Branch	Mamtaz Tower, 4540 Bahadderhat, Chittagong	Ph: 031-2553741-3	BALBBDDH018
Shantinagar Branch	Treasure Island, 42/43, Siddeshwari Circular Road, Dhaka-1217	Ph: 8333979, 8332836, 8312729	
Tongi Branch	Mariom Tower (1st floor), 13 Anarkoli Road, Tongi Bazar, Tongi, Gazipur	Ph: 9816303-4	
Konabari Branch	Rupjan Tower, Nilnagar, Konabari, Gazipur	Ph: 02-9298882-3	
Bhatiary Branch	Bhatiary Bazar, Sitakunda, Chittagong	Ph: 031-2781077-79	
ProgotiShoroni Branch	Venus Complex, Pragati Shoroni, Badda, Dhaka	Ph: 8824653, 8824467, 8824687	
Ishwardi Branch	Central Jame Masjid Market (1st floor), Station Road, Ishwardi, Pabna.	Ph: 0732664463-5	
Savar Branch	B-70/1 Bazar Road, Savar, Dhaka	Ph: 88-02-7744857, 7744889, 7744890	
Beani Bazar Branch	Tajma shopping Center (1st floor), Beani Bazar, Sylhet	Ph: 08223-56103-4	
Donia Branch	Hossain tower (1st & 2nd Floor), 1050, Donia, Dhaka Ctg high way, Shampur, Dhaka	Ph: 880-2-7540055, 7540095	
Moghbar Branch	Tropical M.L. Point (1st Floor), 43, New Circular Road, Moghbar, Dhaka-1217	Ph: 8321578, 8321245	
Kamal Bazar Branch	Kabir Tower, Kamal Bazar, Mohora, Kalurghat, Chittagong	Ph: 031-2572872-3	
Cox's Bazar Branch	J.N Plaza (1st Floor), Plot # 226 (New), Tekpara Main Road, Cox's Bazar	Ph: 88-0341-52240-42	
Faridpur Branch	Plot #2354, Goalchamot, Chak Bazar, Thana Road, Faridpur	Ph: 0631-67206-7	
Narayangonj Branch	Jahan plaza (1st Floor), 20, Sirajuddoula Road, Falpatty, Narayangonj	Ph: 88-02-7648801-5	
Paltan Branch	Rangs Tower (1st Floor), 68, Purana Paltan, Dhaka-1000	Ph: 7113844, 7110488, 7115594, 7119664	
Jagannathpur Branch	76, T&T Road, Ward-07, Haji AshidUllah Market, Jagannathpur Bazar, Sunamganj	Ph: 0872-756013	
Moulvibazar Branch	Shah Mostafa Garden City, M. Saifur Rahman Road (Central Road), Moulavi Bazar	Ph: 0861-63601, 63602	
Bhairab Branch	167 Kalibari Road, East Bhairab, Bhairab Bazar, Bhairab, Kishoregonj	Ph: 09424-72328-31	
Strand Road Branch	S. A. Chamber (1st Floor), Strand Road, Majhirghat, Chittagong	Ph: 031-2513611-2317	
Shyamoli Branch	23/4 Khiljee Road, Block B, Shyamoli, Dhaka	Ph: 02-9103565-6	
Patherhat Branch	Ibrahim Sobhar Tower (1st Floor), Patherhat, Noapara, Raozan, Chittagong	Ph: 031-2573111-2	
Tejgaon Link Road Branch	Shanta Western Tower, 186, Tejgaon I/A, Dhaka	Ph: 88-02-8870081-4	
Rupnagar Branch	Plot #34 (1st Floor), Road#16, Rupnagar, Mirpur, Dhaka	Ph: 9016692-3	
Laldighirpar Branch	Laldighirpar Main Road, Laldighirpar, Sylhet	Ph: 0821-719901, 719904	
Madhabdi Branch	03, Madhabdi Bazar, Bank Road, Ward No-08, Madhabdi Powrashova, P.S. Madhabdi, Narshingdi	Ph: 880-2-9446553-4	
Barisal Branch	Fakir Complex, 112, Birsreshtho Captain Mohiuddin Jahangir Sarak, Barisal	Ph: 0431-2177510-1	
Oxygen Moor Branch	422, Oxygen Moor, Kulgaon, Bayezid Bostami, Chittagong	Ph: 031-2583701-2	
Laldighirpar Branch, Sylhet	Laldighirpar Main Road, Laldighirpar, Sylhet	Ph: 0821-719901, 719904	
Elephant Road Branch	64, Elephant Road, Dhaka	Ph: 9669351, 9669331	

