

sustainability report 2019

Improper management of Medical Waste
exposes serious health hazards



 **Bank Asia**

Sustainability Report 2019

The World Health Organization estimates that at least 10% of waste generated in health care facilities is infectious and improper disposal of such waste expose human beings and the environment to serious health risks.

Medical waste, due to its content of hazardous substances, poses serious threats to environmental health. Considering the transmission of severe acute respiratory syndrome of Covid-19 globally, excessive biomedical waste has become a new major threat to public health and the environment. Improper handling of hospital waste might aggravate the spread of Covid-19 to medical staff and people who handle waste. In addition, untreated medical waste is prolonging the Covid-19 pandemic, threatening biodiversity and provoking some worst return from nature in the form of future health hazard.

At Bank Asia, we have taken this opportunity to express our view that it is very important to develop and implement a standard medical waste management policy and strategy to highlight the management of the wastes generated at different healthcare facilities. By implementing proper management and by compelling correct action, we can improve health and wellbeing of peoples.

 **Bank Asia**
For A Better Tomorrow





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Mission

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

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

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

Vision

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

Core Values

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



Code of conduct

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

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

REPORT PARAMETER

REPORT PARAMETER

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

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 2019. This is our eighth Sustainability Report and there is no significant changes regarding scope, boundary or measurement methods and explanation of the effect of any restatement of information comparing to the previous report. The sustainability report will be prepared once in a year describing activities and achievements through-out the year.

CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

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

BOUNDARY OF THE REPORT

The report boundary of the year 2019 covers only banks operation run by corporate office, its branches, SME service centers and other direct networks in Bangladesh. Impacts of the activities of our subsidiaries, NGO networks or our suppliers in other countries are not within the scope of this report. Bank Asia has three subsidiary companies, one in Bangladesh and others in UK and USA, but no joint venture. As owner, the Bank controls the activities of its subsidiaries. Bank Asia Securities Limited (BASL), a majority owned subsidiary is incorporated in Bangladesh and acts as a stock broker and stock dealer in capital market. The financial statements of the BASL are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). BA Exchange Company (UK) Ltd. in UK and BA Express USA Inc. at NY, USA are two wholly owned subsidiaries with a primary responsibility of remittance channeling to Bangladesh from UK and USA market. Financial statements of BA Exchange Company (UK) Ltd. and BA Express USA Inc. are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standards for smaller entities.

FEEDBACK

We welcome any feedback on our sustainability reporting. For further information and comments, please contact Sustainability Reporting Team of the Bank led by Mr. Mohammad Ibrahim Khalil, FCA, SVP & Chief Financial Officer, Mr. Md. Shamim Hasnat, CSRS, Assistant Vice President, Group Finance, Mr. Mahbub-ul Anam Khan CSRS, SEO and Ms. Nahid Tania Khan, CSRS & Executive Officer, Group Finance. They may be reached through

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STRATEGIC FOCUS FOR SUSTAINABILITY

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

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, 'Ektee Bari Ektee Khamar' Project, Agent Banking channels, domestic remittance distribution through bank branches and agent banking outlets.

PROMOTING FINANCIAL INCLUSION

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.

GIVING BACK

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.

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. 3.92 million and Tk. 0.83 million respectively during 2019. 90,594 man-hours training have been provided to 4,750 employees in the year 2019 both 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

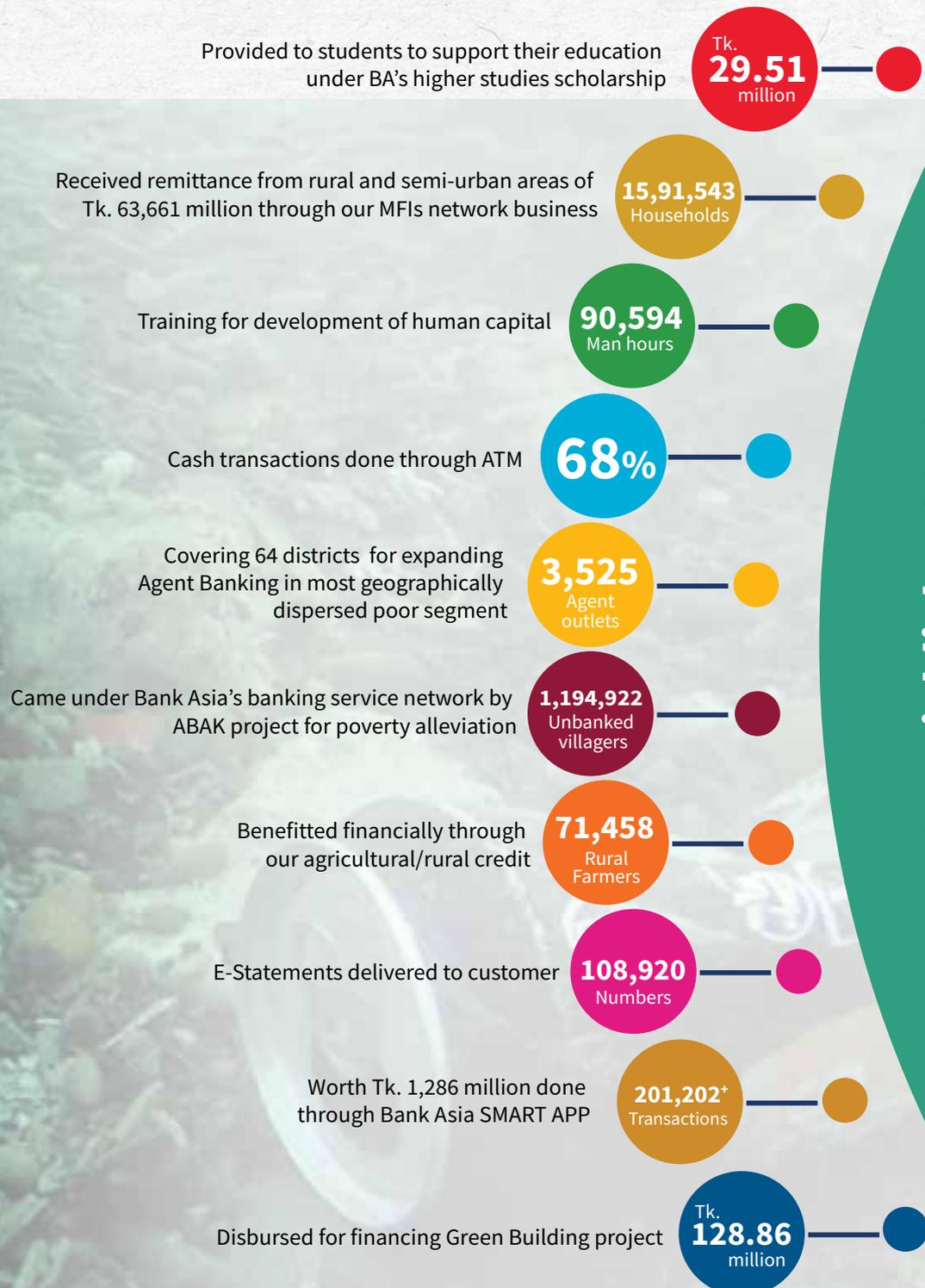
As one of the strategic focuses of Bank Asia, 'going green' movement includes efficient energy consumption, paperless office, financing renewable energy etc. Bank Asia's achievements in green initiatives are detailed out in other parts of the report. As greening of mind, 420 man hours of training provided to 280 staffs regarding green banking under foundation and other trainings course in 2019.

PROFIT

During 2019 Bank Asia generated operating profit of Tk. 9,322 million.

SUSTAINABLE BANKING OPERATIONS

KEY HIGHLIGHTS 2019



Key Highlights 2019

CHAIRMAN'S MESSAGE

Being one of the fastest growing economies of the world, Bangladesh economy registered a commendable growth of 8.15% in FY 2019 and is striding boldly to become a middle-income country with GDP per capita reaching 1,909 USD. In 2019, foreign exchange reserve reached \$32.69 billion implying the country is able to pay 6 month's import payment. Exports increased by 10.1% to \$39.94 billion while imports grew by only 1.79% to \$55.44 billion. Remittance flow also experienced significant growth in FY 2019 reaching Tk.16.42 billion while it was Tk.14.98 billion in FY 2018.



Bank Asia's capital base is fundamentally strong and is one of the highest in the banking industry. In 2019, total capital reached Tk.42.76 billion from Tk.35.08 billion in 2018, having a growth of 21.87%. The capital adequacy ratio of the Bank was 17.93% against regulatory requirement of 12.50% in 2019. Credit rating of clients plays a pivotal role in reducing capital requirement of the Bank which also enables the Bank to maintain quality assets. Additionally, the Bank issued a Tk.5 billion Subordinate Bond in 2019 which increased the total capital further. Total Assets of the Bank increase to Tk. 354 billion from Tk. 307 billion with the growth of 15%.

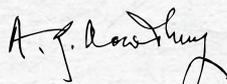
Bank Asia is the pioneer in introducing Agent Banking and Amar Bari Amar Khamar (ABAK), a government project for the poor, ultra-poor and landless people of Bangladesh focusing on poverty eradication and reducing poverty level to 10% within 2021. I feel really proud to announce that around 2.5 million unbanked people have already been included in Agent Banking network. In 2019, the Bank contributed substantial growth in Financial Inclusion arena by acquiring 959 new agent outlets in 64 districts, registering 11,66,689 new customers, collecting Tk.7,349 million incremental deposit and disbursing Tk.854 million as loan through this alternative banking channel. It is facilitating full-fledged banking services to the customers' doorsteps and channeling of remittance, depositing and withdrawing of cash and supporting small loans for cottage micro and small enterprises and also for agricultural farmers at an affordable cost.

By operating ABAK project Bank Asia opened new window to intensively work for the rural people, especially for the hardcore, ultra-poor and distressed people and make a strong relationship with local administration, philanthropist, social and local leaders. Bank Asia is now (In phase III) operating ABAK Banking services in 31 districts where 1.2 million people from 222 Upazillas are getting services under this project as beneficiaries. Bank Asia has been gradually shifting its eye to CMSME lending since 2007. We are giving special emphasis on manufacturing industries, service-oriented business initiatives, cluster financing, promoting rural people as well as rural women entrepreneurship, creating a business network for CMSE entrepreneurs and financing in untapped areas and to the unbanked new entrepreneurs. As a result of the Bank's continuous effort, CMSME portfolio stood at Tk.40,787 million compared to previous year's Tk.37,151 million with a growth of 10%. Bank Asia also focuses on Agri credit for the greater interest of the economy and disbursed Tk.3,650.36 million to 71,458 rural farmers in 2019.

Our story is not about only performance and financials but also the impact that the Bank wants to create. Considering social, economic and environmental sustainability, the Bank has undertaken many initiatives aligned with government's vision to achieve SDG (sustainable development goals) to impact lives positively. To strengthen CSR activities, Bank Asia has formed Bank Asia Foundation and it has started its operations from February 2017. In the meantime, Bank Asia Foundation has undertaken an initiative to set up a modern hospital with 250-beds at Malkhanagar, Sirajdikhan, Munshiganj named as "Bank Asia-Ma Amiran Medical College and Hospital". My family members and I donated 700 decimal land and a 3 storied building of 36,000 sft for the hospital and medical college. It started its operation of the OPD, diagnostic centre, pharmacy and emergency unit from 7th September, 2019. The Bank spent an amount of Tk.116.15 million for CSR activities in 2019.

Every year we work on a new theme to focus on the adverse impact of economic activities over environment. This year we focused on medical wastage. Waste generated in health care facilities is very much infectious to human beings and animals and if we fail to dispose it properly, the environment will suffer to a great extent. The recent pandemic of COVID 19 has made this situation more vulnerable in the world particularly in emerging economies like Bangladesh.

Last but not the least, I take this opportunity to extend my heartfelt thanks to the members of management for their untiring efforts of making our institution a more socially responsible institution by way of extending extensive inclusive banking services through alternate banking channels and helping the society extend various social services under active guidance of the Board. I also extend my gratitude to the Sustainability Reporting Team for their sincere effort for presenting the Bank's activities under the framework of Sustainability Reporting.



A. Rouf Chowdhury
Chairman

REVIEW FROM THE
**PRESIDENT AND
MANAGING DIRECTOR**



In Bank Asia we firmly believe that sustainability is the core element of competitiveness and to achieve this we need to create value for all our stakeholders in a sustainable way. Sustainable business practices are becoming increasingly important for Bangladesh, as it strives to foster a flourishing economy.

On behalf of Bank Asia, I am pleased to present Bank Asia Sustainability Report 2019. This report outlines how we set standards in areas of sustainable development that can directly influence economies, communities and environment.

Live Green- Save Green

Bank Asia believes in growing responsibly and sustainably by being ecofriendly across the organization. For that purpose, the bank circulated Green Banking Policy guidelines to all the employees for raising awareness regarding conservation of energy, water, saving paper, etc.

Bank Asia has also adopted policies to reduce energy in its in-house management by utilizing maximum natural day light, energy savings bulbs, and green computing based data center. Bank Asia is also very much focused on managing the waste generated from day to day banking activities, food consumption, physical wear and tear of computer and office equipment, obsolete furniture & fixture and newspapers. To reduce the waste, bank has taken some necessary measures such as- usage of both sides of papers and collection of wasted papers using bins after shredding, donation of old equipment and furniture for charity, accumulation of food wastes by community cleaners on daily basis and disposition of toner, cartridges and newspapers through community cleaners

Apart from this, we are fully aware that the future is digital, the future is paperless. So here at Bank Asia, we highly encourage customers to use E-Statement, SMS banking, SMS Alert, Net Banking, and E-fund Transfer and Email Correspondences to diminish wastage of paper. More than 201,202 transactions worth Tk. 1,286 million was done through Bank Asia SMART APP, an integrated internet and mobile banking solution. This year the Bank developed more number of green banking instruments compared to the previous year, through which the customers can save their valuable time and unnecessary paper work as well.

Being a bank with a conscience, Bank Asia while selecting investment projects, focuses on green financing like renewable energy generation, carbon emission project, solar home system, CNG conversion project, bio-gas, managing different waste, treatment of liquid waste, urban building safety project, effluent treatment plant in brick fields etc. In 2019, Tk. 128.86 million was disbursed to Triple Apparels, Robintex Bangladesh Ltd. and other firms for financing Green Building project, which has helped sequestration of carbon and reduce adverse environmental effect. Bank Asia has financed a total of Tk. 140 million to Youth Spinning Mills Ltd. for importing of high energy efficient gas generator. This will highly reduce operating cost of the business through lesser wastage of gas and will encourage business environment towards moving energy efficient gas generators.

Embracing Corporate Social Responsibility

Being committed to bring social and environmental prosperity Bank Asia spent an amount of Tk. 116.15 million for several CSR activities in the year 2019. Bank Asia donated Tk. 40.71 million to Prime Minister's Relief Fund for different generous activities and also distributed warm cloths among cold-hit people in different parts of the country. Bank Asia supports poor meritorious students by providing Higher Study Scholarship to become emergent human capital of our country. In 2019, Tk. 29.51 million was provided to students to support their education under Bank Asia's higher studies scholarship.

Dominating in the realm of Financial Inclusion

Being the pioneer of Agent Banking operations, Bank Asia has always given special attention to its agent banking services. With the aid of advanced technologies and flexible Agent Banking module, Bank Asia has covered 64 districts with their 3,525 agent outlets ensuring compatible security for the customers even in the most geographically dispersed poor segment. As a result, each and every customer can easily withdraw his allowances without any sort of complexity. Many rural customers consider it as a blessing because their requirement can be over just by putting a fingerprint. Moreover, it is also creating employment opportunities for the jobless people. Bank Asia has received Bangladesh Business Innovation Award for “Agent Banking Business Model” by Bangladesh Brand Forum.

With the motto of ensuring further financial inclusion, 1,194,922 unbanked villagers of 222 upazilas under 31 districts came under Bank Asia’s banking service network by ABAK project for poverty alleviation. Moreover, 53,998 beneficiaries are the recipient of online cash management support through SHOUHARDO-III project under Social Safety Network. Bank Asia is also concentrating on school banking services with an aim to build savings habit of school going children. Bank Asia has collected deposit of Tk. 48.75 million from 19,500 school banking accounts up to 2019.

Sustainable Agri-Economy

In the FY 2018-2019, the Bank disbursed Tk. 3,650.36 million to 71,458 rural farmers and achieved 106% against the target of Tk. 3,440 million as set by Bangladesh Bank. Total 2,218 no. of Tk. 10A/C holders of Bank Asia Ltd. are facilitated through distributing Tk. 84.31 million to improve their livelihood by participating in income generating activities. We also received refinance of Tk. 55.64 million from Bangladesh Bank against these funding in the year 2019. To penetrate social outreach as financial partner, Bank Asia easy ensure timely flow of credit by institutional sources in a sustainable manner, Bank by different programs through different national & international organization such as USAID, ACDI/VOCA, Care Bangladesh, World Fish etc.

Engage – Develop – Grow

For a business to grow, it is important that it considers the development of their people, culture, organizations and the systems they interact with as equally important as profit. At Bank Asia we believe that direct investment in the development of each of our employee is a direct investment in our organization. So we provide our employees ample opportunities for personal growth through comprehensive training and other development programs. In 2019, Bank Asia has provided 90,594 Man hours of training on different operational and behavioral aspects for development of human capital.

Award and Recognition

Bank Asia believes in transparency in disseminating information to the stakeholders irrespective of different events. Bank Asia was certified with ISO/IEC 27001:2013 for ensuring appropriate management of information technology by complying with all due procedures. We are really privileged to share that, Bank Asia has been granted “GOLD RANK” in Asia Sustainability Reporting Rating 2018, in the 14th Sustainability Reporting Awards (SRA) 2018 by NCSR (National Center for Sustainability Reporting). This is noteworthy that we are achieving sustainability award every year under different category by NCSR. We have also received 1st prize in the category of “Corporate Governance Disclosures” by South Asian Federation of Accountants (SAFA) and ICSB (Institute of Chartered Secretary of Bangladesh).

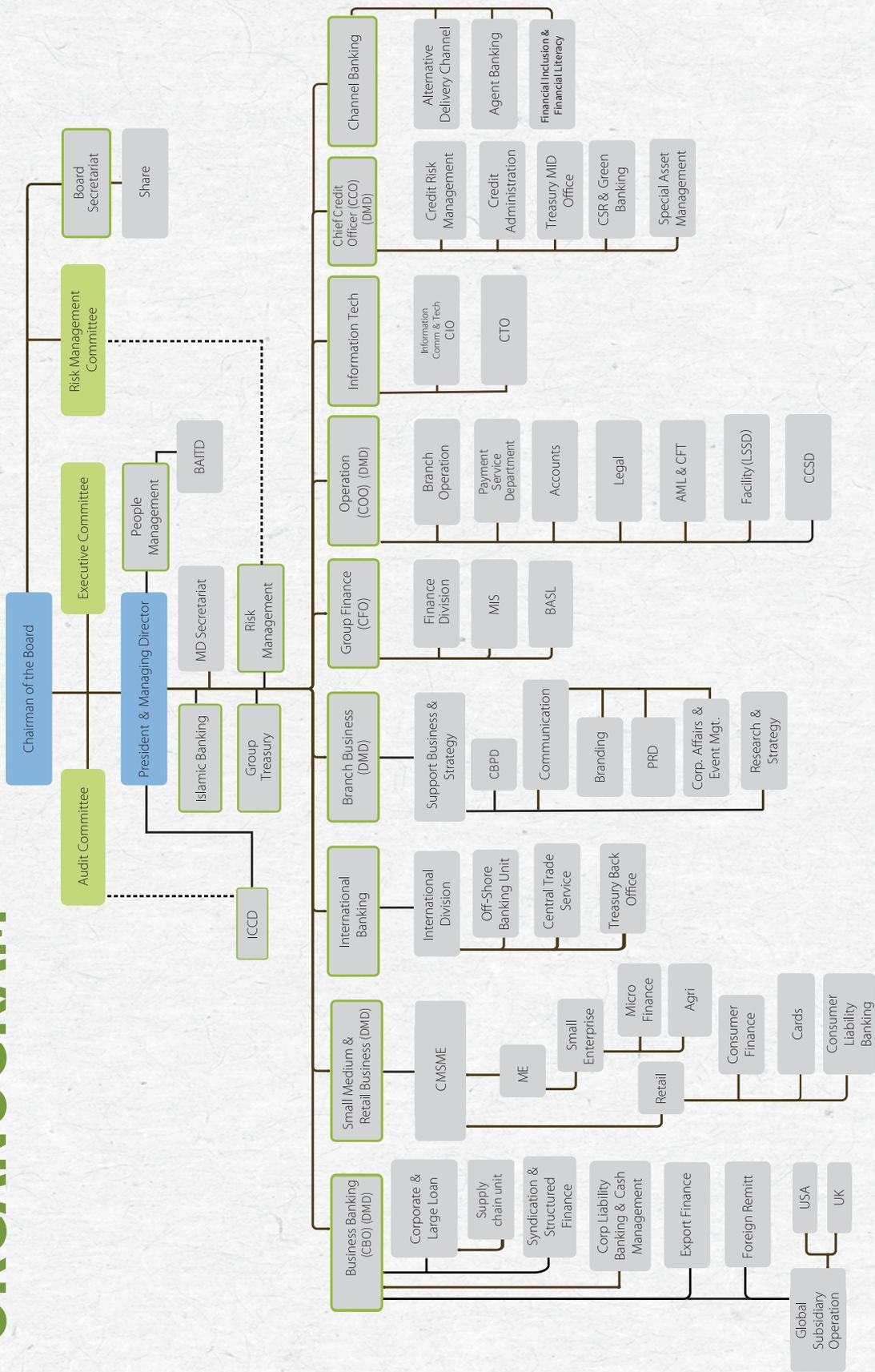
Now I would like to conclude by extending my sincere gratitude and appreciation to all our valuable stakeholders for their vigorous and impactful engagement towards Bank Asia’s vision to build a poverty free Bangladesh for a better tomorrow.