Branch Name	Address	Phone Number	Swift Code
Lalmatia Branch	Plot 4/3, Block-D, Lalmatia Housing Estate ,Dhaka	Ph: 8100067, 8100071-2	
Dohazaria Branch	Sadek Tower (1st Floor), Dohajari, Chandanaish, Chittagong	Ph: 01755591572-74	
Haziganj Branch	Munshi Plaza (1st Floor), Main Road, Haziganj, Chandpur	Ph: 88424-75142	
KEPZ Branch	Zone Service Complex (Ground Floor) , North Potenga, Chittagong	Ph: 031-2502391-3	
Aglabazar Branch	Shophy Plaza, Aglabazar, Nawabgang, Dhaka	Mob: 01712013575, 1728922164	
Hemayetpur Branch	Molla Market (1st Floor), Hemayetpur Bus stand, Tetuljhora Union, Savar, Dhaka	Mob: 01780098508,Ph: 7743258	
Dakkhinkhan Branch	KC Plaza (1st Floor), Noapara ,Dakkhinkhan bazar, Uttara, Dhaka	Ph: 8999681-2	
Mohadevpur Branch	Saif Uddin Haider & Sons Complex, Mohadevpur, Naogaon	Ph: 0742675194, 0742675117	
Nimtala Branch	Hemanta Shoping Complex (1st Floor),Nimtala ,Sirajdikhan, Munshiganj	Mob: 01713160243	
Comilla Branch	Chowdhury Plaza 2, House-465/401, Race Course, Comilla	Ph: 081-73455, 73499	
Sonaimuri Branch	United Plaza, Bank Road, Sonaimuri Bazar, Noakhali	Ph: 03227-51067-68	
Feni Branch	Holding No.- 34, Ward No.- 10, S.S.K. Road, Feni	Ph: 0331-61437	
Satmasjid Road Branch	Plot # 78, Bir Uttam M A Rob Sarak, Zigatola, Dhanmondi, Dhaka	Ph: 9634926-7	
Paragram Branch	Mamtaj Plaza, Koilail Union Parishad, Nawabgonj, Dhaka	HOB-01755624860, 1777792161	
Sonargaon Janapath Road Branch	Circle Windflower Plot No.-30, Sonargaon Janapath Road, Section-11, Uttara, Dhaka	HOB-01670761210; 04470009678, MOB- 01819185190,Ph: 48954575, 48952574	
Dinajpur Branch	Torab Uddin Complex, Road No.-01, Butibabu Road, Ward No.-3, Kotwali, Dinajpur	HOB-01712 192519, Ph: 0531-66681-4	