Md. Arfan Ali

President and Managing Director

CORPORATE ORGANOGRAM



AWARDS AND RECOGNITION



Bank Asia produces separate full scale *Sustainability Report* every year following GRI framework. For more details visit : www.bankasia-bd.com



Achievement for Sustainability Report

Bank Asia achieved Asia Sustainability Reporting Rating by NCSR and ICSP, Jakarta, Indonesia

- Bank Asia has been granted 'Gold Rank' in Asia Sustainability Reporting Rating 2019 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners) in Indonesia for Sustainability Report 2018
- Gold Rank- Best Sustainability Report in Asia Sustainability Reporting Rating 2018 - 14th SRA 2018 for Sustainability Report 2017 by NCSR and ICSP
- '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



On behalf of Bank Asia Limited Mr. Mohammad Saiful Islam Saif received Trophy for achieving 'Gold Rank' in Asia Sustainability Reporting Rating 2019 by NCSR from Mr. Ali Darwin, Executive Director, NCSR & Ms. Michele Lemmens, Regional Head, ASEAN Hub at Global Reporting Initiative (GRI)

CORPORATE PROFILE

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

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

To excel in this new era of technological triumph, Bank Asia has successfully introduced internet banking, cutting edge ICT, state of the art network solution, 24/7 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 under-privileged segments in the areas of education, health, environment, sports, arts & cultures and the likes.

Nature of Ownership and Legal Form

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

Number of Countries where the Organization operates

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

Branch Network

Currently we have 128 branches and SME service centers across the country spread over different zones that includes 120 branches, 4 SME agricultural branch and 4 SME service centers. Geographically 66 are placed in capital Dhaka, 38 in Chattogram, 7 in Sylhet zone, 6 in Khulna zone, 5 in Rajshahi, 3 in Rangpur, 2 in Barisal, and 1 in Mymensingh. All these branches and SME centers are efficiently supervised and monitored by Zonal heads who take care of their overall performance indicators on a regular basis. Due to the low operational cost as well as increasing popularity of agent banking operations, Bank Asia is emphasizing on adding new agent outlets. There are total 3,525 agent outlets in 64 districts. Agent banking network outreaches the customers through individuals, passport, institutions, UDC, Post office. Bank Asia has Automated Teller Machine (ATM) that provides banking services to its customers 24 hours a day, 7 days a week and 365 days a year. In our total 68% cash transactions of Bank Asia are done through its 168 own ATMs and more than 12,000+ shared ATMs all over the country. In terms of Internet banking, currently we have more than 70,982 active users.

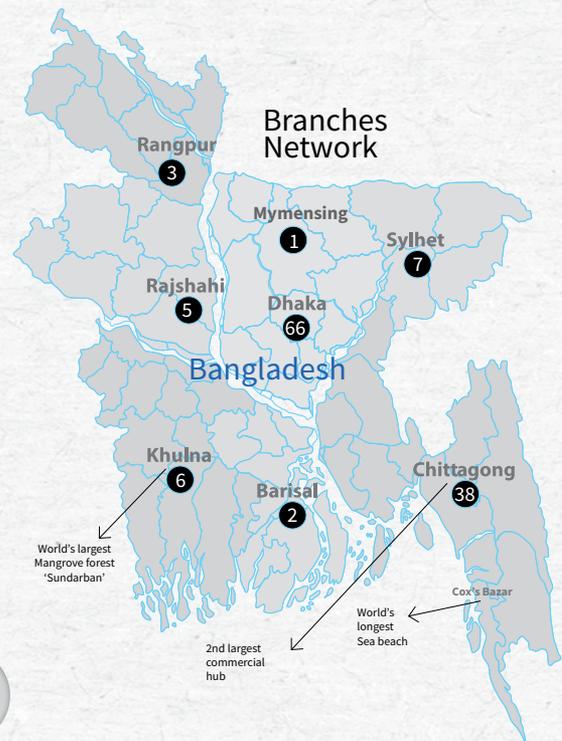
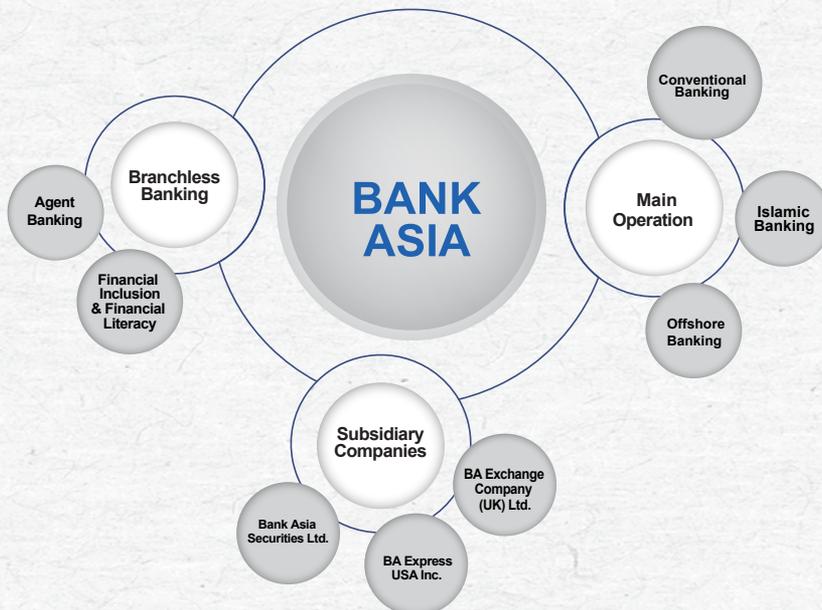
Scale of the Reporting Organization

As of the end of 2019, our Bank's operating profit is Tk. 9,322 million and total assets are Tk. 353,800 million. The Bank's Capital to Risk Weighted Assets Ratio (CRAR) is 17.93 %.

Number of employees	2,376 (2,342 of Bank & 34 of Subsidiaries)
Number of branches	128 (120 branches, 4 SME/Agri branches and 4 SME service centers)
Total operating income	Tk. 16,074 million
Total debt & equity	Tk. 329,055 million & Tk. 24,745 million
Number of ATMs	180 own ATMs and more than 12,500+ shared
Number of credit cards	60,028
Number of VISA debit cards	More than 4,89,148

Membership With Associations

- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Associations of Banks (BAB)
- Association of Bankers Bangladesh (ABB)
- The Institute of Bankers Bangladesh (IBB)
- The American Chamber of Commerce in Bangladesh (AMCHAM)
- Bangladesh Foreign Exchange Dealers Association (BAFEDA)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Money Market Dealers Association
- Metropolitan Chamber of Commerce and Industry
- Islamic Banks Consultative Forum (IBCF)
- Central Shariah Board for Islamic Banks of Bangladesh (CSBIB)
- Baridhara Cosmopolitan Club



Division wise Agent Outlet

Division	No. of Outlet
Dhaka	672
Chittagong	776
Rajshahi	464
Mymensingh	328
Khulna	425
Sylhet	271
Rangpur	366
Barisal	223
Total	3,525

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

STAKEHOLDERS' ENGAGEMENT

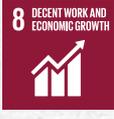
Bank Asia believes in the proper stakeholders' engagement in every aspect of its banking activities. We identify our stakeholders through conducting impact analyses in respect of

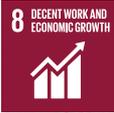
- Responsibility: Bank Asia has direct legal responsibility to regulators, tax authority etc.
- Influence: Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.
- Proximity: The local community that influence heavily our daily operation.
- Dependency: Those who are dependent on their operational performance, e.g. business partners, and those whom we are dependent, e.g. customers.
- Representation: Those who represent Bank Asia to the outside world, e.g. employees, board and those whom we face for various decision making purposes. e.g. business association leaders, local community leaders.

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

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



Stakeholders	Ways of inclusion	Their priorities	Our response
Customers  	<ul style="list-style-type: none"> ● Ongoing market research and product innovation ● Customer Service Enhancement Program ● Customer Relationship Management ● Direct Customer feedback ● Customer satisfaction survey and complaints ● Different channels, Branches, Agent outlets, Call Centre, ATM Booth, Internet Banking & others 	<ul style="list-style-type: none"> ○ 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 Shariah compliance in Islamic products and services 	<ul style="list-style-type: none"> ○ Proper actions are taken of customers 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, E- payment 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) ○ Separate online CBS for Islamic products ○ First day in every month is being observed as 'Customer Service Day' where Corporate Office executives met with customers in branch premises
Employees    	<p>Business conferences, teleconferences, video conference etc. Training, workshops and orientation program, Internal meeting, Group emails, Intranet circulation, facilities for Physical Fitness, Future Leadership Development Program (FLDP), Safe and Clean working environment</p>	<ul style="list-style-type: none"> ○ Talents and performances development ○ Regular training ○ Inflation adjustment in pay package planning ○ Periodical salary review to adjust with cost of living index ○ Proper job description setting as per individual skill ○ Performance driven career progression ○ Healthy working environment and Policy formulation for safe working atmosphere ○ Ensure hygienic and congenial workplace ○ Group Health Insurance ○ Gymnasium at Corporate office and BAITD ○ Transport facilities for female employees ○ Sports Tournament ○ Correspondence program of employees regarding FLDP ○ Cleaning Day ○ Debating Club 	<ul style="list-style-type: none"> ○ 90,594 man hours of training to 4,750 participants in 2019 ○ Tk. 11.03 million received as insurance claim ○ Salary package adjusted in line with market competitiveness and inflation ○ Yearly performance Bonus for employee motivation ○ Well set KPIs for performance and inherent quality analysis ○ Ensure continuous learning and application ground for career build-up ○ All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise ○ Pick and drop facilities has been provided through 7 vehicles both in Dhaka and Chattogram region ○ Formulation of 'Female anti-harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner ○ Employees under different mentors are being trained as per FLDP program ○ 'First Saturday' 'Cleaning Day' where all employees of the branches and Corporate Office actively participate to clean the premises including all office equipment and fixtures
Subsidiaries  	<ul style="list-style-type: none"> ● Policies formulation ● Agreed upon strategic goals 	<ul style="list-style-type: none"> ○ Goals and Strategic focuses are based on local environment analysis & regulatory purview 	<ul style="list-style-type: none"> ○ Review local market and environment before setting its strategic priorities ensuring proper representation from subsidiaries

Stakeholders	Ways of inclusion	Their priorities	Our response
Shareholders/ investors  	AGM, EGM, annual & semiannual report, publishing quarterly financials, Credit rating and price sensitive information (PSI) in newspapers	<ul style="list-style-type: none"> ○ Healthy return on investments and stable dividend policy ○ Growing earnings ○ Sound governance and risk management ○ Stable Ratings of the bank based on overall financial performances 	<ul style="list-style-type: none"> ○ 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 ○ Maintained consistent ratings through financial commitments
Board and Management 	<ul style="list-style-type: none"> ● Decisions based on financial and business delegation of different levels ● Major decisions must be placed to board for approval 	<ul style="list-style-type: none"> ○ Governance principles, policies & procedures formulation ○ Strategic focus & value creation ○ Strategic business planning 	<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
Government & regulatory Authority  	Strict ethics & compliance with applicable laws, rules and regulations	<ul style="list-style-type: none"> ○ Proper compliance with laws & regulations ○ Timely reporting as per requirement ○ Timely payment of right amount income tax and VAT 	<ul style="list-style-type: none"> ○ We ensure proper compliance and timely reporting to government bodies and regulators ○ Contributed Tk. 6,018 million to National Exchequer which significantly contributed to Government's revenue collection ○ Providing timely and up-to-date information to the regulators as per their requirement
Local Communities          	Promoting financial inclusion both banked and unbanked people CSR contribution Scholarship, Health, Disaster Management	<ul style="list-style-type: none"> ○ Provide banking facility to geographically dispersed poor segment of the society ○ Benefit economy by poverty reduction through banking services to rural poor people by ABAK Project ○ Support to basic need for living & contribute towards quality of life ○ 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"> ○ Strongly consider environmental and social impact and restrain from adverse impact upon society ○ Target segment is underdeveloped and under privileged people ○ Conducted larger scale CSR activities through the Foundations operation ○ Significant contribution to education, health, disaster management, Art & culture, environmental and Sports sector
Business Partners  	Procurement management, training and communication	<ul style="list-style-type: none"> ○ Fair trade, fair enlistment, ○ Sustainable and stable growth of the bank 	<ul style="list-style-type: none"> ○ Free from any bias or coercion from influencing quarters ○ Ensure fair play and competition to award work order ○ Timely payment to vendors

GRI 102-46

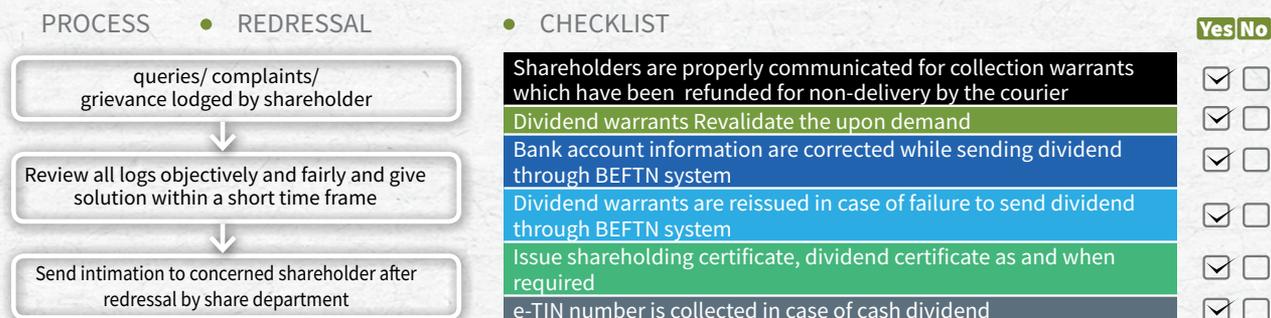
MATERIAL TOPICS AND BOUNDARIES

Material Topics	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
Agricultural 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.

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

STAKEHOLDERS RELATIONSHIP/ GRIEVANCE REDRESSAL

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



BANK'S VIEW POINT

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.

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.

Redressal process of Bank Asia Limited

- Complaints raised by the investors/ shareholders must be dealt with courtesy and in a timely manner
- Complaints are treated and solved efficiently and treated fairly
- Communicate to the shareholders for collection of the dividend warrants which have been refunded for non-delivery by the courier
- Revalidate the dividend warrants upon demand
- Correction of bank account information while sending dividend through BEFTN system
- Re issue of dividend warrants, in case of failure to send dividend through BEFTN system
- Issue shareholding certificate, dividend certificate as and when required
- E-mail or letter must be send to all the investor who have submitted written complaints
- Request for e-TIN number in case of cash dividend



General Shareholders at 20th AGM

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

REDRESSAL STATISTICS 2019

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> ● Demat 718,890 shares; ● 1,28,82,274 bonous shares credit among the shareholders from suspense account ● Re-issue 937 dividend warrants for the year 2018 (which were returned from BEFTN) ● Issuance of 67 shareholdings certificate for income tax purpose; 	<ul style="list-style-type: none"> ● Demat confirmed all the shares timely; ● Credit all the shares as requested; ● 937 duplicate fractional dividend warrants for the year 2018 issued ● 67 shareholdings certificate were issued;

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.

CUSTOMERS' PERSPECTIVE

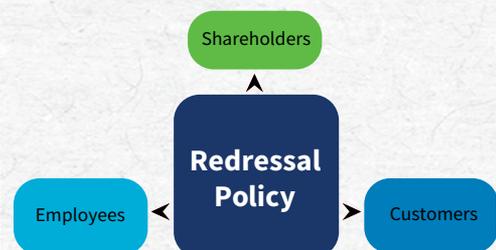
Customers are one of the key stakeholders of the Bank. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy and Customers Acceptance Policy (CAP). Like investors we also address up our customers queries and complaints through our corresponding department, division or unit. All the complaints are centrally handled by BOD (Branch Operation Department). In 2019, the Bank received 114 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within 5 days (approx.) in which some complaints were met up within 24 hours. During the year, Branch level customer service & complaint management desk (BLCS & CMB) introduced at all branches of the bank. Moreover the year 2019 declared as Customer Service year.

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 Human Resources Department takes necessary measures to redress if any adverse situation arises. In 2019, we didn't receive any significant complain related to our employees.



General Shareholders at 20th AGM



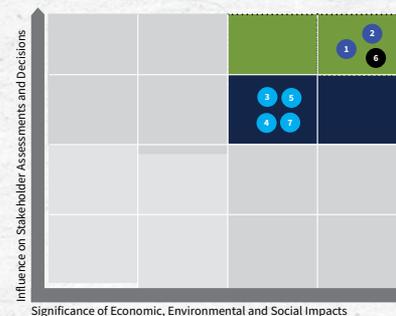
Redressal point for Shareholders

Bank Asia Tower (2nd Floor)
32, 34 Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215

Phone: 01713108866
01711198680
01914418678

GRI 102-47

MATERIALITY MAPPING



Sln.	Major Topics/ Indicators	Priorities					Bank Asia Response
		L	M			H	
		1	2	3	4	5	
1	Financial inclusion						<ul style="list-style-type: none"> Expanding Agent Banking in 64 districts through 3,525 agent outlets for most geographically dispersed poor segment by tapping into 1.92 million accounts 1.2 million beneficiaries of 222 upazilas under 31 districts came under Bank Asia's banking service network through ABAK 53,998 beneficiaries are the recipient of online cash management support through SHOUHARDO-III project under Social Safety Network Tk. 4,308 million disbursed through A-Card for farmers
2	Human Capital and Talent Management						<ul style="list-style-type: none"> 4,750 participants were trained up with a duration of 90,594 man hours to build efficient, skilled and industry standard personnel
3	Agricultural credit						<ul style="list-style-type: none"> In 2019, Tk. 4,187 million agricultural credit facility was disbursed to 71,458 rural farmers of and achieved 106% against total target of Tk. 3,440 million Under special Agricultural Credit at 4% concessional interest rate, we facilitated 192 borrowers by disbursing Tk. 8.31 million.
4	Building the Community						<ul style="list-style-type: none"> In 2019, 70 female availed maternity leave of total 12,600 days Bank Asia spent Tk. 116.15 million to education, disaster management, and other social sectors as CSR activities
5	Lead time reduction by technological advances						<ul style="list-style-type: none"> About 4,349 number of account with 2556.50 million loans through OCAS (Online Credit Approval System)-Diganta including Tab based version under Diganta project Implementation of ICT help desk (Microsoft System Center Service Manager) for better customer services and Central contact platform named 'MY Family' has been developed Developed Electronic sanction archive where 8,961 sanctions & 21,145 security files archived during 2019
6	Capital Planning & Management						<ul style="list-style-type: none"> Implementing Basel III capital accord as per Bangladesh Bank road map: Total Capital Tk. 47,782 million and CRAR 17.8% Implemented liquidity tools: LCR (Liquid Coverage Ratio) 178.8% & NSFR (Net Stable Funding Ratio) 110.81% and Leverage ratio 5.97% To support the healthy business growth bank has decided to issue another 7 Year Floating Rate Non- Convertible Subordinated Bond of Tk. 5,000 million
7	Environment Friendly Investment						<ul style="list-style-type: none"> In 2019, Bank Asia Cards Department through its digital filling system have been archived more than 76,320 pages and paper saved 250,000 pages of paper and Tk. 40,000 as courier service cost. For financing Green Establishment/Green Building project Bank Asia disbursed Tk. 128.86 million For Waste Management plant the Bank financed Tk. 441.89 million.

GOVERNANCE COMMITMENT AND STAKEHOLDERS

Bank Asia complied with relevant guidelines of Bangladesh Bank as well as Bangladesh Securities and Exchange Commission while forming its board of directors. The number of members in the board of Bank Asia is 14 (Forteen) excluding the managing director as of December 31, 2019. In the Board 5(five) members are Independent Director and all of them are highly educated, esteemed professional and/or successful businessman with long experience in banking industry. The board approves the bank's budget and business plan and reviews those on quarterly basis so as to give directions as per changing economic and market environment. The board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. In 2019, 25 meetings held where 863 memos were presented.

Meeting held by board of directors	25
Major agenda covered in 2019	
<ul style="list-style-type: none"> ● Proposal for Prior Approval of Policy Exception Regarding Recruitment ● Policy on Capital Rationing of Bank Asia Limited. 	
<ul style="list-style-type: none"> ● Investment Policy of Bank Asia Limited 	
<ul style="list-style-type: none"> ● Enlistment Policy of Panel Lawyers & Solicitors (Including Law Firm) ● Proposal for prior approval of Policy Exception regarding recruitment 	
<ul style="list-style-type: none"> ● Approval of Elections Rules-2019 and Formation of Election Committee 	
<ul style="list-style-type: none"> ● Appointment of Practicing Professional Body for Conducting Certification on Compliance of Corporate Governance Code of BSEC 	
<ul style="list-style-type: none"> ● Approval for 03 (three) new Liability Products (Scheme Deposit) 	
<ul style="list-style-type: none"> ● Recent changes in the Regulations, Policies and Processes for Banks 	
<ul style="list-style-type: none"> ● Proposal for approval of new product program guideline (PPG) of RMG-Proyojon of Consumer Finance under Retail Banking Division 	
<ul style="list-style-type: none"> ● Manual & Operation Guideline of Group Treasury- Review 2019 	
<ul style="list-style-type: none"> ● Certification on the effectiveness of Internal Control Policy, Practice and Procedure to the Board of Directors by the Senior Management Team (SMT) for the year 2018. 	
<ul style="list-style-type: none"> ● Approval of Policy regarding Fund Diversion by the Investment Client of Bank Asia Islamic Banking. 	

Executive Committee

The Executive Committee (EC) of the board of Bank Asia was first constituted in January 2010 to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions. The number of members in executive committee is 7(seven) nominated by the board of directors. The EC time to time reviews policies and guidelines issued by Bangladesh Bank regarding credit and other operations that are customized and adopted by the management after approval of the board of directors. EC approves credit proposals as per approved policy of the board. In 2019, 41 meetings held where 561 memos were presented.