Lichubagan Branch	Al-Emarat Shopping Complex, Chandragona Kadamtola Union Parishad, Rangunia, Chittagong	HOB-01816440605, 1716899888	
Gazipur Branch	Akbar Trade Centre, BIDD Road, Ward No.- 26, Gazipur City Corporation, GazipurSadar, Gazipur	Ph: 9262582-4	
Kalatiya Branch	Kalatiya Shopping Centre, Kalatiya Union Parishad, Keranigonj, Dhaka	Ph: 7769182-4	
Chandragonj Branch	Sharif Plaza, Chandragonj, Lakshmpur	Ph: 0382-581074, 0382- 581075	
Bank Asia Bhaban Branch	Bank Asia Bhaban, Agrabad C/A, Sabder Ali Road, Ward No.- 28, Chittagong City Corporation, Doublemuring, Chittagong	Ph: 031-2512223(MOB)-4, 031-2510409-10-IW	
Kushtia Branch	Hira Super Market, Siraj-ud-Dowla Road, Ward No- 03, KushtiaSadar, Kushtia	Ph: 071-71782-3	
Holy Family Red Crescent Medical College Hospital Branch	OPD Building HFRCMCH, 1 Eskaton Garden, Moghbazar Road, Ward No.- 19, Dhaka South City Corporation, Ramna, Dhaka	Cell: 01715023337	
Fatullah Branch	Swiss Point (opposite of Fatullah Police Station), Fatullah, Narayangonj	HOB: 01711663609, MOB: 01841065934	
BSMMU Branch	Nurses Hostel Building 1170, Paribagh, Kazi Nazrul Islam Avenue, Shahbagh, Dhaka	HOB: 01753064444	
Ring Road Branch	Plot No- 842, North Adabar, Ring Road, Shyamoli, Adabar, Dhaka.	Ph: 9122862-3	
Tangail Branch	Al-hajj Super Market, 279, Masjid Road, Tangail Sadar, Tangail	Ph: 0921-61861,61832	
Rangpur Branch	Rangpur Bhaban, Plot# 4737, Station Road, Kotwali, Rangpur	Ph: 0521-56460-1	
Muksudpur Branch	Faridmia Complex, Muksudpur, Gopalgonj	HOB: 01713462602, MOB: 01715026474, Ph: 0833- 66474-6	
Nangolkot Branch	Haji Nurul AminTower Nangolkot, Comilla		
Rupsha Branch	Ma Plaza School Road, Rupsha, Faridgonj, Chandpur	HOB: 01711156321	

Branches at a Glance

Branch Name	Address	Phone Number	Swift Code
Brahmanbaria Branch	Muktijoddha Complex Bhaban (Ground & 1st floor), Sadar Hospital Road, Brahmanbaria.	Ph: 9617104100	
Mirpur-1 Branch	VTCB Tower Shopping Complex, Holding# 3 Main Road, Section-1, Mirpur, Dhaka-1216	HOB: 01715158993, MOB: 01915556422	
Kazipara Branch	Kazipara Madrasha Complex, Holding# 559, Begum Rokeya Avenue, Kazipara, Mirpur, Dhaka	Cell- 01917736902	
Mymensingh Branch	Shabit-Sharif Bhaban, Holding# 55 & 55/A, Boro Bazar, Mymensingh	HOB- 01977526286	
Gopalganj Branch	Noor Hossain Complex, Holding# 70, DC Road, Gopalganj, Gopalganj	HOB- 01718129072, MOB- 01715663252	
Maijdee Court Branch	Noakhali Super Market, Ward: 03, Court Road, Maijdee, Noakhali	HOB- 01714174014	
Faridganj Branch	Talukder Plaza, 640 (1st floor), Faridganj, Chandpur	Ph: 9617109100	
Hatirdia Branch	Hatirdia New Market, Hatirdia, Monohordi, Narshingdi	Ph: 9617110100	
Companygonj Branch	Hazi Shansul Hoque Market, Companygonj, Muradnagar, Comilla	Ph: 9617111100	
Kashba Branch	Shimanto Complex Bhaban-2, Holding# 462, Kuti-Kashba Road, Kashba, Brahmanbaria	Ph: 9617112100	
Chandpur Branch	Appollo Pal Bazar Shopping, Holding#187, 188, 189, Mizanur Rahman Road, Chandpur, Chandpur	HOB- 01718480639	
Bhola Branch	Nabaroon Centre, Holding# 337-341, Sadar Road, BholaSadar, Bhola	Ph: 9617114100	
Boro Bazar Branch	28 Sir Iqbal Road, Khulna Metropolitan City, Khulna	Ph: 041-731208-9	
Chaktai Branch	1676/G/1 River City Market (1st floor), Shah Amanat Bridge Connecting Road, Chittagong	Ph: 031-2866395-6	
Gulshan-2 Branch	Gulshan Peledium, Holding No- 01, Road No. 95, Block- CEN(C), Ward No. 19, DNCC, Gulshan, Dhaka	Ph: 9617115100	
Gouripur Branch	Priyota Plaza; Nayagaon, Gouripur, Daudkandi, Comilla	HOB - 01713378987	
Kaliakair Branch	Ahmed Ali Plaza, College Road, Tengla Bari, Kaliakair, Gazipur	Cell: 01843036958, 1626372729	
Aganagar Branch	Haji Anowar Hossain Complex, Shahid Delwar Hossain Road, Aganagar, Keranigonj, Dhaka	HOB - +88 09617 118 100	
Pangsha Branch	Mahmood Plaza, Pangsa Bazaar, Narayanpur, Pangsa, Rajbari	HOB - 01713462602	
Banani-11 Branch	Nur Empori, House#77, Road#11, Block-M, Banani, Gulshan, Dhaka-1223	Ph: 9885610,9889104, 9822326	
Panchagar Branch	Chowdhury Complex, Holding# 526, Masjid Para,Panchagarh Sadar, Panchagarh	Cell:0 1746895135	
Chapai Nawabganj Branch	Taher Mansion Holding#26, Puratan Bazar, Chapai Nawabganj Sadar, Chapai Nawabganj	Cell:01711076067	
Jhenaidah Branch	GM Tower, Plot# 818, Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	Cell:01711279195	
Bamundi Branch	"Nazrul Tower-2" Plot#732 & 733, Bamundi, Gangni, Meherpur	Cell:01725078196	
Barura Branch	"Manoda Mansion", College Road, Barura,Comilla	Cell:01816586879	
Matarbari Branch	Coal Power Generation Co. Bd. Ltd., Matarbari, Moheshkhali,Cox's Bazar	Cell:01813727387, 01818571728	
Bank Asia Tower Branch	Bank Asia Tower, 32, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka	Cell:01711053944	
Shukrabad Branch	House # 02, Mirpur Road, Ward # 17, Dhaka South City Corporation, Sher-e-Bangla Nagar, Dhaka	Cell: 8809617128100, 01755652398	
Payra Bandor Branch	Multipurpose Bhaban (1st Floor), Payra Port, Kolapara, Patuakhali	Cell: 01730301122	
Sirajgonj Branch	Moti Mahal, Holding#1044 & 1045, S.S Road, Ward-03, Sirajgonj Pawrashava, Sirajgonj	Cell-01716438242	
Rampura Branch	Borhan Bhaban, Holding# 68/1, DIT Road, Hazipara, Ward# 23, DNCC, Rampura, Dhaka	Cell: 01713108881	
Taragonj Branch	Al Madina Market, Kursha, Taragonj Bazar, Taragonj, Rangpur	Cell: 01710357385	