Meeting held by executive committee		41	
Loan approval in 2019			
	No. of Memo	Funded	Non-funded
New sanction	433	7,649.74	7,551.99
Enhancement	63	200.96	216.87
Rescheduling	13	313.43	
Forced Loan	5	57.61	
Total	514	8,221.74	7,768.86

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 SEC/ CMRRC/2006 128/134/admin/44 dated 7, August 2012 Audit Committee must consists of at least 3 (three) members with 1(one) Independent director. The Audit Committee was formed with the objectives to establish a platform for a compliant and secured banking structure in the Bank. 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 3 (three) members. Mr. Mashiur Rahman, the chairman of the audit committee is an Independent Director and has more than four decades of banking experience in nearly all areas of banking industry. All the members are financially knowledgeable and have long experience in banking industry. More information is available in the Director's Profile at pages 22 to 29 and the 'Report on the activities of the Audit Committee' at page 207 in the Annual Integrated Report 2019. 7 meetings held where 45 memos were presented in 2019.

Total Shareholders' Equity

Million Taka



Meeting held by Audit Committee	07
Major agenda covered in 2019	45
<ul style="list-style-type: none"> External Audit Report of the Bank and the recommendations made therein 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 with regard to shortcomings raised in the Bangladesh Bank Inspection report and by the Internal Audit Team of the Bank The corrective measures taken by the management with regard to the lapses pointed out on the internal control and other issues raised by internal and external auditors and inspectors of the regulatory authority The compliance status of the audit objections and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Internal Auditors in the reports Management Report on Accounts of the Bank for the year ended on 31.12.2018 Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and compliance there of Review of status of recovery of classified loans and necessary guidelines provided to the management to reduce Non Performing Loan (NPL) 	

Capital Structure

December 31, 2019

Figures in Million

Particulars	Taka	USD
Paid up Capital	11,659	139
Statutory Reserve	9,053	108
General Reserve	8	0.10
Retained Earnings	1,960	23.38
Total Shareholders' Equity	24,745	270

Risk Management Committee

To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The Committee will supervise whether the risks arise from credit, foreign exchange, internal control and compliance, money laundering, information

technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risks. Currently 5 (five) members are in the Risk Management Committee. In 2019, 04 meetings held where 29 memos were presented.

Meeting held by Risk Management Committee	04
Major agenda covered in 2019	
<ul style="list-style-type: none"> ● Portfolio of Risk Report ● Sectoral Lending Cap for 2019 ● Capital Management Function on quarterly basis ● Outcome of Stress Testing on quarterly basis ● Risk Appetite for 2019 ● Outcome of Additional Capital Assessment for 2018 ● Finalization of Additional Capital Requirement for 2017 ● Risk of Ready Made Garments Industry and Mitigation Technique ● Counter Party Limit ● Risk Mitigation of Financing the Borrowers Having Credit Rating of SE-4 ● Risk Mitigation of Financing Foreign Owned Company ● Report on Top 20 Client(s) Analysis ● Policy on <ul style="list-style-type: none"> ○ Guidelines for taking over credit facilities from other banks/FI(s) by Bank Asia Ltd. ○ Indicative/Notional Credit Limit ○ Policy Exceptions Guidelines ● Proposed Money Market Limit for Banks and NBFIs ● Revised Organogram of Risk Management Division ● Risk Management Activities 2019 ● Comprehensive Risk Management Rating 	

Senior Management Team (SMT)

The highest committee of Management is the Senior Management Team (SMT), which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. The SMT operates under delegated authority from the board and membership of the management committee consists of the President and Managing Director, Deputy Managing Directors, c-level executives and the heads of major operational departments. The current number of SMT members is 15. In 2019, 08 meetings held where 38 decisions were approved. The name of the SMT members and their photos can be seen at pages 42 to 43 of the Annual Integrated Report 2019.

Meeting held by SMT	8
Major agenda covered in 2019	
<ul style="list-style-type: none"> ● Implementation of guidelines for adjustment of Expired EDF Loan ● Formation of a Separate ICT Security Team at ICT Division and an ICT Risk Management Committee ● Implementation of the recommendations made by PwC for achieving ISO 27001 certification ● Strict compliance with the standard and regulation of AML. AML & CFT Division to arrange adequate training and workshop for the employees. ● Approval of New Product Program Guideline (PPG)-Loan for Sanitation ● Guidelines for allowing credit facility under interchangeable arrangement ● Product Program Guideline for CMSE Revolving Demand Loan :“Obiram” ● Approval and implementation of Standard Operating Procedure (SOP) for Centralized Relationship Management of Work Order Clients ● Procuring Security Document Management Software(E-doc) to facilitate centralization of loan documentation process ● Designing KYC form for Sole Proprietorship Firm ● Framing Good Borrower policy ● Framing Staff Motorcycle Policy for Bank Asia ● Partnership with the Directorate of Posts for Agent Banking Business ● Formulation of Credit Business Model for Agent Banking 	

SRP Committee

The Supervisory Review Process (SRP) Committee is formed under the second pillar of Basel III capital accord. Bank Asia Limited on year basis assesses the requirement of additional capital to address other material risks that have not been considered under minimum capital requirement (MCR) i.e. credit risk, market risk and operational risk of Pillar I of Basel III. The SRP Committee is comprised with senior management where President & Managing Director is the Chairman of the Committee, other members are DMD & CCO, Head of RMD & CRO, Head of ICCD, Chief Finance Officer (CFO), and Head of Treasury. The Committee is primary responsible for ensuring that the bank has maintained an adequate level of capital and addressing appropriately the level of risks arises.

Meeting held by SRP Committee	2
Major agenda covered in 2019:	
<ul style="list-style-type: none"> ● Assessment of Additional Capital Requirement for 2018 ● Review of supplementary documents ● Calculation Methodology of ICAAP 2018 	

ALCO

The Asset Liability Committee (ALCO) comprising the senior management, take strategic decisions on fixation of asset liability pricing, on liquidity management in the context of changing market scenarios. The Member-Secretary of the ALCO will call for a meeting of the committee based on a regular schedule. When needed special ALCO meetings are held to respond to the unusual or seasonal market behavior or other volatile market scenarios. Proactive measures of ALCO kept the credit deposit ratio within a comfortable range that helped the bank to earn through foreign exchange and money market products of treasury line. In 2019, there are 8 members in ALCO. The committee may be reconstituted as and when deemed necessary.

Meeting held by ALCO	12
Major agenda covered in 2019	
<ul style="list-style-type: none"> ● Market scenario & economic outlook ● Projections on Exchange Rate and Interest rate ● Peer group analysis ● Discussion on Risk appetite and budgeting for business targets ● Review of Fund clearance process for business proposals ● Review of key ALM indicators (LCR, NSFR, ADR, MCO, MCR, CRAR) ● Asset pricing models ● Review of FTP policy ● Commitment position analysis and strategies for sustainable earnings ● Capital allocation calculation of business transactions ● Ratio Trend analysis and future prospect projection ● Monthly trend and variance of Deposit- Advance and planning of strategies ● Balance Sheet Gap analysis as per time bucket & forecasting ● Bank's profitability analysis ● Re-pricing gap of Asset-Liability ● FC Inflow-outflow & commitments scenario ● Investment analysis and decision for Banking & Trading book ● Currency wise B/S position & gap analysis ● Fixation of asset liability pricing 	

Credit Committee

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

Type wise sanction for credit committee during 2019				
Sanction Type	Number of Proposal	Funded Facility	Non Funded Facility	Total Facility
New	886	26,313	24,580	48,837
Enhancement	104	5,418	3,742	8,446
Renewal	918	73,242	97,360	158,253
Renewal with Enhancement	297	28,248	34,653	56,686
Renewal with Reduction	57	8,758	6,231	15,162
One-time	5020	21,043	70,425	90,489
Reduction	19	402	231	595
Modification	922	11,493	11,154	23,260
Rescheduling	44	8,156	-	8,156
Grand Total	8,267	183,073	248,375	409,885

Policy Review Committee

Bank Asia Limited has formed Policy Review Committee (PRC) to review Bank's Policies, Product Program Guidelines (PPG), Manual and Standard Operating Procedure (SOP) in a timely interval. The Committee is also responsible to identify the Department/ Division/Unit specific required documentation (i.e. PPG/Policies/SOP). This Committee ensures the quality and substance to an acceptance level for the overall management of different category of risk.

Meeting held by PRC	3
Major Policies/PPG/SOP/Manual reviewed by PRC in 2019	
<ul style="list-style-type: none"> ● SOP of Accounts Department ● Manual & operation guideline for Group Treasury ● Delegation for creating forced demand loan 	

Independent Director

Participation of independent directors 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 has 5 (five) Independent Directors in the Board. They are Mr. Ashraful Haq Chowdhury, Telecom & Corporate Leader, two renowned retired bankers - Mr. M Shahjahan Bhuiyan, 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 the members of the Executive Committee, the Risk Management Committee and members of the Audit Committee.

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

The functional responsibilities of the Chairman of the board and of the President and Managing Director are kept separate and independent of each other. The Chairman is responsible for leading the board and overseeing the entire functioning of the bank as per corporate governance framework. Mr. A Rouf Chowdhury is the current Chairman of the Board. Through his dynamic leadership, he is leading the Bank towards the success. The Managing Director leads the bank by developing, designing and implementing the business strategic plan of the Bank. The President and Managing director, Mr. Md. Arfan Ali is also responsible for developing long term business plans and the day-to-day operation. He is also accountable to the shareholders and the board of the bank. For attending the Board Meeting, Audit Committee Meeting, Executive Committee Meeting and Risk Management Committee Meeting, the Directors receive an honorarium of Tk. 8,000.00 each. But in management level no remuneration was given to any for any meeting regarding setting remuneration. During 2019, the expenditures incurred related to directors were Tk. 3,424,000 for Directors' honorarium and Tk. 682,266 for Directors Travelling purpose.

Mechanism to Provide Advice to the Board

Bank Asia maintains transparency and close communication with its shareholders. With this view we publish annual report, publishing quarterly financials and price sensitive information (PSI) in newspapers for shareholders, investors, capital market experts, and other equity participants in a complete, fair, accurate, timely and understandable manner within the framework of generally accepted accounting principles and legislation provisions. Our bank's shareholders can also use their query rights or can provide any recommendations or direction to the Board of directors at the annual general meeting and the Board answers all questions of shareholders. Prior to AGM, the meeting date, venue and agenda are announced and also the annual report is submitted to the shareholders through our bank's website or through different channels. After getting feedback from

shareholders at AGM, the Board then directs the management to implement the recommendations of the shareholders. If the Management requires making any change in policy or practice, the Board approves those changes; otherwise if this authority of approval is beyond the power of the Board, this can be approved by the shareholders of Bank Asia Ltd. at AGM through voting. In applicable cases extra ordinary general meeting (EGM) of general shareholders may be called. So far 20 AGMs and 10 EGMs have been successfully arranged.

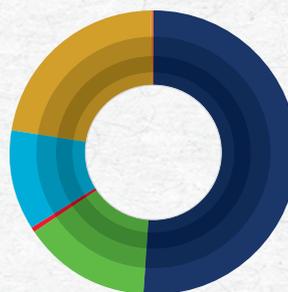
Avoiding Conflict of Interest

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

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

Shareholding structure

Category	No. of shareholders As on 31-12-2019
Sponsor & Director	27
General Public	8,581
Foreign Investment	4
Investment Companies	84
Institutions	201
Non Resident Bangladeshi	63
Total	8,960



Share Holding Structure

Sponsor & Director **51.20%**
 General Public **14.56%**
 Foreign Investments **0.37%**
 Investment Companies **11.42%**
 Institutions **22.27%**
 Non Resident Bangladeshi **0.18%**

Regulatory compliance Certificate

CREDIT RATING AGENCY OF BANGLADESH LIMITED 

Ref: AGL/RCM/190623/2019- ১১১১

27 June 2019

Mr. Md. Arfan Ali
President & Managing Director
Bank Asia Ltd.
Corporate Office
Ranga Tower
68 Topkhana Road
Dhaka 1000.

Subject: Credit Rating - Bank Asia Ltd.

Dear Sir,

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

Particulars	Ratings
Long Term	AA-
Short Term	ST-2
Outlook	Stable

The entity rating is valid up to 30 June 2020. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

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

Yours Sincerely,

Hamdul Haq
Managing Director

Nasir-Ul-Taqi, Level 25, Plot-06, Panthapath, Tugson, Dhaka-1215. E-mail: info@crab.com.bd, Web: www.crab.com.bd, www.crating.com
M + 88-02-55013878, 55013879, 55013881, 55023882, 55023883 (Fax) 55013884

 **PODDER & ASSOCIATES**
Cost and Management Accountants

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

We have examined the compliance status to the Corporate Governance Code by Bank Asia Limited for the year ended on 31st December 2019. This Code relates to the Notification No. BSEC/CMR/CD/2006-158/2017/Admin/30, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except condition number 3(TGA),3(TX) A- 6 which are waiting to comply as per Bangladesh Bank guideline/Notification;
- 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.

Place: Dhaka
Date: 25th March 2020

For Podder & Associates

Jayanta Kumar Podder
Cost & Management Accountants

BK-1, Elmwood Park, Sector Raupur, Dhaka-1000. Phone: 92-87180380, 92-87180420. E-mail: info@podderandassociates.com, Web: www.podderandassociates.com

CAPITAL MANAGEMENT

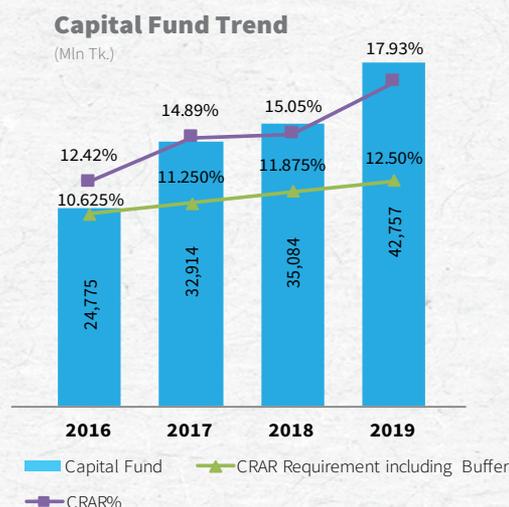
Bank Asia is very much keen about maintaining capital adequacy. The management continuously plans capital requirements considering risks and shocks of financial market movement and assess the sensitivity with regard to interest rate risk, FX risk, equity risk and liquidity risk. Currently Bangladesh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

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

Million Taka

Capital Fund of Bank Asia	2019		2018	
	Amount	%	Amount	%
Tier-1: Core Capital	22,636	53	21,165	60.33
Tier-2: Supplementary Capital	20,121	47	13,918	39.66
Capital Fund	42,757	100	35,083	100
Risk Weighted Asset	238,427	-	233,086	-
Capital to Risk Weighted Asset Ratio (CRAR)	-	17.93	-	15.05

- Standard MCR is 10% on risk weighted assets (RWA), which will gradually increase up to 12.50% in the year 2019 including counter cyclical capital buffer of 2.5% and some regulatory adjustment of capital.
- The Leverage ratios will be 3%, liquidity coverage ratio will be $\geq 100\%$ and net stable funding ratio will be $> 100\%$.
- Bank Asia is always committed to ensure sustainability in doing business including capital adequacy to support healthy growth of business. As on December 31, 2019 CRAR (Capital to Risk weighted Asset Ratio) reached at 17.92% against regulatory requirement of 12.50%. Moreover Bank Asia has issued further Tk. 5,000 million worth Subordinated Bond in 2019. In this regard Bank has appointed SCB as issue manager and Green Delta Insurance Co. as Trustee.
- Upon the closing of the transaction of 7 year floating rate non-convertible subordinated bond as Tier 2 capital of the Bank, CRAR will be reached at 18.25% on March 31, 2020 against regulatory requirement of 12.50%.

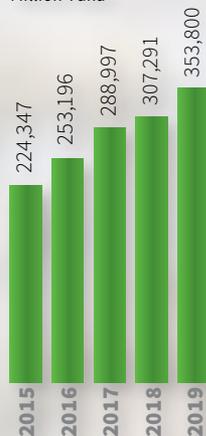


FINANCIAL PERFORMANCE

Major Financial Highlights

	Million Taka				
	2019	2018	2017	2016	2015
Paid up Capital	11,659.07	11,103.87	9,870.11	8,812.60	8,392.95
Deposits	253,709.57	222,471.72	207,041.47	191,272.58	169,827.34
Loans and Advances	227,298.96	214,618.15	197,504.14	163,609.78	136,396.34
Import	158,115.00	165,203.00	181,468.00	148,724.27	129,930.43
Export	132,465.00	136,733.00	118,172.00	103,139.15	89,275.32
Inward Remittance	79,750.00	60,113.00	51,778.00	41,665.14	42,996.80
Total Income	30,536.30	27,130.56	22,808.95	21,240.83	21,497.24
Total Expenditure	21,213.84	19,070.18	16,121.39	15,320.20	15,491.58
Operating Profit	9,322.46	8,060.38	6,687.56	5,920.63	6,005.66
Net Profit After Tax	1,960.81	2,266.28	2,047.53	1,545.91	2,573.92

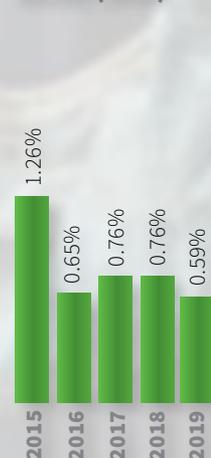
Total Assets
Million Taka



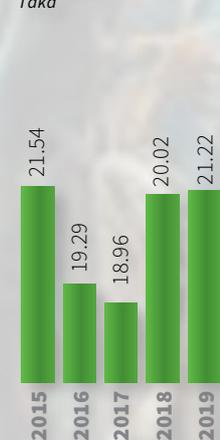
Total Capital
Million Taka



Return on Assets (ROA)



NAV per Share
Taka



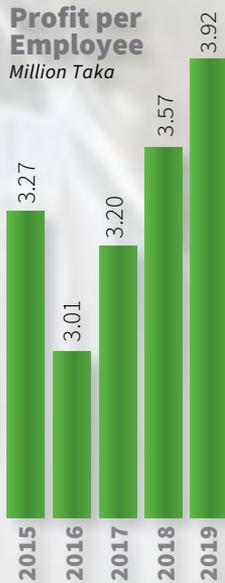
Key Management Ratios

Million Taka unless otherwise specified

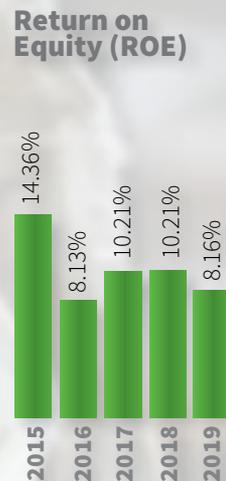
	2019	2018	2017	2016	2015
Credit Deposit Ratio	76.47%	81.75%	81.88%	76.15%	71.50%
Cost of Deposit	5.67%	5.65%	5.08%	5.66%	6.87%
Administrative Cost	2.59%	2.60%	2.50%	2.51%	2.85%
Yield on Loans and Advances	10.19%	9.99%	9.03%	9.86%	10.97%
Spread	4.52%	4.34%	3.95%	4.20%	4.10%
Burden Ratio	0.67%	0.70%	0.43%	0.40%	0.21%
Salary Exp. to total Overhead Exp.	48.63%	47.77%	47.99%	49.84%	50.28%
Cost to Income/Efficiency ratio	42%	42.93%	44.12%	44.35%	41.84%
Earnings Per Share (Taka)	1.68	2.04	1.84	1.57	2.92
Dividend Coverage ratio	1.68	2.04	1.66	1.46	1.53

Profit per Employee

Million Taka



Return on Equity (ROE)



Non Interest Income & Non Interest Expense

Million Taka



Primary Brands Products & Services



A brand is the idea or image of a specific product or service or company that customers connect with, by identifying the name, logo, slogan or design of the company who owns the idea or image. Branding is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the same services or products. The most successful product in the world has some special kind of brand identity.

In line with this, Bank Asia has a number of communication projects such as Corporate Communications, Product Communications, Event Management, Production, OOH Branding etc. Under its Corporate Affairs and Branding Department (CAB), Launching of Retail Deposit and Cards products and Agent Banking services, Rebranding of Islamic Banking Services are some of the significant activities to name a few. CAB has done an excellent job to establish consistent and uniform communication of the Bank. On top of that, cost perception has been redefined. Principle of budget optimization has been implemented in every single activity starting from production, event management, item purchase and so on. CAB under the Public Relations Department contributed to media innovations and media support. It produced and distributed branded gift items for clients on the occasion of 'Bangla Nabobarsha', and 'Mahe-Ramadan' that created an impulse in brightening image. Ramadan Schedule, Engraved wooden box, Branded wooden pen and Note book, Pocket diary etc. created huge appeal among general people. CAB also introduced E-Card in the Pohela Baishakh occasion as a part of green banking initiatives.

Over the last two decades, Bank Asia has been adding new dimensions to the banking service and received different international & domestic awards as a reorganization for his extra-ordinary performance. To celebrate its success, Bank Asia has begun a month-long series of programs marking its 20th founding anniversary from November 27, 2019.

Back to 20 years before on this auspicious day, the Bank started its journey to materialize the dream of a group of successful and renowned entrepreneurs of the country with a mission to assist in bringing high quality service to the customers and to participate in the growth and expansion of national economy.



Inauguration of grand 20th anniversary month long program of Bank Asia held in Karwanbazar at their own premises

Key Program

- Press Meet
- Anniversary Day Celebration
- Customer Night
- Inter University Debate Competition
- Employee Day
- Blood Donation Campaign
- Children's Art Competition
- Celebration Rally
- Support for Survival

In 2019, Bank Asia Ltd. launched 3 (Three) new Retail Scheme Deposit Products: Aanchal (आँचल) - for women, Nirvabana (निर्वातना) - for Senior Citizens and Vramon (व्रमण) - for Travelers, aimed to provide specialized service to customers.



Launching of three new scheme deposit products

<p style="text-align: center;">आँचल (Special Savings for Woman)</p>	<p style="text-align: center;">व्रमण (Special Savings for Travelers)</p>	<p style="text-align: center;">निर्वातना (Special Savings for Senior Citizen)</p>
<p>Women in our country have this habit to save their money for the future. Out of that thinking, Bank Asia has launched a special savings account named “AANCHAL”. It will enable women to save their hard-earned money in a more convenient way.</p>	<p>There are a huge number of wanderers who travel all across the country on a regular basis. To make their journey memorable, Bank Asia has brought a brand new special savings account named “Vramon” for the travelers in our country which entitles them to save up money for their next tour.</p>	<p>Senior citizens in our country often face financial hardship. To alleviate their sufferings, Bank Asia has come forward to offer them a special savings account named “Nirvabana” which will provide them a monthly interest rate against their fixed deposit.</p>
<p>Only woman individuals 18 years and above can open this account individually or jointly for 3 years to 12 years.</p>	<p>Only individuals 18 years and above age can open this account for 1Year; 2 Years; 3Years Packages.</p>	<p>Only individuals of 60 years and above can open this account for 3 years and 5 years.</p>
<p>With the help of this account, women will be able to save money systematically. Various gift items will be given for every account holder at the time of opening</p>	<p>This special savings account will enable travelers to save their desired amount which will be needed in the future for their journey. Besides, they will get specialized customer services. A backpack will be provided for every account holder at the time of maturity.</p>	<p>This special savings account will remove the financial hardship of senior citizens and increase their financial soundness. Various gift items will be given for every account holder at the time of opening.</p>

AGENT BANKING

Bank Asia is the pioneer in introducing Agent Banking service in Bangladesh. Within six years of inception, we noticed a substantial headway in this specialized banking service in terms of the number of agents, accounts and deposits. Around 2.5 million unbanked people have already been encompassed in Agent Banking network. This service started eradicating difference of time and distance. It is facilitating customers full-fledged banking services to their doorsteps, and making convenient channeling of remittance, depositing and withdrawal of cash and supporting small loans for cottage micro and small enterprises and also for agricultural farmers at a reasonable cost. Now people in many remote corners of the country are able to receive structured banking facilities with comfort, ease and security. The government's social safety-net benefits, including elderly, widow and disabled allowances are being reached to disadvantaged segments in a timely and cost effective manner. Salary payment and other financial services to Ready-Made Garment (RMG) workers have been started through this platform. Advantages of Agent Banking broaden smiles of the beneficiaries of a number government and non-government development programs. With the support from the government's Union Digital Center (UDC) Bank Asia poised to rapid expansion of its specialized banking service to the grassroots. Meanwhile, 24 private commercial banks have become encouraged to obtain licenses from the central bank and 21 banks started operation to make this drive a success. To make the financial inclusion effort vibrant & various, government, non-government organizations, development partners and IT innovation partners shaken hands together. A sustainable business model heading through a journey taking along entrepreneurs, aggregators, remittance partners, development partners, Government visioning the outcomes of new employment generation, business expansion of the CMSE enterprises, strengthen farmers and digitization of mattress money for a thriving economy like Bangladesh. Among all the Agent Banking Service providers, Bank Asia is privileged in the context of:

- Network outreach
- Product variation
- Innovation in service delivery
- Strategic partnership for gaining capabilities.

AGENT BANKING NETWORK OUTREACH 2019

Sl.	Particulars	No. of Outlets	Coverage
1	Individuals	527	
2	Passport	16	District
3	Institution	95	64
4	UDC	2,780	Upazilla
5	Post Office	107	481
Total Outlets		3,525	

AGENT BANKING PERFORMANCE 2018

Account & Deposit status

Sl.	Account Name	No. of Accounts	Deposit Volume (Tk.)
1	Savings	1,681,397	7,224,868,494
2	Current	43,307	928,083,107
3	DPS Account	86,644	1,635,286,419
4	TDS	16,710	4,162,778,284
5	School Banking	32,492	96,385,955
6	10 Taka	54,093	53,986,965
7	SND	1,113	201,811,316
Total		1,915,756	14,303,200,539

TRANSACTION DETAILS

Sl.	Transaction Type	No. of Transaction	Amount (Tk.)
1	Deposit	4,753,816	162,975,582,739
2	Withdrawal	3,201,533	85,370,084,388
3	Fund Transfer	3,370,121	127,769,012,808
4	Foreign Remittance	1,508,932	26,148,008,742
5	Palli Bidyut	10,116,022	5,594,779,770
6	Passport Fee	1,283,346	5,078,171,042
7	Agent Advance	3,002	7,330,562
Total		24,236,772	412,942,970,051

LENDING POSITION (DISBURSEMENT)

Sl.	Loan Type	No. of Loan Accounts	Disbursed Amount (Tk.)
1	SME	4,502	1,615,528,928
2	Retail	1,532	637,096,266
3	Agri	7,960	334,904,870
Total		13,994	2,587,530,064

AGENT BANKING ACHIEVEMENT IN 2019

1. Bank Asia Agent Banking maintained its triple digit percentage growth in terms of number of customer registration, deposit and other parameters in the year 2019 compared to previous year.
2. A signing ceremony has taken place between Bank Asia Ltd and BURO Bangladesh regarding micro-credit disbursement and collection from beneficiaries of BURO Bangladesh through Bank Asia's Agent Banking.
3. To offer different financial solutions to rural farmers, an MoU has been signed between Bank Asia Ltd and Grameen Euglena (A joint Venture Social Business Company of Japan & Bangladesh) on digitizing payment services for farmers.
4. With the aim to expand financial inclusion in the country, Bank Asia and Robi have partnered to take up micro-merchant initiative. Under the initiative, a pilot project has been rolled out at Chokoria in Cox's Bazaar and then be expanded to rest of the country. As part of the project, beneficiaries of the social safety-net program, selected old age people, widows, and handicapped people and so on can receive their payment through Bank Asia from selected Robi retail points. Bank Asia customers are also able to withdraw money from the selected Robi retail points under the micro-merchant scheme.
5. Providing e-commerce services to rural people through agent banking network, a signing ceremony was held between Bank Asia and Daraz, the largest e-commerce platform in the country.
6. Bank Asia implemented ACDI/VOCA-supported project titled 'Digital financial inclusion of smallholder farmers to develop a company-led activity (initiative)' in five districts -Khulna, Jashore, Jhenaidah, Chuadanga & Meherpur in 2019. Under this project 60 agri input retailer were on boarded as micro-merchants, while 247 accounts including 111 loan accounts opened and BDT 22.20 lakh loan disbursed under this project.
7. Bank Asia received the Best Innovation Award – Financial Sector of 'Bangladesh Business Innovation Award-2019' from Bangladesh Brand Forum.
8. A Memorandum of Understanding (MoU) took place between Bank Asia and the WorldFish with an objective to extend financial package for smallholders involved fish farming and aquaculture market actors.
9. Bank Asia in co-ordination with Swiss Contact conducted project regarding wage digitalization of RMG workers. Under the project 21,089 new accounts has been registered with a deposit of over BDT 50 million.
10. Bank Asia Ltd. and SDC-Shomoshti Project, CARE Bangladesh signed an MoU for "Strengthening access to formal financial services for poor and smallholder farmers including the women". This Project is funded by Swiss Agency for Development and Cooperation (SDC) and being implemented by CARE Bangladesh.
11. For initiating non-traditional financing (NTF) scheme for rural smallholder farmers at Bogura and Jashore, an MoU was signed between CARE Bangladesh's Krishi Utsho Micro-franchise and Bank Asia.
12. Bank Asia reinforced its financial inclusion journey amid onboarding 500 micro-merchants in three districts – Sherpur, Jamalpur and Sirajganj under a pilot project of UNCDF-SHIFT titled "Digitizing Financial Transaction in Merchant Supply Chain" where Unilever Bangladesh (UB) shook hands with the bank with its countrywide retailer/micro-merchant network.
13. Bank Asia implemented a project "Growing Together" in collaboration with BFP-B (Business Finance for the Poor in Bangladesh), VSO (Voluntary Service Overseas) and Syngenta in Rangpur & Dinajpur. The purpose of the project was "Financial inclusion of farmers through banking solution & micro loans to the rural farmers." A total of 75,000 account was opened and BDT 87,347,088 disbursed among 2076 selected farmers till 31 December,2019.
14. Bank Asia Agent Banking organized a total of 37 in-house training where 1,363 participants and agent banking stakeholders received 20,096 hours training.



Bank Asia has been awarded by Bangladesh Brand Forum on the Best Innovation Award – Financial Sector of 'Bangladesh Business Innovation Award-2019'.

Social Safety Net Program

With the experience from ABAK operation and Agent Banking, Bank Asia has become capable enough to provide services to all government projects like Social Safety Net Programs (senior citizen allowances, disable allowances, widowed or divorced women allowance, payments of freedom fighters allowance, wages of road maintenance workers, student stipends and RMG worker wages payments, food security allowances -cash payments, teacher's salary etc.) Over the time we have made partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow and Disabled beneficiaries.

- Services covered under this program**
- Senior citizen allowances.
 - Insolvent autism allowances.
 - Payments for widow or divorced women allowance.
 - Wages of road maintenance workers.
 - Food security allowances (Cash payments)

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

Particulars	ABAK (3rd Revision)	Social Safety net	SWAPNO	UDC Based Agent Banking	SHOUHARDO III	Local Govt. salary/ Allowance Disburse	EGPP	UNICEF, ORPHAN ROHINGYA CHILD	UNDP	VGD	Micro-Merchant	Total
District	31	14	2	55	08	1	8	1	5	52	9	186
Upazilas	222	38	14	378	23	1	8	2	26	308	23	1043
UDC (Union)	2200	367	76	2864	115	12	57	-	-	1971	710	8372
Beneficiaries	1194,922	450,726	3,089	1,480,881	53,998	271	12,099	30,072	5981	397,650		3,629,689
Deposit / Disburse amount in mil	5,651.22	871	219	4373.9	240	12	138	60	46	332	148.9	12,092.02



With the help of ABAK project woman are independently doing business

Over the time we have made some excellent partnership with Social Welfare Department under Ministry of Social Welfare and providing services to Senior Citizen, Widow and Disabled beneficiaries where 133,500+ beneficiaries are getting banking service from their own union. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and 76 unions for disbursing the daily woman worker wages payment for 3000+ beneficiaries from their union. Cash for work is another prestigious program for Bank Asia which is running by Ministry of Disaster, with around 14+ Unions covering around 4500 beneficiaries.

Moreover, SHOUHARDO-III is a project of CARE Bangladesh operating in 8 districts (Gaibandha, Kurigram, Sunamganj, Habiganj, Kishoreganj, Netrokona, Sirajganj, Jamalpur) of Bangladesh. Bank Asia is providing online cash management support in this project. Main objective of this project is financial inclusion in rural areas. There are about 168,000 beneficiaries in this project. Already 31,500+ beneficiaries are getting the banking services from Bank Asia ltd.



Humanity support to Bulbul disaster victims



Successful operation of Micro Merchant



Customer of UDC based Agent Banking who have got own ATM card



Social Safety Net Payment going in different upazilla



SCHOOL BANKING

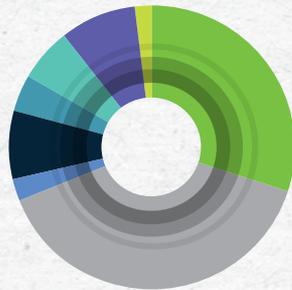


স্কুল ব্যাংকিং
আমার স্কুল আমার পক্ষয়

Bank Asia brings School Banking Account for those kids who aspire to be in the mainstream of life from their very first day at school. Any school going child can open a School Banking Account and start saving for the future. This account is meant to help our future generation to grow up with a savings habit along with being accustomed with the banking culture and system. The salient features of our School Banking account are:

- Attractive interest rate for Savings and Term Deposit Accounts
- No account maintenance charges with free ATM Cards
- Options for opening DPS Accounts
- Both Parents and student can operate the account
- Payment of school fees
- Stipend facilities for meritorious students, and Financial assistance for education of the student in the event of death of the earning member of the family

Year	Conventional Agent Banking		Islamic Agent Banking	
	No. of A/C	Amount of Deposit	No. of A/C	Amount of Deposit
2018	10,030	27,875,813	1,135	2,871,631
2019	14,393	52,875,205	4,360	16,625,964



No. of schools under school banking operation

- Dhaka **325**
- Chittagong **422**
- Mymensing **25**
- Khulna **85**
- Rangpur **45**
- Rajshahi **65**
- Barisal **95**
- Sylhet **19**



School Banking Conference 2019

Disclosure on Product portfolio

Incorporation of Environment Risk in Core Risk Management

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

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

Introducing Green Finance

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

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

Our corporate clients should have ETP set up in their respective factories and if they do not have it then we may provide financing for setting up ETP. Consumer loan programs may be applied for promoting environmental practices among clients. Bank Asia is continuously working for awareness building regarding environmental and social risks and opportunities for its borrowers as well as stakeholders.

For secured biodiversity our Bank is very concerned and in 2019, total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 441.89 million, financed a total of Tk.140.00 million to Youth Spinning Mills Ltd. for importing of high energy efficient gas generator. We have saved Tk. 8.94 million by using E-Statement, SMS Banking SMS Alert, Net Banking, E- Fund Transfer, Digital Attendance, E –Mail correspondence etc.



Bank Asia Financed Green Building Project

Assessing and Screening Environmental and Social Risks

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

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

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

EDD checklist Guideline Matrix:

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

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

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

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

Improving Staff Competency for Environmental and Social Responsibility

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

We frequently arrange training/workshops on ERM and green banking for our officers and executives. In 2019, Training Institute of Bank Asia has provided 8 trainings on Green Banking under Foundation training course & other training related to Green banking to 280 employees of 420 manhours.



Certificate Awarding Ceremony of 52nd Foundation Course

Moreover, our Credit Risk Management (CRM) department has introduced e-sanction advice for all approved credit facilities. From 2018, Electronic sanction archive system has been developed for 6 departments where 8,961 sanction archived during 2019.

Through OCAS (Online Credit Approval System) Diganta software 4,349 no. of accounts of Tk. 2,556.50 million have been developed as a part of Technological improvement of the Bank in 2019. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier and will provide a competitive edge over other banks on online banking. With successful implementation of OCAS, Bank Asia will make a great stride in online banking with an edge on its competitors.

Business Portfolio

(As on December 31, 2019)

Corporate & Large Loan

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



38.63%

Outstanding Tk. 87,795 million

Export Finance

Specialized division established for more focus on export finance.



16.20%

Outstanding Tk. 36,831 million

Off-Shore Banking Unit (OBU)

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



8.78%

Outstanding Tk. 19,956 million

Agriculture

Through agriculture loan, Bank Asia finances marginalized farmers and contributes to rural development where Tk. 4,187 million was disbursed among 71,458 beneficiaries in 2019 under agriculture and rural wing.



1.84%

Outstanding Tk. 4,187 million

Islamic

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



5.85%

Outstanding Tk. 13,305 million

CMSME

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



17.94%

Outstanding Tk. 40,786 million

Retail

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



6.47%

Outstanding Tk. 12,187 million in Consumer Finance and Tk. 2,516 million in Credit Card

Others



4.28%

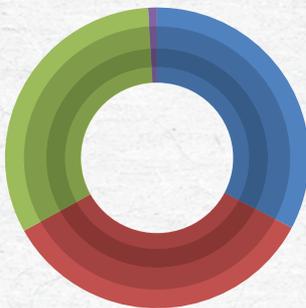
Outstanding Tk. 9,736 million

Transport

As part of environmental responsibility 7 vehicles are being used for pick & drop facility and majority of the pool vehicles have been converted into CNG driven. Moreover, executives of the Bank are provided with car facility and they are encouraged to convert their cars into CNG driven (dual fuel). More than 80% of those cars have already been converted into CNG driven.

Monitoring Clients' Environmental and Social Compliances

Bank Asia has introduced sector specific environmental policies in addition to environmental risk management policies and green banking policies for cement, brick manufacturing, ship breaking, sugar, leather/ tannery, food processing, hospital & clinic, pulp & paper, rubber & plastic light engineering, agriculture. We conduct monitoring through obtaining site and environmental clearance certificate and site visit to check compliance of environmental and social covenants. Our environmental due diligence process identifies potential risks, determines their impact and severity and suggests way to mitigate them. During the year, Bank Asia have disbursed Tk. 128.86 million to Triple Apparels, Robintex Bangladesh Ltd. and other firms for financing Green Establishment/Green Building project, which helps to reduce environmental effect for better energy efficiency and lower emissions.



CMSME Portfolio in 2019
Million Taka

- Manufacturing 10,179
- Service 10,667
- Trade 10,000
- WE 291

Region Wise portfolio

Million Taka

Division	Urban	Rural	Total	%
Dhaka	150,750	13,511	164,261	72.27%
Chittagong	44,596	4,155	48,751	21.45%
Khulna	4,082	96	4,178	1.84%
Rajshahi	2,726	2,424	5,150	2.26%
Barisal	804	-	804	0.35%
Sylhet	1,968	385	2,353	1.04%
Rangpur	1,271	-	1,271	0.56%
Mymensingh	531	-	531	0.23%
Total	206,728	20,571	227,299	100%

Economic Environmental and Social Value Generated through Various Products

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

CMSMEs have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, Bank Asia has taken CMSME financing very seriously with a view to contribute to the poverty eradication and employment generation. At the end of year 2019, the CMSME portfolio stood at Tk. 38,869 million.



Bank Asia and Truvalu enterprises Ltd. signed an MoU to ensure equity, working capital and other development supports for accelerating the Agro-based SME businesses

Sectoral Distribution of Credit

The bank's loans and advances to Tk. 227,298.96 million achieving a growth of 5.91%. Sectorwise distribution of loans and advances is as follows:

Million Taka

SL. No	Sectors/Sub-Sectors	2019		2018	
		Million Taka	% of Funded Loan	Million Taka	% of Funded Loan
1	Industries				
	Agriculture	4,776.10	2.10%	5,915.90	2.76%
	Food Manufacturing	13,514.00	5.95%	11,750.70	5.48%
	Beverage industry	338.60	0.15%	434.40	0.20%
	Tobacco industry	69.60	0.03%	231.50	0.11%
	RMG industry	22,705.10	9.99%	25,513.20	11.89%
	Textile industry	21,335.00	9.39%	21,784.90	10.15%
	Wood cork and allied products	48.90	0.02%	50.30	0.02%
	Furniture and Fixture	159.10	0.07%	152.90	0.07%
	Paper and paper products	6,561.40	2.89%	5,673.20	2.64%
	Leather and leather products	2,298.90	1.01%	1,896.50	0.88%
	Rubber products	2,775.40	1.22%	2,124.50	0.99%
	Chemical and chemical products	2,178.90	0.96%	1,394.50	0.65%
	Basic metal products	8,800.20	3.87%	8,826.70	4.11%
	Electrical machinery and apparatus	3,327.00	1.46%	2,847.80	1.33%
	Other manufacturing industries	18,284.36	8.04%	16,107.94	7.51%
	Ship building	4,608.30	2.03%	2,729.90	1.27%
	Ship breaking	1,419.70	0.62%	621.50	0.29%
	Pharmaceutical	500.30	0.22%	435.50	0.20%
	Subtotal	113,700.86	50.02%	108,491.84	50.55%
2	Constructions	5704.10	2.51%	3,915.60	1.82%
3	Power, Gas, Water and Sanitary Services	7657.10	3.37%	3,624.00	1.69%
4	Transport, Storage and Communication	1577.50	0.69%	2,620.60	1.22%
5	Trade Services	47112.90	20.73%	45,579.00	21.24%
6	Housing Services	15140.40	6.66%	14,305.10	6.67%
7	Banking and Insurance	3429.00	1.51%	4,658.80	2.17%
8	Professional and Misc. services	32,977.09	14.51%	31,423.21	14.64%
	Subtotal	113,598	49.98%	106,126.31	49.45%
	Total	227,298.96	100.00%	214,618.15	100.00%

PRODUCTS AND SERVICES

RETAIL BANKING PRODUCTS

Deposits

Low Cost/No Cost Deposit Accounts

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

- Triple Benefit Plus
- Bank Asia Sanchay Plus
- Deposit Pension Scheme Plus
- Shonchoy E KotiPoti

Consumer Finance

- Auto Loan
 - Shapner Bahan
- House Finance
 - Shapner Abash
 - Griha Shaj
 - Shapner Kuthir
 - Shapner Nirman
 - Nijer Bari

○ Purnata

- Green Energy Loan
- Talent Learning and Earning
- Bicycle loan
- Motorcycle loan
- Water Supply and Sanitary loan (WSS)

Credit Card

- VISA Credit Platinum Card (with Priority Pass)
- VISA Credit Gold Card
- VISA Credit Classic Card
- VISA Credit Butterfly Card
- Visa Prepaid Hajj Card
- Visa Signature Credit Card
- Virtual Card
- Master Credit Titanium Card (with Lounge Key)
- Master Credit Gold Card
- Master Credit Silver Card
- LankaBangla Card Cheque
- Gift Card
- Shadhin Card (Freelancer Card)
- Prepaid Travel Card

Islamic Credit Card

- Salamah Platinum Card
- Salamah Gold Card
- Salamah Silver Card

ISLAMIC BANKING PRODUCTS

Deposit Products

- Al Wadiah Current Account (AWCA)
- Mudarba Savings Account (MSA)
- Mudarba Corporate Privilege Savings Account (MCPSA)
- Smart Junior Saver (School Banking) Account
- Mudaraba Savings Account (MSA) - Smart
- Mudaraba Special Notice Deposit Account (MSNDA)
- Mudaraba Term Deposit Account (MTDA) for different tenure
- Corporate Term Deposit Account (CTDA) for different tenure
- Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS)
- Mudaraba Deposit Pension Scheme (MDPS)
- Mudaraba Hajj Savings Scheme (MHSS)
- Cash Waqf