Branch Name	Address	Phone Number	Swift Code
Sonargaon Branch	Shahabuddin Super Market, Habibpur, Sonargaon, Narayanganj	Cell: 01718241967	
Manikgonj Branch	Zilla Parishad Staff Quarter, Bewtha Road (Near LGED), Manikgonj Sadar, Manikgonj	Cell: 01730709856	
Satkhira Branch	Miraj Ali Market, Radha Nagar, Ward # 8, Kotwali, Satkhira	Cell: 01712168150	
SME/Krishi Branches			
Ashulia SME/Krishi Branch	Tanvir Super Market, (1st Floor), Ashulia Bazar Bus Stand, Ashulia, Savar, Dhaka		
Baligaon SME/Krishi Branch	Dewan Super Market, Baligaon Bazar, Tongibari, Munshigonj		
Shirajdikhan SME/Krishi Branch	Shirajdikhan Bazar, Sikder Market, Shirajdikhan, Munshigonj		
Ramgonj SME/AKrishi Branch	Anupom Super Market (1st Floor), Bypass Road, Ramgonj, Laxmipur		
Sub-Branches			
Echotex Sub-Branch	Holding# A-30, Joydebpur-Tangail Highway, Ward# 7, Kaliakair Pawrashova, P.S.- Kaliakair, Dist.- Gazipur		
Shomahar Sub-Branch	Shomahar Sweaters Ltd. A-99/1, Bokterpur, Kaliakair, Gazipur-1750		
Sreenagar Sub-Branch	Makka Complex, Bhagyakool Road, Sreenagar, Munsigonj		
Louhajang Sub-Branch	Hossen Market, College Road, Bornowpara, Louhajang, Munshigonj		
Ashuganj Sub-Branch	Hazi Zahirul Haque Munshi Shopping Complex, Ashuganj Bazar, Ashuganj, Brahmanbaria		
Big Boss Sub-branch	Aptech Industrial Park, 30, Sukorno Road, Kashimpur, Gazipur		
Bancharampur Sub-branch	Razzak Super Market, Holding#174, Bancharampur, Brahmanbaria		
BGB Sub-branch	Border Guard Bangladesh (BGB) Head Quarter, Peelkhana, Dhaka		
Borhanuddin Sub-branch	SJS Jalal Complex, Hospital Road, Ward No-06, Borhanuddin Powrashova, Borhanuddin, Bhola		
Kishoreganj Sub-branch	A.S. Gondhi Plaza, Zila Soroni Morh, Kishoreganj Sadar, Kishoreganj		
Robintex Sub-branch	Robintex Group, Vulta, Rupganj, Narayanganj		
Shibgonj Sub-branch	328, Thana Road, Shibgonj Poursava, Chapai Nawabganj		
Nazipur Sub-branch	Molla Market, Holding# 458, Najipur-Shapahar Road, Word#3, Najipur Poursava, Naogaon		
Singra Sub-branch	Nilmoni Super Market, Singra Bazar, Singra, Natore		
Cumilla EPZ Sub-branch	0432-14, South Chartha, Comilla EPZ, Sadar Dokhin, Comilla		
SME Centres			
Jatrabari SME Service Center	Noor Tower, 76/Ga, BibirBagicha North Jatrabari, Dhaka		
Rekabi Bazar SME Service Center	Rekabi Bazar, Sylhet		
Jurain SME Service Center	Anaz Tower 495 East Jurain, Kadamtali, Dhaka		
Bashabo SME Service Center	87, East Bashabo, Dhaka		
Islamic Windows			
Principal Office Branch	TeaBoardBuilding 111-113, Motijheel C/A. Dhaka - 1000.		BALBDDH003
Uttara Branch	House # 79A, Road #07, Sector # 4, Uttara Model Town, Dhaka - 1230		BALBDDH015
Shantinagar Branch	Treasure Island, 42-43, Siddeshwari Circular Road, Shantinagar, Dhaka-1217		

Branches at a Glance

Branch Name	Address	Phone Number	Swift Code
Bank AsiaBhaban Branch	"Bank Asia Bhaban", Agrabad C/A, Sabder Ali Road, Ward No.-28, Chittagong City Corporation, Doublemuring, Chittagong		
Sylhet Uposhohor Branch	Sylhet Tower, Subhanighat, Bishwa Road, Sylhet		
Islamic Banking Division, Corporate Office	Bank Asia Tower, 32 & 34 Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka		BALBDDH
Off Shore Banking Unit			
EPZ Branch	Zone Service Complex (Ground floor), CEPZ, Chittagong		
Collection Booth			
Motijheel Model School Collection Booth	Motijheel Model School, Motijheel C/A, Dhaka		
East West University Collection Booth	EWU Campus, Plot# A/2, Aftabnagar, Dhaka		
Begum Badrunessa Govt. Girls College Booth	Begum Badrunessa Govt. Girls College, Bakshi Bazar Road, Dhaka		
BSMMU Collection Booth	OPD-1 Building at BSMMU, Paribagh, PS. Shabagh, Dhaka		
EPZ Road Collection Booth, Comilla	Holding No. 0432-14, South Chartha, Comilla EPZ, Comilla		
DESCO Bill Collection Booth	Badda Sales & Distribution Division, Plot#16, Road#04, Block#D, Aftabnagar, Badda, Dhaka		
Unique Height Collection Booth	Unique Heights 117, Kazi Nazrul Islam Avenue, Dhaka		
Govt. Bangabandhu College Collection Booth, Gopalganj	Govt. Bangabandhu College, Gopalganj		
BUBT Collection Booth	BUBT Campus, Rupnagar, Mirpur-2, Dhaka-1216		
BPBS Zonal Office Bill Collection Booth, Kashba	Brahmanbaria Palli Bidyut Samity (BPBS) Zonal Office Kasba, Kharerha, Kasba, Brahmanbaria		
BPBS Bill Collection Booth, Kashba	Brahmanbaria Palli Bidyut Samity (BPBS), Sahilpur, Brahmanbaria		
Subsidiary-1: Bank Asia Securities Limited			
Dilkusha (Head Office)	Hadi Mansion (7th Floor), 2 Dilkusha C/A, Dhaka-1000		
Dhanmondi Branch	Meher Plaza, House # 13/A, R # 05, Dhanmondi, Dhaka		
Mirpur Branch	Nishi Plaza, Plot # 01, Avenue-04 Section-06, Block-C, Mirpur		
Jurain Branch	Anaz Plaza (2nd Floor)495, East Jurain Kadamtali, Dhaka		
Khulna Branch	28, Sir Iqbal Road (1st Floor), Khulna		
Uttara Branch	H # 79/A, (4th Floor), R# 07, Sector # 04 Uttara Model Town, Dhaka-1000		
Banani Branch	Nur Empori (1st floor), House # 77, Road# 11, Block-M, Banani, Dhaka-1213		
Extension Office	158-160, Ground Floor Motijheel, C/A, Dhaka-1000		
Subsidiary-2: BA Exchange Company (UK) Ltd.			
Office in UK	125 Whitechapel Road, London E1 1DT		
Subsidiary-3: BA EXPRESS USA Inc.			
Corporate Office	37-17, 74th street Suite # 1F, Jackson Heights, NY 11372		
Office in Jamaica	87-58, 168th Street, Jamaica, NY 11432	CEO: 0019173487207	
Office in Brooklyn	484, Mc Donald Avenue (1 st floor), Brooklyn, NY-11218, New York, USA	CEO: 0019173487207	

NOTICE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING (VIRTUAL MEETING THROUGH DIGITAL PLATFORM)

Notice is hereby given to all members of Bank Asia PLC. ("the Company") that the 25th Annual General Meeting (25th AGM) of the members of the Company will be held virtually by using digital platform through the following web-link, <https://agmbd.live/bankasia2024> {in pursuant with Directive No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021 and Directive No. BSEC/ICAD/SRIC/2024/318/87 dated 27 March 2024, both issued by Bangladesh Securities & Exchange Commission (BSEC)}, on 23 June 2024 at 11:00 a.m. to transact the following businesses and to adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended on 31 December 2023, and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend out of the profits for the year ended on 31 December 2023.
3. To elect/reelect Directors in accordance with the provisions of law and the Articles of Association of the Company.
4. To confirm the appointment of Independent Director(s).
5. To appoint Statutory Auditor of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To appoint Compliance Auditor as per Corporate Governance Code for the year 2024 and to fix their remuneration.
7. To transact any other business with the permission of the Chair.