Term Deposit (s)

- Fixed Deposit Regular

Scheme Deposit (s)

- Monthly Benefit Plus
- Anchol(Women)
- Nirvabona(Senior Citizens)
- Bhromon(Travellers)
- Double Benefit Plus

- Consumer Durable Loan
- Unsecured Personal Loan
 - Proyojon
 - RMG-Proyojon
 - Chuti
 - Sheba
- Loan for Professionals
 - Shabolombi
- Loan for Senior Citizens

PRODUCTS AND SERVICES

Investment Products

- Bai Murabaha Muajjal (both Local and Post Import)
- Hire Purchase Shirkatul Melk (HPSM)
- Musharaka
- Murabaha Import Bills
- Quard against Accepted Bills
- Quard against MTDR
- Quard against Schemes

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

Liability Product

- Astha-SME Current Account

Medium Enterprise Finance

Funded Products

- Secured Over Draft (SOD)

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

Non Funded Products

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

Agriculture Finance

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

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
- Account Packages – Current, SND

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

Funded Products

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

Structured Financing

- LCY syndication arrangement
- FCY term Loan and syndication

PRODUCTS AND SERVICES

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

OFF-SHORE BANKING UNIT (OBU)

PRODUCTS

- On-shore Import & Export Bill Discounting
 - UPAS Loan
- Bill Purchase
- Working Capital Finance
- LTR
- Packing Credit
- Term Loan
- Lease Finance
- Trade Finance
- Import, Export
- Loans & Advances to wholly foreign owned entities
- LTR
- Term Loan
- Demand Loan
- Term loan to local entities
- ECA loan to local entities
- Nostro account services to other local banks

AGENTBANKING

Products

- Current Deposit Account
- Current Account-Astha
- Savings Bank Account
- Short Notice Deposit Account
- School Banking Solution
- School Banking Account
- Savings Account SMART
- School Fee Collection
- Payroll Banking for Teachers
- Term Deposits Scheme
- Deposit Pension Scheme
- Double Benefit Plus
- Triple Benefit Plus
- Shonchoye Kotipoti
- Savings 10 Tk. Account
- Monthly Benefit Scheme
- SB-VGD (Vulnerable Group Development) Program

- Savings Account-SSN (Social Safety Net)
- SME Loan
- Agricultural Loan
- Retail Loan

Services

- Account Opening
- Deposit & Withdrawal
- Fund Transfer within bank and to any bank in Bangladesh
- Bangladesh Electronic Fund Transfer Network (BEFTN)
- Real Time Gross Settlement (RTGS)
- Inward Foreign Remittance payment
- Utility Bill Payment
- Balance Inquiry
- Account Statement (mini)
- Insurance Premium Collection
- Passport Fee Collection
- Credit Card Bill Collection
- Loan Processing
- Repayment of loan Installment
- Disbursement and Payment of Social Safety Net
- Salary Disbursement Solution
- A-Card for farmers
- Debit/NFC Card Services
- Issuance of Cheque Book
- Mobile Top Up
- Agent Banking Apps

TREASURY PRODUCTS

Money Market, Fixed Income, & Capital Market

- Call Money
- Notice money
- LCY/FCY Term
- LCY/FCY Swap
- Fixed Income & Capital Market investment
- Investment (GSEC) service for customers
- Repo/ALS(Assured Liquidity Support)
- Reverse Repo

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

Foreign Exchange

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

CAPITAL MARKET SERVICES

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

AGRICULTURAL/RURAL CREDIT

Bank Asia has the aim of bringing low income segments of the country in financial inclusion by providing adequate Agricultural/Rural credit since inception and successfully contributing in this most driving sector of Bangladesh every year. In the FY 2018-2019, the Bank disbursed Tk. 3,650.36 million to 71,458 rural farmers and achieved 106% against the target of Tk. 3,440 million as set by Bangladesh Bank.

Status of Agricultural/Rural Credit as on 31-12-2019 is given below:

Million Taka

Particulars	Direct Network	Indirect Network	Total
Disbursement (01.01.2019-31.12.2019)	1,072.78	3,235.66	4,308.44
Outstanding (As on 31.12.2019)	660.77	3,525.97	4,186.74
No. of Beneficiary	2,472	68,986	71,458

Bank Asia emphasized to extend credit facilities with the following contemporary thoughts in 2019:

- Improvement in livelihood of low income people:** Total 2,218 no. of Tk. 10 A/C holders of Bank Asia Ltd. are facilitated through distributing Tk. 84.31 million to improve their livelihood by participating in income generating activities. We also received refinance of Tk. 55.64 million from Bangladesh Bank against these funding in the year 2019.
- Stimulate the cultivation of special crops:** To cultivate special crops i.e. maize, pulse, spice & oilseed we disbursed Tk. 8.31 million to 192 farmers at 4% interest rate directly through our rural branches & agents.
- Increasing direct lending through Agent Banking Channel:** In the year 2019, we reached to 2,541 no. of unbanked farmers/very small rural entrepreneurs by funding Tk.101.25 million directly through Agent outlets.
- Create Awareness & skill development:** We have arranged 10 no. of Farmers Group Discussion (FGD) and training program in 2019 among the 500 no. of farmers and 95 no. of CSOs, AROs as well as agents to create awareness and development of their skills. We also introduced hand book and leaflets on Agri/rural credit facilities of Bank Asia Ltd.
- 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 a sustainable manners, Bank Asia's Agri/Rural credit is running with different programs through different national & international organization such as USAID, ACDI/VOCA, Care Bangladesh, World Fish etc.



Bank Asia Financed Dairy Farm

Financing Effluent Treatment Plant (ETP)

As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and effluent treatment plant(ETP) & hybrid Hoffman kiln (HHK). Total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 441.89 million in 2019.

Financing Environment Friendly project

During the year, Bank Asia have disbursed Tk. 128.86 million to Triple Apparels, Robintex Bangladesh Ltd. and other firms for financing Green Establishment/Green Building project, which helps to reduce environmental effect.

In addition, the Bank financed Triple Apparels Ltd, having USGBC Certified LEED Certificate (energy and water efficient, healthy, comfortable and environmentally friendly construction) where the outstanding balance was Tk. 716.16 million in 2019.

Online Payment Gateway Services

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. It is giving strong competitive edge of Bank Asia over the other players in the market by catering the Banking need of an emerging sector. In 2019, we have done 8,00,000 transactions of USD 95 million.

Moreover the Bank launched freelancer card-"SHADHIN" for the very first time in Bangladesh where Bank Asia SHADHIN Mastercard collaborates with Payoneer to bring freelancer's money faster.

Audit of Environmental and Social Compliances

The internal audit team under internal control and compliance department (ICCD) carries out audit & inspection of all branches and credit risk management (CRM) department at least once in a year and examine compliances of environmental covenants in the credit sanction memos along with other general reviews. Implementation of environmental and social policies and risk assessment procedures were also audited by external as well as Bangladesh Bank audit team every year. External auditors must cover 80% of total loan portfolio.

As per approved risk-based audit plan, the ICCD completed the audit and inspection tasks of 128 Branches, 05 Islamic Banking Windows, 30 Corporate Office Divisions/Departments including subsidiaries and 161 Agent Point Outlets in 2019. Besides, ICT/IS Audits on 18 Branches & Corporate Office Divisions/Departments, Shariah Audit on 22 Branches, Cash Incentive Audit on 05 Branches and Anti-money Laundering Audits/Inspections on 21 Branches were also conducted.

Policies for the Fair Design and Sale of Financial Products and Services

Our intentions to address the needs of our customers first require us to provide products and services in the way our customers want them delivered with exemplary service and convenience and at competitive pricing. Our customers also expect us to be accessible, to respond to their queries in efficient way, to be open and transparent about our products and services, and to provide knowledgeable, objective and professional advice. These expectations go beyond the need to comply with consumer protection and financial regulation; they come down to earning our customers' trust by delivering suitable products and services via the right distribution channels and at fair pricing or returns.

We are also committed to enhancing consumer financial capability and invest in ways to help our customers improve their financial decision-making. All our financial products are delivered by using various methods like direct selling, cross selling by branches as well as corporate office employees'. There are divisions among corporate clients based on the loan portfolio just to ensure timely and effective services to our clients. In a way to keep pace with our objectives in mind, we have developed loan products policy. The policies are designed in a way that every rules can be well understood by the delivering channels i.e. branch as well as corporate office employees' to communicate to the customers in the most convenient way. Moreover, there are flexibility in the policies in a way so that our customers can get customized services according to their need as well as that can protect the interest of the bank.

There are loan product policies on commodity finance, export finance, work order finance, lease finance, earnest money finance etc. A few more loan product policies are under way to be developed based on our customers' expectations. Credit policy, sectoral allocation of the bank are also reviewed periodically.

Initiatives to enhance financial literacy by type of beneficiary

In addition to integrating better customer suitability in our product and service offerings, we are also committed to enhance the financial capability of our customers. We do this by providing insights, tools, and advices to improve consumers' financial decision-making. By participating in various financial information fairs and formal/informal gathering with corporate customers, we try to support our customers in understanding the advantages and risks associated with financial products and services, as this can enable them to take decisions that are better adapted to their personal circumstances. Our financial experts are also taking part in various related seminars around the country where they are sharing their insights and recommendations.

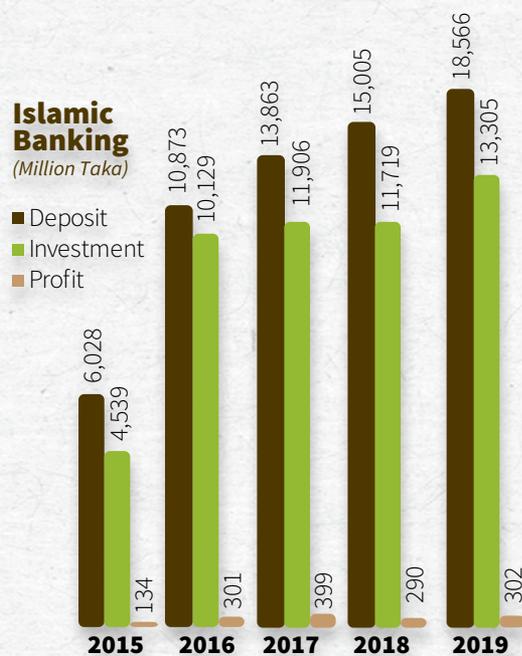
We aim to offer our financial products and services to all segments of the society. Our branches have barrier-free access, ATMs are located at convenient and with easily usable interface. As a result, our customer retention rate is comparatively higher than competitors'.

Islamic Banking Services

Islamic Banking of Bank Asia Limited has been passing the 11th year of its operations starting from the Islamic Window concept. Now, Islamic banking is following virtual Window model. For Islamic deposit and investment business, the Bank is simultaneously using all of its distribution Channels, i.e. Conventional Branches, SME Centers, and Agent Banking outlets through online services beside the dedicated Islamic Banking Windows.

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

Islamic Banking activities of Bank Asia have rapidly expanded within the form of Agent Banking also. In November 2017, Islamic Agent Banking services started under a pilot project through 26 outlets. Till December 2019, the Bank covered more than 1,801 Agent outlets in all districts of the country. We are expecting to spread Islamic Agent Banking services at all agent outlets of the Bank within 2019. Beside the diversified deposit products, we are going to introduce investment facilities among Islamic customers of Agent Outlets. It should create strong brand image of Bank Asia Islamic Banking throughout the country and would contribute more in the profitability of the Bank.



ENVIRONMENTAL PERFORMANCE

Energy Savings

Energy saving is the effort made to reduce the consumption of energy by using less of an energy service. Its output can only be realized by collective consciousness of people or organizations putting an attempt to reduce the consumption of energy. Since the inception of our Corporate Office from 2011, Bank Asia has worked toward more energy efficient operations throughout its network of banking centers, reducing costs by millions of dollars and dramatically reducing its emissions, consumption, and waste in the process. Moreover, energy savings bulbs consist of a third of the total lighting system here. As a result, more than 40% electricity is saved every year using the day light in side corporate office. Since 2005, E-mail has been the focus of both internal and external communications with an aim to reduce the paper consumption thereby reducing the wastage of paper correspondence.

Energy Consumption

Energy Type	Million Taka	
	2019	2018
Electricity	116.92	111.72
Fuel and CNG	13.06	13.95

Solar powered branches

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

Direct energy consumption by Bank Asia

Source	Consumption		Megajoules
Electricity	11,692,557	kwh	42,093,205
Diesel	58,677	ltrs	2,112,372
Octane	14,715	ltrs	470,880
CNG	118,761	m3	3,800,352
Total			48,476,809

Carbon offset projects

During the year 2019, we have disbursed a total of 176.58 million to 3458 farmers. Among them, Tk. 1.106 million to 53 farmers were through A- card, and Tk. 135.46 million was approved to 2,912 farmers by Online Credit Approval System (OCAS) which greatly helps in carbon sequestration of the planet.

Reducing Energy & Resource Consumption

Instruments of Green Banking offered by Cards Division include E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer, and Digital Attendance and E Mail correspondance, which help reducing printing paper. In 2019, our Cards Department through its digital filling system have been archived more than 76,320 pages. Moreover New Issuing, Replacement, Activation and PIN request are automated which reduced Debit Card issuance time to 2-3 days from 7-9 days as well as paper saved 250,000 pages of paper and Tk. 40,000 as courier service cost. Unlike every year, the Bank has also developed e-Cards for its stakeholders in this year.

Sl	Instruments	Quantity	Cost of Conventional Practice	Cost of Green Banking Concept
1	E Statement	108,920	1,089,200	NIL
2	SMS Banking	151,206	1,512,060	37,802
3	SMS Alert	302,318	3,023,180	75,580
4	Net Banking	81,854	818,540.00	NIL
5	E Fund Transfer	72,031	720,310	NIL
6	Digital Attendance	2,837	983	NIL
7	E Mail Correspondence	187,351	1,873,510.00	NIL
Total			9,037,783.00	113,382
Net Savings			TK. 8,924,401	

WATER USAGES

Water conservation is the practice of using water efficiently to reduce unnecessary water usage. Population, household size and growth and affluence all affect how much water is used. The effect of water efficiency can only be realized in global scale. Bank Asia in the consciousness of water conservation has restricted its use majorly for drinking purpose. Our bank is also non compromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation every branches and corporate office are supplied with specially procured filtered mineral water. The management of the bank takes special care so that wastage of water as minimum as need. Total consumption is controlled by monitoring per employee drinking water cost per month.

WASTE MANAGEMENT

The process involves dealing with the daily waste generated from 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 but puts substantial effort in reducing unnecessary 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.

GREENHOUSE GAS EMISSION

Saving CO2 emission

Since 2014, Bank Asia implemented Video Conferencing System to connect with remote branches for strengthening relationship between Head Office and branches. By using the system, Management can save time and money as well as CO2e by avoiding long distance travel in order to attend meetings. Currently, the system has been implemented in few branches.

REDUCING CARBON FOOTPRINT

Since inception Bank Asia has turned to eco-friendly banking as a way to lower carbon footprint in its' normal banking activities. As part of our commitment for our green economy we have signed a participation agreement with Bangladesh Bank under refinance scheme in 2011 for lending in solar energy, bio- gas, and effluent

treatment plant (ETP) & hybrid hoffman kiln (HHK).

Bank Asia is very concerned about the present situation of our environment because of wastes so the future of the people is threatened with boundless destruction. The situation is worst in both cities and villages. Environmental problems like unplanned urbanization, industrialization, disposal of hazardous wastes, rivers, lakes and roads, soil pollution, water shortage, water contamination and water logging are only a few to mention. The total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 441.89 million in 2019.

Refinance Scheme

Regulatory Bank introduced a refinance scheme (Revolving Fund) of Tk. 200.00 crore (Two Hundred Crore) to offer refinance facility against the Bank/Financial Institution's finance to promote smooth financing in Green products/initiatives in Bangladesh. For this purpose Bank Asia has signed an agreement with Regulatory Bank as a participant in the refinance scheme for Green Product / Initiatives practicing with these appreciated initiatives in Bio- Gas and Green Industries projects.

INITIATIVE TO REDUCE THE BANK'S ADVERSE IMPACT ON ENVIRONMENT

Bank Asia by principle always averts financing in environment hazardous business. The bank has decided not to finance any tobacco related business, weapons & munitions, Gambling, casinos, pornography (goods/stores/web-based), alcoholic



Energy efficient gas generator project financed by Bank Asia

Financing Energy Efficient Gas Generator

To ensure uninterrupted power, various companies in Bangladesh have gas generator installed for continuous production of the factory. Gas generator is highly energy intensive and uses a large amount of gas to supply a definite amount of electricity. As such with new technology, an energy efficient gas generator though expensive but consumes a lot less gas for supplying the same amount of electricity. Bank Asia has financed a total of Tk. 140.00 million to Youth Spinning Mills Ltd. for importing of high energy efficient gas generator. This will highly reduce operating cost of the business through lesser wastage of gas and will encourage business environment towards moving energy efficient gas generators.

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.

Greenhouse Gas Emission table

Source	Consumption		Co2 Emission
Electricity	11,692,557	kwh	10,523.30
Diesel	14,715	ltrs	21.55
Octane	58,677.00	ltrs	90.06
Air Travel	3,739,074	km	1,164.82
Road Travel	5,608,610	km	319.69
Paper	126208	Reams	403.87

Source: www.carbonneutral.com.au

Sustainable Finance Unit and its initiatives

On view of making Bank Asia more green, Sustainable Finance Unit has restructured and included more members to promote green initiatives within the bank. Bank Asia has appointed Mr. Md. Sazzad Hossain, DMD & CCO with the responsibility for economic, environmental & social issues. This unit directly reports to the Board & other regulatory bodies. Bank Asia believes that a strong core members will bring more development not

only in sustainable finance but also will try to impart a role to contribute in achieving Sustainable Development Goals (SDGs) of United Nations.

As greening of mind, a number of training was organized related to Green Banking & Environmental Risk Management, Reporting format of Green Banking activities, financial inclusion, CSR and Green Banking this year. In 2019, Training Institute of Bank Asia has provided 8 trainings on Green Banking under Foundation training course & other training related to Green banking to 280 employees of 420 manhours.

Reinforcing and Strengthening ESRM guideline

The role of Environmental and Social Risk Management (ESRM) is aimed at reducing the Probability of Default (PD) for banks and Financial Institutions (FIs) in their credit/investment stemmed from environmental and social risk factors as well as fortifying their enterprise risk management structure. Bank Asia has been taking initiative to strengthen and fortify the current ESRM guideline and implement the proposed ESRM guideline of Bangladesh Bank. The functions of ESRM guidelines are:

- The ESRM Guideline provides a robust, auto generated, quantitative risk rating system to reduce the subjectivity of a qualitative risk assessment method that was present in the ERM Guidelines.



Bank Asia Financed Green Building Project

Financing on Green Building

Bank Asia encourages building of green establishments in industries nationwide for promoting environmental friendly practices and reducing carbon footprints. During the year, Bank Asia have disbursed Tk. 128.86 million to Triple Apparels, Robintex Bangladesh Ltd. and other firms for financing Green Establishment/Green Building project, which helps to reduce environmental effect. Bank Asia has recently approved for financing Debonair Group and its concerns for establishment of green factory which is designed to have all sorts of local and international conventions on structural, electrical and fire safety in the workplace accommodating 30 production lines and sewage treatment plant for water testing. Debonair Group is engaged in manufacturing 100% export oriented Jacket and is known to be the second largest jacket exporter in our country.

- The ESRM guideline has a bigger focus on social and climatic risks which are becoming relevant and crucial for Bangladesh.
- The organisational 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.

Sustainability Report

Like the previous year, Bank Asia has published Sustainability Report and granted 'Gold Rank' in Asia Sustainability reporting Rating 2019 by NCSR (National Centre for Sustainability Reporting) and ICSP (Institute of Certified Sustainability Practitioners in Indonesia for Sustainability Report 2018).

Online Banking

Technology continues to be a strong pillar in the Bank's idea to attract the banking experience of its customers. Bank Asia has been one of the pioneers in introducing Online Banking and in 2019, it covers 120 branches, 4 Agri/SME branches, 4 SME service centers, 168 own ATMs, more than 12,500+ shared ATMs and others. Online banking system is a great way to reduce wastage of paper.

Currently Bank Asia account holder is facilitating e-commerce transaction such as e-ticket purchasing of bus, train, airways, cinemas & movies, mobile flexi-load, hotel booking, bill payment such as hospital bill payment, advertisement bill payment, passport fees payment, WASA, DESA, qubee bill payment, computer accessories & service related payment, e-shopping etc. by the debit/ credit card of Bank Asia with less expense & in faster time from any time anywhere.

We have also integrated Internet banking system to NPBS on first phase and through this connectivity our customers can transfer fund from their Account to Inter-Bank Accounts and Debit & Credit Cards real time and vice versa.

In our banking system recently 'e-Commerce' has incorporated for its valued customer where Bank plays as payment partner & account holders can shop online through internet banking. Through SSL, Bank Asia Limited A/C Holder can purchase products & Services from 175+ Merchant websites.

Others

Bank Asia donated Tk. 116.15 million CSR to Prime Minister Relief and Welfare Fund, Higher Studies Scholarship, construction of Holy Family medical college and hospital & proposed 'Ma Amiran hospital' in Sirajdikhan, Malkhanagar, different socio cultural and sports program in 2019

COMPLIANCE

During 2019, Bank Asia has not faced any penalties for non-compliance with applicable environmental laws and regulations concerning the impacts of its operations on communities.



Bank Asia has been working relentlessly to align its operations with the SDG goals to build a better planet, to help the underprivileged section of the country, to deliver excellent value to its stakeholders and to ensure sustainable growth of the company. The following table illustrates the actions taken by Bank Asia with the objective of meeting the SDG goals.