By order of the Board,



S. M. Anisuzzaman
DMD & Company Secretary

Dated: 17 May 2024
Dhaka

Notes:

- a) The Record Date of the Company will be on **20 May 2024**. Trading of the Company's shares in the Stock Exchanges will be suspended on the Record Date.
- b) The shareholders whose names will appear in the Register of Members of the Company as at the close of business on the Record Date, i.e., 20 May 2024, will be entitled to attend and vote at the AGM and to the dividend declared in the AGM, if any.
- c) In view of the Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 and Directive No. BSEC/ICAD/SRIC/2024/318/87 dated 27 March 2024, the ensuing 25th AGM of the Company will be conducted virtually through digital platform or online platform. Therefore, the shareholders are requested to attend the 25th AGM through online live portal. The detailed procedures to attend the meeting will be communicated to the shareholders' email ID in due course and it will also be available on Bank's website at 'www.bankasia-bd.com'.
- d) Shareholders may login to the system 48 (forty-eight) hours before and during the meeting. For any guidance and help during the meeting, the members may contact the cell no. +8801711198680.
- e) Any member of the Company entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his /her behalf. The proxy must be a member of the Company.
- f) The instrument appointing a proxy duly stamped and signed by the member must be submitted at the Registered Office of the Company or through email to 'ba.share@bankasia-bd.com' at least 48 (forty eight) hours before the AGM. Proxy Form is enclosed.
- g) Election of Directors will be held in the vacant offices of Directors. Election schedule will be displayed in the notice board at the Registered Office in due course. Election rules will be available at the Registered Office of the Company and also on the Bank's website at 'www.bankasia-bd.com'.
- h) The concerned Brokerage Houses are requested to provide us with a statement having details of margin loan holders (i.e., Shareholders' name, BOID numbers, client-wise shareholding position, gross dividend receivable, applicable tax rate and net dividend receivable) as on the Record Date along with the name of the contact person of Brokerage House to the Company's Share Department at Registered Office or through email to 'ba.share@bankasia-bd.com' on or before 27 May 2024. The Brokerage Houses are also requested to provide us with their bank name, account number and routing number etc.
- i) As per BSEC Notification dated 20 June 2018, Annual Report 2023 will be duly sent in soft form to the members' email addresses available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of the Annual Report 2023 will also be available on the Bank's website at 'www.bankasia-bd.com'. The members may also collect the Annual Report 2023 from the Company's Share Department at Registered Office in person.



Bank Asia PLC.
 Corporate Office (Registered Office)
 Bank Asia Tower, 32 & 34 Kazi Nazrul Islam Avenue
 Karwan Bazar, Dhaka-1215

PROXY FORM

I/we,.....of
of
 a Member of BANK ASIA PLC. do hereby appoint Mr./Ms.....of
or failing him/her Mr./Ms.of
 as my/our proxy to vote for me/us and on my/our proxy to vote for me and on my behalf at the
 Twenty-fifth General Meeting of the Members of the Company to be held on the 23 June 2024, at 11:00 a.m. and at any
 adjournment thereof.

In witness my hand this day of 2024.

		Signature of the Member :
Witnesses:	Revenue Stamp	Name :
1.		Folio No.
2.		BOID : <input type="text"/>
		Signature of the Proxy :
		Folio No :
		BOID : <input type="text"/>

Shareholder's Attendance Slip



Bank Asia PLC.
 Corporate Office (Registered Office)
 Bank Asia Tower, 32 & 34 Kazi Nazrul Islam Avenue
 Karwan Bazar, Dhaka-1215

I hereby record my presence at the Twenty-fifth Annual General Meeting of Bank Asia PLC. held today the 23 June 2024, at 11:00 a.m. virtually by using digital platform through the following web-link:

<https://agmbd.live/bankasia2024>.

I give my particulars and put my signature below.

Name : _____

Folio No. _____

BO ID :

Signature _____

(Please complete this slip and deposit at the registration counter on the day of the meeting)

DREAM **BIG** Work
Together
For a better sustainable world



Corporate Office
Bank Asia Tower
32 & 34, Kazi Nazrul Islam Avenue
Karwan Bazar, Dhaka-1215
Tel +8809617001100 (IP)
www.bankasia-bd.com

 **Bank Asia**