- **168,000** beneficiaries under social safety net program
- **3,525** Agent outlets opened
- **Tk. 3,650.36** million agri credit disbursed to **71,458** farmers
- **Tk. 116.15** million spend for CSR
- **Tk. 441.89** million for Liquid waste management
- **Tk. 128.86** million for Green building



By creating employment Bank Asia tries to reduce poverty and inequality and ensures inclusive and sustainable economic growth



Through CSR activities and disbursing agricultural credit Bank Asia impacts on the lives positively



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

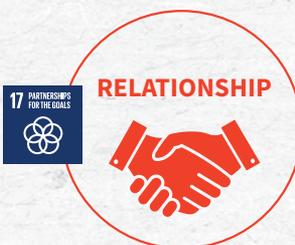
- **Tk. 29.51** million disbursed for Higher Studies Scholarship
- **90,594** man hours training provided
- **Tk. 40.71** million distributed for disaster management
- SMART APP, Integrated internet and Mobile banking solution
- Agreement with UN, UNDP, IFC, ADB, Bangladesh bank



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



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



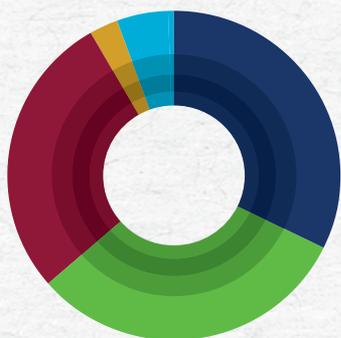
For implementation of Sustainable Development Goals Bank Asia signs various agreements with both local & International bodies.

ECONOMIC PERFORMANCE

VALUE ADDED STATEMENT

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

In the year 2019 bank's net value addition was Tk. 7,742 million; 42% distributed to employees as salaries, 19% to shareholders as dividend & reserve, 25% to government as income tax and rest of the amount used for business expansion and growth.



Value Added Statement 2018

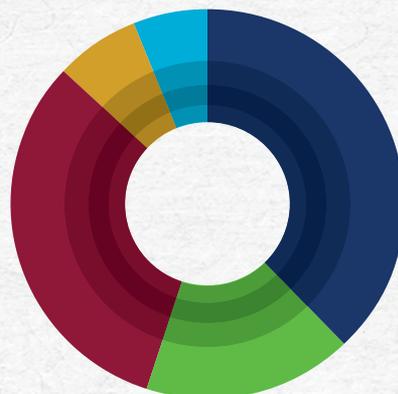
- 36%** To employees as salaries
- 25%** To providers of capital as dividend and reserve
- 30%** To Government as income tax
- 3%** Retained profit
- 6%** Depreciation

VALUE ADDED STATEMENTS

Million Taka

Items	2019	2018
Income from banking services	30,536	27,131
Less: Cost of services & supplies	(17,393)	(15,698)
Value added by banking service	13,143	11,432
Non-banking income		
Provision for loans & Off-balance sheet exposure & others	(5,401)	(3,444)
Total	7,742	7,988

Distribution of value addition	Year			
	2019		2018	
	Amount	%	Amount	%
To employees as salaries	3,283	42%	2,896	36%
To providers of capital as dividend & reserve	1,436	19%	2,034	25%
To Government as income tax	1,960	25%	2,350	30%
To expansion & growth				
Retained profit	229	3%	233	3%
Depreciation	834	11%	476	6%
Deferred Taxation	-	-	-	-
	1,063		708	
Total	7,742	100%	7,988	100%



Value Added Statement 2019

- 42%** To employees as salaries
- 19%** To providers of capital as dividend & reserve
- 25%** To Government as income tax
- 3%** Retained profit
- 11%** Depreciation

ECONOMIC VALUE ADDITION DURING THE YEAR

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

ECONOMIC VALUE ADDITION

Particulars	Million Taka		
	2019	2018	2017
Invested fund by shareholders			
Shareholders equity	26,463.12	23,340.13	21,054.49
Add: Cumulative Provision for loans/ investment/ off-balance sheet items, offshore banking units & others	13,615.77	10,576.78	9,589.05
Total invested fund by shareholders	38,360.89	33,916.92	30,643.54
Average invested fund by the shareholders [A]	36,078.90	32,280.23	29,310.23
Earnings for the year			
Profit after taxation	1,960.81	2,266.28	2,047.53
Add: Provision for loans/ investment, off-balance sheet items and Offshore banking units	5,401.65	3,444.10	2,630.03
Less: written off during the year	2,716.37	2,890.07	2,138.55
Earnings for the year [B]	4,646.09	2,820.30	2,539.01
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]	4,690.26	4,196.43	3,810.33
Economic Value Added [B-D]	(44.17)	(1376.13)	(1,271.32)

MARKET VALUE ADDED STATEMENT

Market value added statement shows the difference between the market value of the bank and the capital contributed by shareholders i.e. book value of equity. During the year 2019, total market value of the bank was Tk. 21,219.56 million and total book value of equity is Tk. 19,387.72 million i.e. addition of market value was Tk. 1,831.84 million.

Particulars	Million Taka		
	No. of shares (in Million)	Share price (in Taka)	Taka
Market value	1,165.91	18.2	21,219.56
Book value	881.26	22	19,387.72
Market Value Added			1,831.84

CONTRIBUTION TO NATIONAL EXCHEQUER

Bank Asia has contributed significantly to the government's effort of revenue collection. As a corporate entity, the bank pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer. During the year 2018, the Bank contributed Tk. 4,424 million to national exchequer.

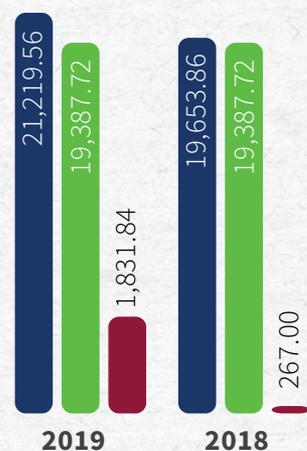
Market Value Added

Million Taka

Total market value of the equity

Total book value of the equity

Market Value Added



Contribution to National Exchequer

Million Taka



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

CONTRIBUTION TO NATIONAL EXCHEQUER

Particulars	Million Taka	
	2019	2018
Income tax payment on bank's earnings	2,037	1,069
Income tax, VAT, and Excise duty deducted at source from various payment and services by the bank	3,888	3,293
Income tax payment by the employees	93	62
Total Payment	6,018	4,424

SUPPORTING THE ENTREPRENEURS THROUGH CMSE

Cottage Micro and Small businesses are catalyst in the socio economic development of many countries of the world. They are viewed as vehicles for the achievement of national macroeconomic objective in terms of employment generation at low investment cost and enhancement of apprenticeship training. Keeping this in mind, Bank Asia SME has stepped into the territories where no Bank or FIs have reached so far. With 4 SME Service Centers & 128 branches in urban & rural areas Bank Asia provides its services for promoting and expansion of businesses which ultimately created productive new off-farm employment.

To take the financial accessibility to the unserved / underserved population across the country, Bank Asia focused on increase of market coverage and as a part of that objective to develop the MSEs from rural level the bank opened 3,525 Agent Banking outlet throughout the year 2019. We introduced 4 fully agricultural branches to widen the access to finance and assist our agro community with the most specialized and innovative banking solution available. In 2019, CMSE 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. Bank Asia's CMSE Department always engaged for opening the door of prosperity to many entrepreneurs of the country. Bank Asia also adopted a cluster-based approach for financing cottage, micro, small and medium enterprises (CMSEs) as a full-fledged commercial bank. Bank Asia and SME Foundation jointly organized training on "SME Business Management" at Cumilla in order to capacity and skill development of Women Entrepreneurs and facilitate loans for them. The Bank also participated in "Banker-SME Women Entrepreneur Gathering & Product Display Fair-2019" organized by Bangladesh Bank. Throughout the year, we financed 20 entrepreneurs in different CMSME clusters with the disbursement amount of Tk. 7 million.

The Bank has participated in workshops, awareness building programs and baseline surveys in different branches conducted by Financial Inclusion Department (FID) of Bangladesh Bank and ADB under Small

and Medium Enterprise Development Project-2 regarding refinance. The CMSE Department of the Bank has also signed agreement with Guardian Life Insurance, Oxfam in Bangladesh, truvalu.enterprises, Pragati Insurance, Robi, ICB and SME Foundation and so on.

During the year, the Bank arranged 5 training /seminar sessions and provided training to 120 entrepreneurs on capacity building, business development and monitoring.

The SE & SPL Department of the Bank has launched 3 new products titled "Shopner Khamar"- for dairy sector value chain entrepreneurs, "Uttaran"- for existing excellent CMSE loan borrowers and "Shofol- GP"- for working capital support for GP retailers. Apart from the above, the Bank arranged different business meeting with the existing and potential clients throughout the year.

EMPOWERING COMMUNITIES THROUGH AGRI/RURAL CREDIT

During 2019, Bank Asia has disbursed Tk. 4,308.44 million (Tk. 1,072.78t through own network and Tk. 3,235.66 million through our NGO Network) as short and long-term credit in agricultural/rural sectors. This financing helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. Total number of beneficiaries was 71,458. Besides this, A- card, the Smart form of Agricultural credit was propagate into 53 rural farmers where an amount of Tk. 1.11 million was used in this year.



Training to Women Entrepreneur jointly organized by SME Foundation & Bank Asia



Farmers group discussion on Agri loan

FINANCIAL INCLUSION IN ECONOMICALLY DISADVANTAGED AREAS

Agent Banking

With the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population, Bank Asia has introduced Agent Banking services as the pioneer in Bangladesh. Our Bank made a unique Agent banking module with technology based banking concept ensuring appropriate security with real time banking for customers. The Bank has implemented 3,525 Agent outlets in 64 districts in most geographically dispersed poor segment of the society. During the year, the Bank built up a strategic relationship with the Posts and Telecommunications Division of Bangladesh Government where people will get Bank Asia service from Digital Post e-Centre across the country. Moreover the Bank also have partnered with Robi to take up micro-merchant initiative. Under the initiative, a pilot project has been rolled out at Chokoria in Cox's Bazaar and then be expanded to rest of the country.

In 2019, Agent Banking deposit was Tk. 14,303.20 million through 1,915,756 accounts. We are determined to support Government's commitment in building 'Digital Bangladesh' as charted out in the vision 2021 by bringing rural people under Agent Banking platform across the country through our local and international partners for developing their lives and livelihood. We remain committed, and see it as its duty to the nation to facilitate and encourage various formal and approved channels for providing convenient and accessible services, especially by bringing underprivileged sections and rural people into the fold of basic banking services.

Recognizing the bank's outstanding contribution for business model innovation to accelerate financial inclusion in Bangladesh, Bank Asia has been crowned the Best Innovation Award – Financial Sector in the competition of 'Bangladesh Business Innovation Award 2019' organized by Brand Forum Bangladesh, Bangladesh Business Innovation Award 2019.



Exchanging MoU with the Posts and Telecommunications Division of Bangladesh Government

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

Bank Asia limited is the pioneer in digital financial inclusion in Bangladesh by implementing "Ektee Bari Ektee Khamar (EBEK)" renamed "Amar Bari Amar Khamar" (ABAK) a government project for the poor, ultra-poor and landless people of Bangladesh focusing on Poverty eradication and reducing poverty level to 10% within 2021. Government wants to help the poor people by encouraging savings, providing grants, engaging & monitoring their economic activities as a group (Samitee) in each village of Bangladesh. Bank Asia is now operating ABAK Banking services for Phase III to 31 districts having 222 Upazillas and 1,194,922 beneficiaries where the operation has spread over 2,200 unions. Bank Asia provides online banking services through this ABAK project to unbanked people with good reputation in the above districts in Bangladesh.

With experience of implementing of ABAK Project, Bank Asia is now capable enough to provide services to all government projects like 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 and Disabled beneficiaries. We have completed full district coverage of Kishoreganj and Chapai Nowabganj for Safety Net payment where almost 450,726 beneficiaries will get banking service from their own union. We have another prestigious partnership with UNDP under LGED Ministry named SWAPNO where we have covered 2 districts and 76 unions for disbursing the daily "women worker wages payment" from their union. "Cash for work" is another prestigious program for Bank Asia which is run in partnership with Ministry of Disaster Management and Relief. Moreover, we have started another World's largest Non- Government funded mega project named SHOUHARDO III with CARE Bangladesh where's 53,998 beneficiaries will getting banking services to 8 districts.

Micro Merchant is another forward milestone for Financial Inclusion of Bank Asia where we have been spreading our services to all villages of 9 districts. Recently we are working with Roby, Grameen Phone, UNCDF



Account opening for SHOUHARDO III project beneficiaries

for program expansion. Hopefully we will cover all villages by 2023 and have at least one micro merchant in one village. At present we have done 62,000(+)number of transactions of Tk. 148 million through 710 Micro-Merchant outlet.

Besides this we have also take responsibilities of UDC Based Agent Banking operation to ABAK Operation & Social Payment Team. Besides this, we have started a cash disbursement project (financial support for the children of Rohingya Origin) signed with Unicef & Red Cross. Moreover, we have another put point of Employment Generation Program for the Poorest (EGPP) for Bangladesh is to provide the short term employment to the hardcore poor in 8 district and 57 unions.



Blanket distribution among the poor people

FOREIGN REMITTANCE

Remittance is the second most important sources of foreign exchange earnings for Bangladesh, after readymade garments (RMG).Bangladesh's foreign exchange reserve was USD 32.69 billionat the end of December 2019. However, country remittance inflows reached at USD 1.69

billion in 2019, increased by 12.67% from 2018 whereas FRD remittance inflowincreased by 26.94%(2019: USD 933 million and 2018: USD 735 million).

In 2019, the wage remittance inflow for the year ended at USD 750 Million, 44% higher from previous year's volume of US\$ Million. Bank Asia's position was 6th in 2019 for remittance collection among all Banks' in Bangladesh while not conceding any substantial exchange or commission loss. Moreover, the Bank was initiating online collection services through INPAY to collect remittance from 8 major EU countries. Besides this, the department has executed agreements with 5 new exchange houses where operations of 3 already started.

ONLINE PAYMENT GATEWAY SERVICES (OPGS)

Bank Asia is the first Bank to set-up arrangement with OPGSPs in Bangladesh like 'Payza' and 'Payoneer' to bring hard earned money which is earned by exporting services in nonphysical form e.g. data processing, off-shore IT service, software development, business process outsourcing (BPO) etc. It is giving strong competitive edge of Bank Asia over the other players in the market by catering the Banking need of an emerging sector. In 2019, we have done 8,00,000 transactions of USD 95 million.

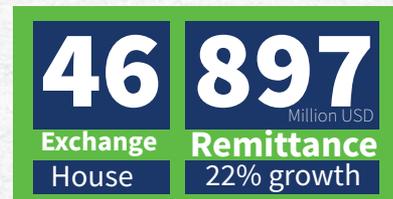
Moreover the Bank launched freelancer card-“SHADHIN” for the very first time in Bangladesh where Bank Asia SHADHIN Mastercard collaborates with Payoneer to bring freelancer's money faster.



Financial Inclusion Summit

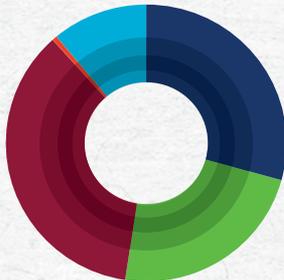


BASIS Soft expo 2020 Outsourcing Conference organized by Bank Asia & Payoneer



COMMUNITY INVESTMENT STRATEGY

With an aspiration to ensure the Bank as a socially responsible corporate entity, Bank Asia is always conscious of its Corporate Social Responsibility (CSR) contributing towards quality of life of the society at large without compromising an ecological condition. In the year 2019, Bank Asia spent an amount of Tk. 116.15 million for the overall betterment of the nation. All the donations made under CSR program for social and environmental well-being and endeavor to ensure sustainable balanced growth in economic, social and ecological arena. Bank’s stakeholders were immensely benefitted by way of its community based social programs; education support where total donation was Tk. 33.18 million, health support Tk. 29.12 million, disaster management Tk. 40.71 million, sports Tk. 0.02 million, art & culture Tk. 0.62 million and others Tk. 12.5 million.



Community Investment 2019
Million Taka

Education 33.18|**28.57%**
 Health 29.12|**25.07%**
 Disaster Management 40.71|**35.05%**
 Sports 0.02|**0.02%**
 Art & Culture 0.62|**0.53%**
 Others 12.5|**10.76%**

INDIRECT ECONOMIC IMPACTS

As one of the leading financial services provider in Bangladesh, Bank Asia has an extensive role in the economy and society. Bank Asia makes a positive difference to society and local, regional and national economies where we operate through our community initiatives and investments. We help foster local economic development and stimulate growth and innovation through loans, credit and other financing to organizations of all sizes. In particular, Bank Asia is a major supporter of CMSEs across Bangladesh and invests in community programs, which enable youth and those less fortunate, to create brighter economic futures for them. In 2019, total volume of disbursed CMSE loan is Tk. 40,985million.

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 2019, the bank has not faced any significant penalties for non-compliance with applicable laws and regulations for running its economic activities in Bangladesh.



Born-blind infants got their eye-sight back through the support of Bank Asia

SWOT Analysis

STRENGTHS

● Pioneer in Ensuring Financial Inclusion

Bank Asia is dominating the financial inclusion scene of the country through innovative services and products like Agent Banking, Post Office Banking, ABAK, Social Safety Net Program and Agri-loans. Bank Asia has received Bangladesh Business Innovation Award for “Agent Banking Business Model” by Bangladesh Brand Forum

● Strong Asset and Capital Base

Bank Asia has successfully maintained CRAR of 17.93% and managed to reduce cost to income ratio to 42% (approx.).

● Brand Image validated by reception of National and International Awards

Sustainable practices and adherence to regulations while making significant profits has earned Bank Asia recognition and respect in the industry. Feathers in our cap:

- 1st prize in the category of Corporate Governance Disclosures by SAFA and ICSB
- 1st prize as the Best Presented Annual Report by ICAB
- “GOLD RANK” – Asia Sustainability Reporting Rating (ASR) 2018 by NCSR of Indonesia for Sustainability Report 2018.
- Certified with ISO/IEC 27001:2013 for ensuring appropriate management of information technology

● Significant Remittance Growth

In 2019, remittance of Bank Asia increased to USD 897 million recording a growth of almost 22%. Ease of sending and receiving remittance has encouraged expatriates to choose Bank Asia. Moreover, remittance card has been introduced to facilitate the process.

● Strong Coverage through Countrywide Channeling and Presence in International Trade

Bank Asia has 3,525 agent outlets, 128 branches, 4 SME centers, 168 ATM booths (12,500+ shared ATM) in the country. And to ensure worldwide reach it has 677 Foreign Correspondent Banks in 166 countries, 46 exchange houses in 10 countries and 3 subsidiary companies (2 abroad and 1 in the country).

● Enriched Human Capital

Bank Asia has a pool of competent and experienced employees receiving training and well-designed career projection. In 2019, 90,594 man hours of training was imparted to 4,750 participants.

● State of the Art Banking Software

Ensures customization to achieve high customer satisfaction by constantly looking for innovative and customer-oriented products and services

● Leveraging the Online Channels

Online Banking, MyApp, Shadhin for freelancers, Online payment gateway service like Payoneer, Online credit approval system for the retail and cottage, micro and small segments etc are all working together to bring efficiency and digitalized banking service for the customers.

WEAKNESSES

● Cybersecurity

Digitalization of the banking and financial sector-maintaining large stakeholders, has paved the way for cybercrimes. It is imperative to increase investment in the IT sector to develop physical infrastructure, to ensure software upgrades and to disperse awareness and IT training among the staff. Bank Asia is already developing cybersecurity measures but more has to be done in this field.

● Dependence on the Industry Culture

Due to the industry norm, profitability of the bank is dependent on interest income from loan and advance. Income of the bank is mainly the interest revenue earned so it crucial to diversify the source of income through further research and development to introduce new avenues of earning. Moreover, the implementation of the Single Digit interest rate has the potential to distort market fundamentals and squeeze the profitability of the bank.

● Default Loan Management

The NPL of Bank Asia stood at 4.61% where the industry average was 12% but further actions is needed to disburse loans after careful evaluation and to ensure the recovery of the classified loans.

THREATS

● **Soundness of Banking Industry**

According to the “Global Competitiveness Report 2019”, Bangladesh ranked 130th out of 141 countries in soundness of banks because of the escalating concerns related to asset quality, non-performing loans, distorted loan disbursement, eroding customers’ confidence in banks, weak financial auditing, regulators’ limitation to ensure financial stability and weak corporate governance.

● **Capital Market**

In 2019, market capitalization at DSE dropped significantly to \$ 37.32 billion from \$ 43.11 billion of the previous year attributable to the lack of confidence of the investors in the market and the impact of the share price loss of large cap companies. The capital market is anticipating further deterioration owing to coronavirus. But the government is introducing new measures to contain the free fall of the stock market.

● **Foreign Reserve**

For a growing economy like Bangladesh, forex reserves equivalent to six months’ import bills are considered adequate. Foreign exchange reserve decreased slightly to \$32.72 billion in 2019 than the last year’s \$32.9 billion. The reserves are under stress because of higher import payment obligations- petroleum products (especially LNG), construction materials, capital machinery for power plants and fertilizer. Mega infrastructure projects under ADP, including Padma bridge, Rooppur Nuclear Power Plant (NPP), Payra Port, Metro Rail Project and Dhaka Elevated Expressway account for the lion’s share of intermediate goods. The central bank has so far sold more than \$2.0 billion from the reserves directly to the commercial banks as liquidity support helping them settle their import payment obligations this fiscal year

● **Non-performing Loans**

NPL accounts for 12% of the total loans in the industry which is eroding the confidence of customers and depositors in the banking sector, exacerbating the liquidity crisis and curbing the capacity of banks to give out loans. But things may turn around for the banking sector with the reduction in the country’s non-performing loans because this year the central bank issued a loan rescheduling policy for loan defaulters that allows loan defaulters to make a 2 per cent down payment to avail a 9 per cent interest

rate and 10 years, including one year’s grace period, to pay back their loans. Moreover, to take stronger measures to strengthen the banking industry, the government decided to form a Banking Commission with the most experienced and knowledgeable people of different disciplines who will be able to work independently with the assistance of Center of Policy Dialogue (CPD).

● **Investment in the Private Sector**

Despite high economic growth, domestic credit growth has remained stagnant at 13.46 percent which is below the target of 14.5 percent set out in the Monetary Policy Statement of FY 2019-2020 of Bangladesh Bank. Moreover, the combination of policy pressure and cautious stance by banks amid rising NPL took toll on private sector causing the private sector credit growth to remain subdued. Compared to 14.94 percent in August 2018, this has declined to 10.68 percent in August 2019. But with no capital investment the economy of the country will not expand so private sector investments need to be encouraged.

● **Coronavirus**

The second largest economy in the world, China is Bangladesh’s leading trading partner, with a \$14.48 billion bilateral trade since last fiscal year making up 26.1% of the total \$56 billion worth of goods Bangladesh imports from around the world. As a result of the coronavirus outbreak, Bangladesh’s manufacturing sector, especially readymade garments, textile, plastic and leather, is set to face a supply disruption as the outbreak has cut communications between the two countries to some extent. Delivery of most of the capital machineries which are imported from China will be delayed causing new investments to take a hit too. The economic fallout will hit the lives of the consumers in a major way, with prices of onion, garlic and ginger imported from China facing a sharp rise that will push the inflation up. Besides, the prices of electronic products, smartphones and other gadgets will go up in Bangladesh’s markets, which the Chinese products dominate.

● **Government Loan**

The public sector credit growth increased since the government borrowing from Bangladesh Bank and commercial banks went up by 143.0% and 18.1% YoY respectively in Jul’19 due to the ADP implementation. But delays in such large-scale projects and weak accountability have escalated the cost by multiple times. Such borrowing may have serious implications on the government’s fiscal management. Moreover, government borrowing from banks has been on the rise due to a slowdown in the sales of National Savings Certificate and, most importantly due to low revenue generation by National Board of Revenue. All these might cause default risk depending on the capacity of the government to pay back the money borrowed to the banks.

● **Single Digit Interest Rate**

To facilitate investment in the private sector, the central bank has decided to set 9% and 6% interest rates respectively for lending and deposits in the banking sector but this regulation may not have the desired impact because after the implementation of the new rates, depositors will shy away from banks, resorting to non-productive sectors if they get returns as low as six percent. Depositors may opt for government savings tools because of their higher yield and would look for avenues to invest in foreign countries. Moreover, the lowered cost of capital will encourage borrowers to take loans that gives a risk to loan default. Banks will take cautious stance towards disbursing fresh loans anticipating decline in the deposit growth. All this has the potential to cumulatively shrink the profitability of the banking sector. Economists have voiced their concerns over the dictated lending rates, saying the forced rates may distort market fundamentals.

- **Exchange Rate Fluctuation**

The foreign exchange market has been going through volatility owing to the extending demand-supply gap of US dollars. The domestic currency has lost value of Tk. 1.19 against the dollar in the last one year. Rising exchange rates put pressure on inflation as the price of imported goods will increase. Experts and bankers opine that the implementation of several mega project, import of raw materials and other commodities will cause more volatility in the country's foreign exchange market in the coming days.

- **Cybersecurity**

Digitalization of the banking and financial sector-maintaining large stakeholders, has paved the way for cybercrimes. The banking sector depends on IT but most banks have no preparation to handle cyber-attack. It is imperative to increase investment in the IT sector to develop physical infrastructure, to ensure software upgrades and to disperse awarene

- **Over dependence on fuel based electricity generation**

High dependency on fuel based electricity generation might see a rise in the cost of electricity marking a pumped up cost budget that will make the business environment slightly complicated

- **Deviations in Regulations**

Regulatory authorities of banking industries are consistently bringing amendments in the regulations and compliance requirements that derails the strategies that the bank had in mind and makes the bank vulnerable to the unanticipated changes.

- **Rohingya**

Influx of millions of Rohingya from Arakan of Myanmar has been a severe problem for Bangladesh putting an upward demand for import of foodstuffs, involvement in different anti-social activities to fulfill basic needs, disturbing social peace being spread out over the country.

OPPORTUNITIES

- **GDP growth**

With a commendable growth rate of 8.13% in the 2018-2019 Fiscal Year, Bangladesh is one of the fastest growing economies of the world and is striding boldly to become a middle income country with GDP Per Capita reaching USD 1,828 in Jun 2019, compared with USD 1,675 in Jun 2018.

- **Ease of doing business**

Bangladesh advanced 8 notches in 'global ease of doing business' ranking to 168th from the 176th position of the previous year owing to the laudable initiatives taken by the government to embolden reforms through developing action plans, forming taskforces, coordinating initiatives among relevant government agencies and private sector stakeholders, and monitoring reform progress.

- **Growth in the IT Sector**

The success of the IT industry is central to the digital transformation and ongoing economic growth of Bangladesh. It exports nearly \$1 billion of technology products every year, a figure that the government expects to increase to \$5 billion by 2021. The country also has 600,000 IT freelancers. Our freelancer card 'Shadhin' will cater to the needs of this growing sector and register profitability for the company.

- **Agent Banking**

Being a pioneer of agent banking, Bank Asia has established the largest agent banking network, with over 3,525 outlets opened across the country in the last five years. Bank Asia was enjoying 75.85% share of the total loan disbursement through agent banking. The central bank data show that Bank Asia accounted for 18 percent of the total deposit collected through agent banking, and 76 percent of the total loan disbursed.

- **Remittance**

Remittance being one of the main economic growth drivers of Bangladesh, accounted for 5.40% of the GDP in the 2018-2019 fiscal year, hitting an all-time high of \$ 16.40 billion in 2019 from \$14.98 billion of the previous year giving a boost to the foreign exchange reserves.

- **Improved CRAR**

Improved Capital to Risk Weighted Asset Ratio encourages capital adequacy in the banks to overcome liquidity crisis. This year the CRAR increased to 17.93% this year from 15% of the previous year, which is considerably higher than the minimum requirement of Basel III Accord which is 12.5%.

- **Technology**

To ensure swift communication, information technology like smartphone and availability of internet facility will make the banking sector more lucrative. Bank Asia aligns with advanced technologies introducing Smart Banking, My Family App, Online Credit Approval System (OCAS)- Diganta, Online CIB which will facilitate quick and uninterrupted automated customer servicing.

- **Current Account Deficit**

In the fiscal year 2018-2019 exports increased by 10.55% to \$40.54 billion, while imports grew only 1.79% to \$55.44 billion narrowing the trade deficit by \$14.9 billion.

- **US-China Trade War, Brexit**

Bangladesh's exports to USA can be expected to "increase by \$400 million" amid the US-China trade war. And the net FDI from China into Bangladesh exploded to USD 506 million in the 2017-18 financial year. Brexit ending on a bad note would result in reduced development assistance from UK, reduced remittances sent by the expatriates and reduced investment. But Britain is one of the top economies in the world so Brexit will not have a long term negative impact on Bangladesh. Yet, Bangladesh should continue negotiation with the UK for the continuation of trade facilities after the Brexit to mitigate unforeseeable risks.

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

Approach to Sustainability



Bank Asia, since its inception, has contributed towards economic development of the country. Presently, the Bank has established network of 128 Branches and 3,525 agent outlets across the country with the dream to serve the whole nation. We have very recently celebrated Bank's 20th anniversary, being one true companion of Bangladesh. Bank Asia is the pioneer of agent banking and has become a role model for financial inclusion in the banking industry of Bangladesh with the firm commitment to serve the marginalized people with technology driven innovative services, strong network and infrastructure. We think beyond profit and believe in building an inclusive community, hence we have undertaken many initiatives towards achieving Sustainable Development Goals. Bank Asia is an advocate of the philosophy of responsibly growing together 'for a better tomorrow', leaving no one behind. As a bank with the vision to reduce poverty in the country, we want to contribute to the society by providing financial emancipation to the unbanked, empowering communities through its services, creating opportunities of livelihood, pioneering equality in all fields and encouraging sustainable financing. And through the combined

endeavor of all stakeholders, we will gradually move towards a sustainable world and a sustainable future without leaving no one behind. We have already established more than 3,500 agent outlets across 417 upazilas of 64 districts. We have also a plan to establish 100 Sub-branches in phases by 2020. We have set up the first ever RMG digital banking booth at the premise of the garment factory to serve the readymade garments workers marking a new era in the country's banking history.

Bank Asia has also catered to the needs of the thrust industries: cottage, micro and small enterprises- to help them grow and flourish. Worldwide Cottage, Micro, Small and Medium Enterprises have been accepted as the engine of economic growth and for promoting equitable development. Bank Asia has launched 3 new products titled "Shopner Khamar"- for dairy sector value chain entrepreneurs, "Uttaran"- for existing good CMSE loan borrowers and "Shofol- GP"- for working capital support for GP retailers. As we are the first financial institution in the country to introduce TAB/PC based digital SME & Agri proposal processing, we have disbursed 10,550 credit proposals amount to BDT 4,240 million through Diganta (BFP-B, UKAID funded project), an online credit approval system up to 31st December 2019. Bank Asia implemented a full-fledged digitized cluster-based approach for financing cottage, micro, small enterprises. Currently the bank is actively working on developing and financing in the clusters like Electric & Electronic cluster, Hosiery Cluster, Bamboo & Cane Cluster, Shitol Pati Cluster, RMG Cluster etc. At the end of year 2019, CMSME portfolio stood at Tk. 40,787 million.

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

During 2019, Bank Asia has disbursed Tk. 4,308 million for short and long-term credit in agricultural/rural sectors. This financing

Approach to Sustainability

helped to create enormous employment opportunities in farms, especially in the fields of crops & fisheries. For safeguarding biodiversity, our Bank is very much concerned and in 2019, total outstanding amount of different liquid waste management project for financing Biological & Chemical Technology Combined ETP, Biological ETP, Chemical ETP and Waste Water Processing Plant was Tk. 441.89 million, financed a total of Tk.140.00 million to Youth Spinning Mills Ltd. for importing of high energy efficient gas generator.

Bank Asia embedded the value of Corporate Social Responsibility (CSR) in its business philosophy. Since inception, the Bank has been contributing to the under privileged segment of the society so that they will be included in the mainstream. Bank Asia foundation established with the aim of strengthening CSR program and streamlining the activities in a more systematic, structured and sustainable manner. During the year 2019, Bank Asia spent an amount of Tk. 116 million on CSR which covers a vast area of education, health and other under privileged sectors for the overall betterment of the nation.

Bank Asia strongly believes safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. To improve our employees' work life balance, Bank Asia has established a combined day care center named "Pushpita" in collaboration with other private commercial banks by renting 5,666 square feet at Motijheel, Dhaka. To provide a greater peace of mind to working parents especially mothers and to encourage the inclusion of women in the job market, the child care center has established. For making the employees more effective and efficient, 136 trainings of 93,005 MH accomplished in the year 2019.

PROTECT YOURSELF. PROTECT OTHERS.

Awareness is the fundamental to prevention

MEDICAL WASTE

DISPOSE YOUR BIOMEDICAL WASTE SEPARATELY

STOP

THE SPREAD

- ✦ **Separate and dispose** of your Biomedical & Sanitary Waste in specific bags
- ✦ **Mutilate** disposable gloves & masks before throwing
- ✦ **Tie and dispose** of bag only when full
- ✦ **Handover** to an authorized waste collector
- ✦ **Do not mix** your biomedical waste with wet and dry waste

Approach to Sustainability

Material Topics	Targets	Achievements
Financial Inclusion 	To reduce poverty by promoting financial inclusion	<ul style="list-style-type: none"> Expanding Agent Banking in 64 districts through 3,525 agent outlets by tapping into 1.92 million accounts Tk. 1.2 million beneficiaries under 31 districts through ABAK 53,998 beneficiaries are the recipient of online cash management support through Social Safety Network Tk. 4,308.44 million disbursed through A- card for marginal farmers
Technological Innovation 	Reducing lead time by technological advances	<ul style="list-style-type: none"> About 4,349 account with Tk. 2556.50 million loans through OCAS-Diganta including Tab based version under Diganta project Implementation of ICT help desk for better customer services and 'MY Family' app. has been developed Developed E-sanction archive where 8,961 sanctions and 21,145 security files were archived during 2019
Operating efficiency through Core Business 	To maintain consistency and focus on asset quality	<ul style="list-style-type: none"> +25% growth in core business income Shifting focus from corporate to MSME and Retail business +14.04% Deposit + 5.91% Advance Cost to income ratio improved to 42% from 42.93% NAV per share increased to Tk. 21.22 from Tk. 20.02
Liquidity Risk Management 	To ensure smooth banking operation	<ul style="list-style-type: none"> Maintained AD Ratio around 76.47% ROA reached at 0.59% ROE reached at 8.16%
Paying back 	Expanding the horizon of community services	<ul style="list-style-type: none"> In 2019, 70 female availed maternity leave of total 12,600 days Bank Asia spent Tk. 116.15 million to education, disaster management, and other social sectors as CSR activities
Human Capital 	Improvement of employee productivity	<ul style="list-style-type: none"> 90,594 man hours of training to 4,750 participants Amount of Human Capital is Tk. 18,955 million

Approach to Sustainability

Material Topics	Targets	Achievements
<p>Workplace safety & security</p> 	To ensure hygienic and congenial workplace	<ul style="list-style-type: none"> ● Claims of insurance received of Tk. 11.03 million in 2019 under Group Health Insurance policy ● All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise ● Pick and drop facilities has been provided through 7 vehicles both in Dhaka and Chattogram region ● Formulation of Healthy working environment and Policy for safe working atmosphere such as 'Female anti harassment policy' and 'Grievance handling policy' to resolve complaints in a fair manner ● 'First Saturday' of every alternate months has been observing as 'Cleaning Day' where all employees of the branches and Corporate Office actively participate to clean the premises including all office equipment and fixtures
<p>Environmental responsibility</p> 	Reducing carbon footprint and increasing environment friendly investment	<ul style="list-style-type: none"> ● Net savings from environmental activities was Tk. 8.92 million ● Empowering communities through Agricultural credit of Tk. 3,650 million ● Disbursed Tk. 128.86 million for financing Green establishment/ Green Building project ● Liquid Waste Management Tk. 441.89 million ● Provided 8 nos. trainings regarding green banking ● 100% regulatory compliance and no fines or, non-compliance sanctions regarding environmental issues ● Publishing Sustainability Report each year that conveys a unique message to create awareness for our stakeholders regarding environmental matters
<p>Customer relationship management</p> 	Maintaining Customer Service Standard	<ul style="list-style-type: none"> ● Approved a new customer service policy ● Regular conducting surveys on satisfaction of customers on our provided services ● Maintained high standards of customer security and data privacy protection ● Providing services through launching of new products & services ● Implemented ICT help desk (Microsoft System Center Service Manager) for better customer services

SUSTAINABLE HR DEVELOPMENT

EMPLOYEE PROFILE

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

SALARY POLICY

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

BENEFITS TO EMPLOYEES

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

Fringe Benefit Schemes

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

Other Benefit Schemes

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

END SERVICE BENEFIT PLANS

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

- Provident fund
- Gratuity
- Superannuation
- Leave encashment

MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES

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

TOTAL EMPLOYEES

Out of total number of 2,256 employees, 538 employees are female and rest 1,718 employees are male. As such, a profound commitment is reflected in the Bank's employment policy and service rules. Bank's employees are mainly concentrated on branches in terms of number and in 2018 total employees' composition in branch and corporate office was 71% and 29% respectively.

Offices	2019		2018	
Corporate office	883	37.16%	747	33%
Branches	1,493	62.84%	1,509	67%

NEW EMPLOYEES

263 new employees were recruited during 2018, among which 67% for branches as a part of network expansion of the bank and remaining 33% for corporate office to ensure effective and timely support to branches

Offices	2019		2018	
Corporate office	70		109	
Branches	154		154	

EMPLOYEES BY DIVERSITY

Bank Asia ensures equal opportunity as an employer irrespective of locality, gender or ethnicity. Local employees (99.7%) dominated in diversity composition.

Employee distribution by diversity

Officials	2019		2018	
Local	2,370		2,250	
Indigenous	6		6	

EMPLOYEES BY REGION

Bank's employees are mainly spread over to Dhaka and Chittagong. It retains the highest number of employees in Dhaka, which was 71% in 2019 for Corporate Office and branches in Dhaka city.

Employee distribution by Region

Region	2019	2018
Dhaka	1,790	1,687
Chattogram	358	367
Sylhet	62	75
Rajshahi	51	45
Barishal	17	14
Khulna	63	43
Rangpur	23	12
Mymensingh	12	13

GENDER POSITIONING

Bank Asia has been maintaining a very balanced male and female ratio, which was not only reflected in the board of directors but also in the bank management at different levels. Among our female colleagues none is in top level management, 27 in mid-level and 533 in low-level management.

Gender Positioning of Directors

Board Level	2019		2018	
	Male	Female	Male	Female
Directors	11	4	10	5

Gender Positioning of Employees

Management Tier	2019		2018	
	Male	Female	Male	Female
Top Level	41	0	37	0
Mid-Level	327	27	313	28
Low Level	1,448	533	1,368	510

Gender Positioning by Grade

In a total of 2,376 employees, overall male female ratio stands at 69:31 and non-executive segment has the highest concentration of female employees.

Position	2019		2018	
	Male	Female	Male	Female
Executive	368	27	354	28
Non-Executive	1,431	533	1,348	510
Support Staff	17	0	16	0

Gender Positioning by Employment Level

Employment Level	2019		2018	
	Male	Female	Male	Female
Permanent	560	1,816	1,718	538

Age Distribution

Bank Asia has a relatively younger segment in its overall employee pool where 58% of the employees fall in 31-40 years age bracket.

Age Group	2019		2018	
	Male	Female	Male	Female
30 & Below	264	112	296	109
31-40	1,033	355	987	359
41-50	444	90	376	68
51-60	70	3	58	2
61+	5	-	1	0
Total	1,816	560	1,718	538

Employees Turnover Rate by Gender

Male and female employees' turnover rate is almost equal in terms of percentage. Overall employee turnover rate is very low in the Bank which is around 4.62% of total employees in 2019.

Gender	2019		2018	
	No.	%	No.	%
Male	87	4.92	92	5.56
Female	20	3.64	23	4.45

Employees Turnover Rate by Region

As per demographic scenario, employees of Dhaka city left the Bank in 2019 which was 81.31% of total employees left.

Region	2019	2018
Dhaka	87	101
Chattogram	10	5
Cumilla	6	1
Sylhet	-	3
Rajshahi	-	1
Barishal	-	1
Khulna	2	-
Rangpur	1	1
Jashore	-	-
Bogura	1	2

PERFORMANCE MANAGEMENT SYSTEM

To facilitate the career growth of its employees, Bank Asia emphasizes on fair evaluation of their performance and its proper appreciation. As it is known, unbiased performance evaluation culture plays a critical role in creating a sustainable workforce while also supporting the Bank's bottom line. 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.

Bank Asia is solely depending on the contribution of its existing talents. 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.

LEARNING AND DEVELOPMENT

The Bank always puts the highest importance to organize training and workshop to the officers and executives in an effort to improve their professional efficiency which is as a continuous process of human resources development. Bank Asia Training Institute for Training & Development (BAITD) is at new venue with new venture in its own 6 storied building at Lalmatia from 2016 which is equipped with all modern study aid and course materials.

Training by Gender

Position	2019		2018	
	Persons	Hours	Persons	Hours
Male	3,881	74,031	3,014	56,669
Female	869	16,563	715	14,021

Training by Position

Position	2019		2018	
	Persons	Hours	Persons	Hours
Executive	646	12,434	702	13,789
Non-Executive	4,104	78,160	3,027	56,901

Training by Different Institutes

Particulars	2019		2018	
	Nos.	Hours	Nos.	Hours
In House Training	4,541	86,738	3,460	63,548
Bangladesh Bank	17	192	24	952
BIBM	37	648	92	3,688
Overseas/Foreign Training	64	1,536	31	1,256
Training by other institutes	91	1,480	122	1,336
Total	4,750	90,594	3,729	70,690

Bank has organized 4 foundation training courses each 6 weeks long for entry level employees to improve knowledge base and proficiency in banking. Training Institute of Bank Asia has provided 8 trainings on Green Banking under Foundation training course & other training related to Green banking to 280 employees.

SUSTAINABILITY AND GREEN BANKING

- As greening of mind, 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 this year.
- Sustainability Report has been published since 2012 as per GRI framework by Bank Asia. To create awareness among the stakeholders each year the theme of Sustainability Report has been designed considering environmental issues of the world. With this consequence, the theme of Sustainability Report 2018 was 'Electromagnetic radiation'. Moreover the articles on green banking were published in different newspapers reflects green initiatives by the Bank to our employees, stakeholders and all subscribers of those newspaper.

- During 2019, through OCAS (Online Credit Approval System) Diganta software 4,349 no. of accounts of tk. 2,556.50 million have been developed as a part of Technological improvement of the Bank. This system will reduce lead time, ensure accuracy, strengthen security and make accessibility easier and will provide a competitive edge over other banks on online banking.
- In 2019, Electronic sanction archive system has been developed for 6 departments; namely: CRM, CMSE, Islamic Window, SAMD, CFC & Agricultural wing. During 2019 total number of sanction archived is 8,961.

LEARNING VALUE CHAIN

LVC (learning value chain) is a value creation framework that uses learning and knowledge enhancement as strategic levers. LVC framework helps focus L&D initiatives of an organization to contribute to the value chain of the same. LVC process has the following 6 stages:

- Business Needs Assessment
- Learning Needs Assessment
- Design & Development
- Delivery
- Reinforcement & Transfer of Learning
- Results & Measurement

Bank Asia and The Daily Star signs deal on Knowledge Development

The Daily Star and Bank Asia, exchanged and signed documents of a deal at The Daily Centre in Dhaka under the deal titled “Spreading Knowledge”, 1,000 copies of the Daily Star will be distributed among the students of Jahanagirnagar University. Like previous years, this knowledge development program is still going on and in 2019, Bank Asia provided Tk. 2.69 million for this purpose.



Certificate Awarding ceremony of 51th Foundation training

Future Leader Development Program

The Future Leaders Development Program (FLDP) is a program where a pool of talents is to be made from the officers of Bank Asia who can confront any difficulties those lie ahead. By applying dynamic learning techniques, this program strives to create a pool of skillful managers prepared to effectively and rapidly make a genuine commitment to the association. Each officer of this program gets a chance to be migrated to various capacities occasionally and into some strategic capacities in the Bank to quicken the learning procedure important for them to possess vital positions later on.

With an oath to “Ready to Fight” a total of 386 employees from the job grades of Executive Officer to Assistant Vice President of Dhaka and Chittagong region took part in the FLDP. Representatives take an interest in the program with eagerness and assurance which is unmistakably obvious amid different leadership development sessions.

MATERNITY LEAVE

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

Paternal Leave

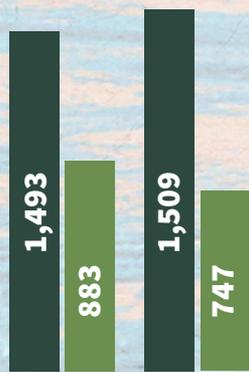
As per bank’s policy, any employee who has been in the continuous service of the bank for at least one year is entitled to get 5 working days’ paternal leave. An employee can avail this leave not more than two occasions during the entire period of service. In 2019, every entitled employee has availed paternal leave facility.

Maternity leave availing in 2019

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

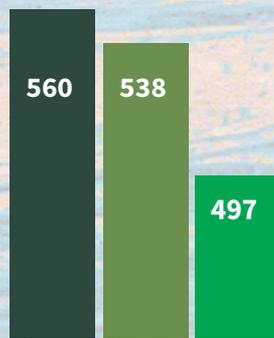
No. of female employees	Average leave at a stretch
40	180

HUMAN CAPITAL DISTRIBUTION



Total Employee Distribution

Corporate office
Branches



No. of Female Employees



New Employee Distribution

Corporate office
Branches

Top

5 Layers : 41
Senior Vice President to President

Mid

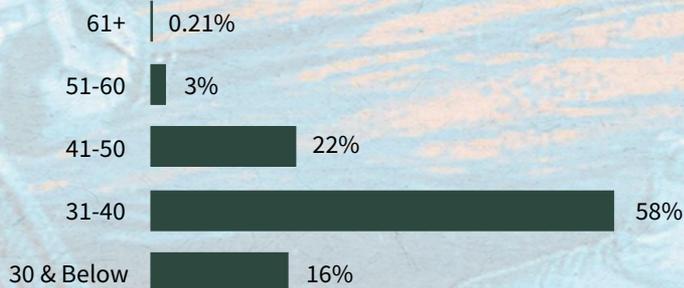
4 Layers : 354
First Assistant Vice President to Vice President

Low

7 Layers : 1,981
Trainee Officer to Sr. Executive Officer

Tk. 11.03 million
received as
Insurance
Claim in 2019

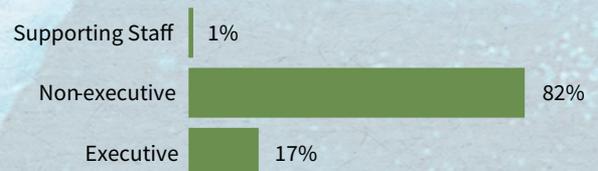
Age Distribution



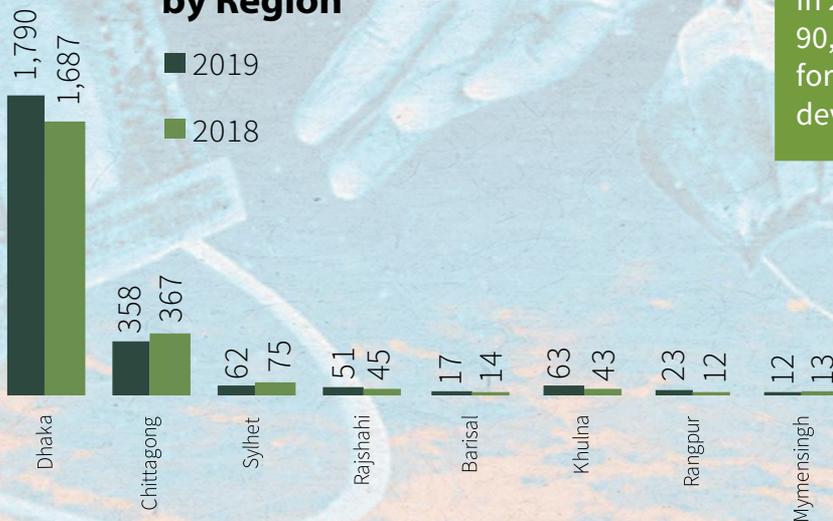
Gender Positioning



Employee by Position



Employee distribution by Region



In 2019
90,594 man hours training
for human capital
development

CHILD CARE CENTER FACILITIES

To improve our employees' work family balance and especially to uphold the women rights in the work field, Bank Asia, in collaboration with 20 other private commercial banks, has established a child day care center named "Pushpita". The total space area of the day care centre is 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. Children aging from 2-6 years of the employees of State Owned and Private commercial banks, whose head offices are located at Motijheel Area, can be enrolled for the day care facility. Parents, who will keep their babies in "Puspita", will get the opportunity to watch their babies through their device from anywhere, any time through Live CCTV footage. The target number of Children is 60. Currently there is total 49 number of children enrolled in the day care centre. There is a Day Care Centre Implementation Committee that supervises the activities of the day care centre and discusses different issues regarding up gradation of the facilities of the centre on a regular basis.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

Board and management of Bank Asia strongly believe safe & healthy work place is a precondition for sound mentality of employees to deliver desired services to valued customers. So the bank is very careful about ensuring modern, healthy & safe workplace for its employees. 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 supports and services department of the bank is specially entrusted to visit regularly to monitor cleanliness, safety measures and other amenities remains ensured in all outlets. If found any deviation, take prompt steps and thus ensuring modern, healthy and safe workplace for its employees.

Cleaning Day

Bank Asia has developed its status for tidiness and well maintenance of Branch premises and Corporate Office. Tidiness is a basic piece of our way of life. Safeguarding of vouchers, records and other office archives are additionally as essential as tidiness. The costly interior decoration and expensive furnishings end up looking plainly vain unless the premises are kept up all around. The administration, thus, chose to watch 'CLEANING DAY' on the 'FIRST SATURDAY' of each alternative month where all workers of the branch and the Corporate Office effectively take an interest. On the 'CLEANING DAY', every one of the employees turns up at their particular Branch/Department and engages themselves in cleaning the premises including all office gear and fixtures.

Customer Service Day

Clients are considered as utmost priority in Bank Asia. Their need fulfillment is the main concern among all exercises. Constant change and dynamic method of giving customer service to satisfy clients' requirement is embraced. Bank Asia is dependably a stage ahead to change over its service into warm hospitality. In accordance with that, first day in a month has been chosen when all individuals from top management take vigorous initiative alongside all branch employees to give service to clients. Such program encourages branch employees to learn more innovative mediums of giving better customer service.

Bank Asia Cricket Festival

Like every year, Bank Asia organized intrabank cricket tournament where Branches and different Divisions and Departments of Corporate office participated in friendly matches. In 2019, 32 teams under 8 Groups participated in this cricket festival.

Bank Asia Cycling Club

With an aim to avoid the traffic situation in Dhaka city, for maintaining physical fitness and ensure greener economy for the future Bank Asia voluntarily formed a 'Cycling Club' in the early 2016 for employee of Bank Asia and city dwellers. In the cycling rally employees along with the CEO & Senior Management Team of the Bank spontaneously participates. In future Bank Asia Cycling club will go forward to build a Banker's community where everyone will intend to use cycle for day to day transportation. In 2019, 4 programs have been held by Bank Asia Cycling Club.

Bank Asia Debating Club



Inter-university debate competition-2019

Since starting from 2017 Bank Asia Debating Club performing various debate events along with 20th Years Celebration Inter-University Debate Competition an intended to spread out debating activities in the country and to engage bank employees

with debating practices. Besides this, the training Institution of the Bank BAITD & Bank Asia Debating Club jointly organized debate competition as a comprehensive part of the Foundation training for the employees of the Bank. In 2019, 13 programs have been held by Bank Asia Debating Club.

CULTURAL EVENTS AND AMUSEMENT

Bank Asia Falgun Utshob



Celebration of Pohela Falgun

Pahela Falgun, the day when the Bengali spring season ushers in, makes yellow the only wearable for those who want to participate in the seasonal festivity. Bank Asia celebrates the beginning of new season with its employees in a festive environment. The celebration of Falgun revives the bonding between the employees and creates an aura of happiness.

Bank Asia Pitha Utshob (Rice Cake Festival)

The season of winter is always considered exceptional in our country and we celebrate it with pitha & date juice that has become our age long tradition. On the eve of New Year, Bank Asia Limited always arranges for Pitha Utshob keeping conformity with our culture and to create a common ground for all employees to come and exchange pleasantries. Bank Asia Pitha Utshob is marked for a new beginning of the year with a note of positivity and festivity.

Bank Asia Father's Day Celebration



Celebration of Fathers Day

There are huge number of male employees in Bank Asia who are performing their responsibilities as a father. Bank Asia appreciates its male employees and celebrates the Father's Day with the male colleagues in a festive mood. Bank Asia is a very congenial place for men and it not only encourages but also empowers men in different aspects.

Transport Facilities

At present 7 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. Bank Asia provides full-fledged transport facilities for employees during and beyond usual working hours.

HUMAN RIGHTS, CHILD LABOR AND OTHER ISSUES

Human Right issue is particularly relevant for organizations that operate in industries/ regions where the protection of human rights is of significant concern. As this is a significant concern for a business to be sustainable in long term, we integrated the human right issue in all our economic decisions. Human right provision in all kinds of investment agreements is a part of our strategy to reduce the risks of investment. And also we do not make any investment agreements and contracts that violate human rights. Bank Asia also does not tolerate child, forced or compulsory labor. In 2019, 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

Female Anti-harassment Policy

Bank Asia follows a zero tolerance approach to harassment of any kind to any female employees as the Bank feels harassment seriously weakens the working atmosphere. The policy guides about personal measures of affected female employees in addressing a complaint, role of management, investigation procedures and disciplinary measures. The policy also guides management about its role in case of false complaint.

Grievance Handling Policy

With a view to resolve undesirable issues at the workplace in the most effective manner Bank Asia has formally promulgated Grievance Handling Policy in 2014. The policy

HUMAN CAPITAL

Staff Strength

- Executives
- Officers



Bank Asia management is always vibrant to providing cost value information about acquiring, developing, planning, allocating and maintaining human resources including finding depreciation or appreciation among human resources. In this connection the management is very much cautious to set up HR applications and best practices for developing employee talent and leveraging employee skills in the organization. Bank Asia significantly considers human resources management at corporate level, professional level, social level and overall national level. In this process Bank Asia tries to identify and report investment made in human resources. Last five years manpower strength (number) was shown in the graph:

Bank Asia reported the total value of Human Capital to be Tk. 20,755 million in the year 2019 compared to Tk. 18,955 million in 2018 using Present Value of Future Earning Model (Lev & Schwartz) which discounts total benefits payable to employees with the assumption of minimum expected earnings from the year mentioned up to respective retirement.

Category wise Break down is presented in the table below

Million Taka

Category	2019			2018		
	No. of Employees	Per Capita Value	Total Value	No. of Employees	Per Capita Value	Total Value
Executives	394	17.73	6,987	379	17.04	6,459
Officer	1,982	6.95	13,768	1,877	6.66	12,496
Total	2,376		20,755	2,256		18,955

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

According to the model, the total value of employees was regarded as Human Capital which saw a 9% growth in the value of human capital in 2019 over 2018 due to addition of veteran and fresh recruitments. Bank Asia, therefore, proliferates training expenditures on annual basis to aid in excelling employee performances.

Balance Sheet including Human Capital

Million Tk.

	31-Dec-19	31-Dec-18
Total Asset (Conventional)	353,800	307,291
Human Asset (Individuals' value)	20,755	18,955
Value of investments	18	22
Total Asset including Human Asset	374,573	326,269
Capital & liabilities		
Total Liabilities (Conventional)	353,800	307,291
Human Capital	20,773	18,977
Total Capital & Liabilities including Human capital	374,573	326,269

equally applies to all permanent and contractual employees for grievances related to promotions, transfer and posting, compensation package, incentive bonus, working environment etc. Under this policy, complaints are resolved informally where possible, and through a formal grievance procedure where necessary.

POLICY, PRACTICES, AND PROPORTION OF SPENDING ON SUPPLIERS

For running day to day operations Bank Asia works with a wide range of suppliers and maintains good relationship with them. We work to create value through collaboration with them and strive for fairness in all interactions with suppliers. Our chain of suppliers consists of the following parties:

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

Selection of supplier is managed centrally by the corporate office. The bank applies its own policy and practice for selecting these suppliers. There is no significant changes to the supply chain management of Bank Asia in 2019 It mainly takes into account the following criteria before selection:

- Status of compliance with government rules and regulation by the suppliers.
- Our bank doesn't make any collaboration with suppliers that employs child labor, creates environmental hazards, violates human rights etc.

We fully maintain these criteria in case of selecting suppliers. Bank Asia has a number of security service providers which specialize in all aspects of building security. All security providers practice the highest standards of training and operation. Their training incorporates all aspects of the law including human rights and non-discrimination.

ANTI-MONEY LAUNDERING TRAINING

Bank Asia is committed to preventing money laundering and terrorist financing. We recognize our obligations to prevent the financial channels and products from being used by money launderers and

terrorist organizations for illicit purposes. Bank Asia is also against any actions of soliciting, collecting or provisioning funds that come with the intention to support terrorist acts or organizations.

Anti-Money Laundering Department (AML), Corporate Office always arranges and conducts AML workshops to train all the employees of our Bank and about 98% of total employees (Branch/Corporate Office) obtained AML & CFT related training.

AML/CFT Training Recipient

	No. of employee	%
Branch	1,493	62.84%
Corporate Office	883	37.16%
Total	2,376	100%

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

PRACTICES RELATED TO CUSTOMER SATISFACTION

Being a pioneer of agent banking, Bank Asia has established the largest agent banking network, with over 4602 outlets across the country and wants to expand business by shifting from branch banking to agent-based banking in the next five years to ensure further financial inclusion and to minimize the maintenance costs of traditional branches. Based on that, a survey on the Satisfaction Survey of Individual Agent Outlets (IAO) Vs Union Digital Centers (UDC) has been conducted by Bank Asia to identify brand strength of Agent Banking and to analyze customer Satisfaction with Agents' Service and understand what triggers consumers to use our Agent



2019 declared as Customer Service Year

Banking service. The survey was conducted through telephonic interview of customers of 406 Individual Agent Outlets and 398 UDCs using Simple Random method.

IAO customers are found more satisfied (72%) than that of UDC customers (62%). Higher satisfaction led to higher NPS. IAO NPS is

48 where as UDC's NPS is 32. Quantitatively the score shows difference but qualitatively it can be said that brand strength of both channels are 'very good'. Regardless of channel type, local ARO and agent owner's/CSO effort act as major source of awareness for Bank Asia Agent Banking (BA-AB). To improve the service of the Agent Banking few strategies can be recommended such as having a Dedicated Customer Service Improvement Department, ensuring CSO Training, increasing Operational Efficiency of the Individual Agent, expediting Awareness of IB and having innovative and relevant product launch.

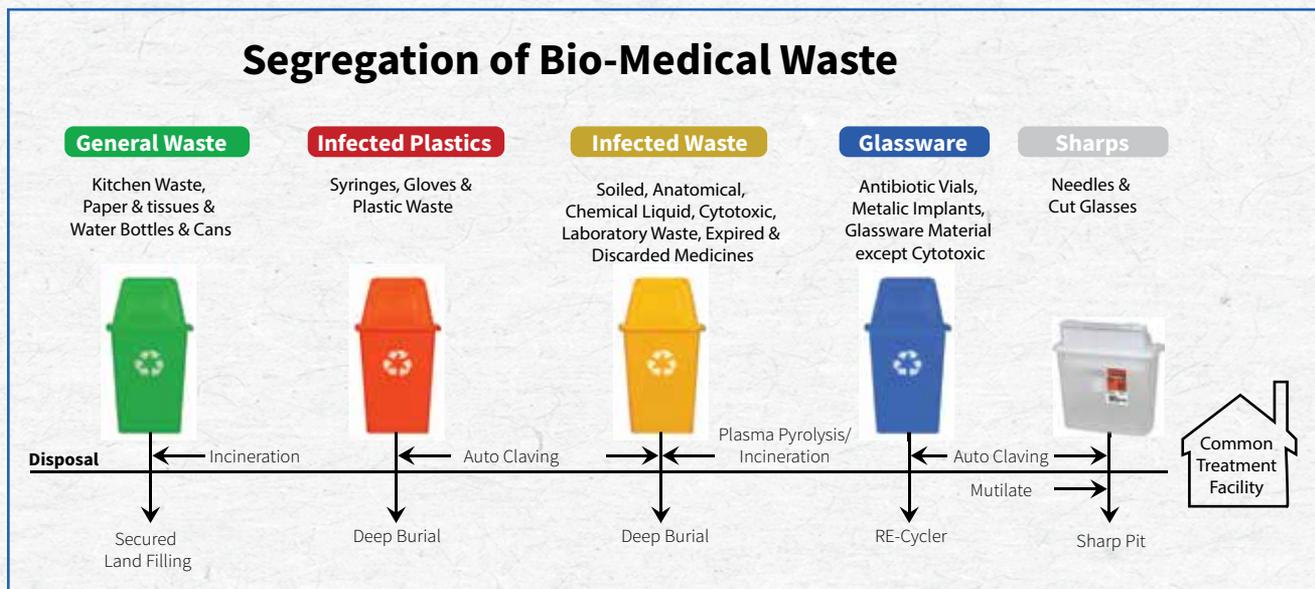
STATEMENT ON COMPLIANCE

In the year 2019, Bank Asia has been able to comply with all the regulations of Bangladesh government regarding use of product and services, information about product and services, marketing, communications, advertising, promotion. No incidents of fines/penalties have been recorded this year concerning the above mentioned issues.

Brief Economic, Environmental and Social Performance

Economic responsibility	Number of loan accounts	+5%
	Deposit customer accounts	+68%
	Savings customer accounts	+86%
Shareholders responsibility	Profit after Tax	1,961 million BDT
	Shareholders' fund	24,745 million BDT
	Share Price	18.20 BDT
Environmental responsibility	Electricity consumed	11,692,557 kwh
	Oil	73,392 ltrs
	CNG	118,761 m3
	Local business travel	9,347,684 Km
	Paper used	126,208 reams
Social responsibility	Staff strength	5%
	Benefits and emoluments	13%

Segregation of Bio-Medical Waste

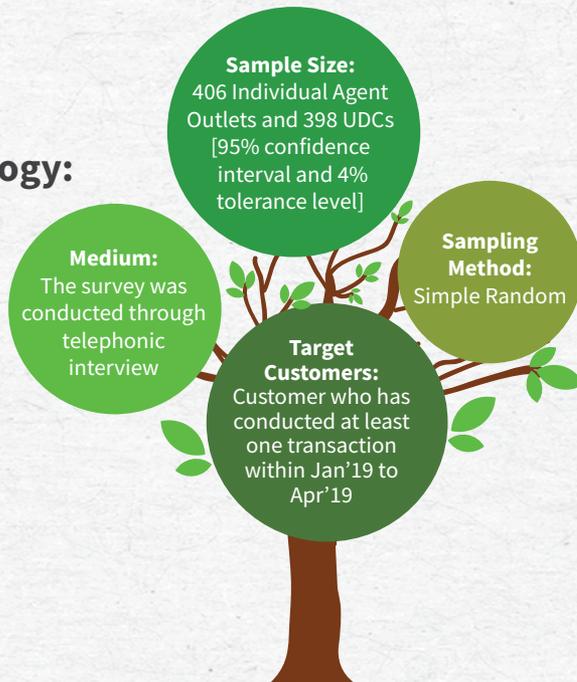


Customer Satisfaction Survey

Satisfaction Survey of Individual Agent Outlets (IAO) Vs Union Digital Centers (UDC)

Being a pioneer of agent banking, Bank Asia has established the largest agent banking network, with over 4602 outlets across the country and wants to expand business by shifting from branch banking to agent-based banking in the next five years to ensure further financial inclusion and to minimize the maintenance costs of traditional branches. The central bank data show that Bank Asia accounted for 18 percent of the total deposit collected through agent banking, and 76 percent of the total loan disbursed. Bank Asia believes in doing business not only for generating high returns but to deliver social responsibility. Based on that a survey on the Satisfaction Survey of Individual Agent Outlets (IAO) Vs Union Digital Centers (UDC) has been conducted by Bank Asia.

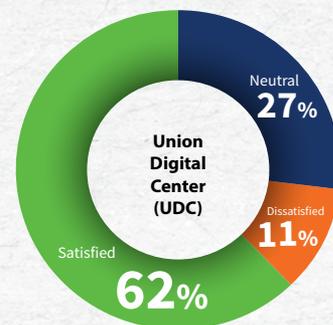
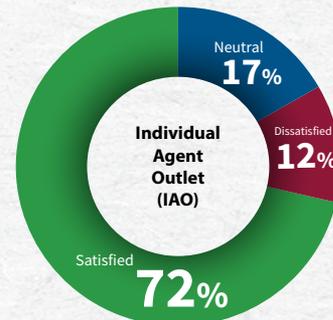
Research Methodology:



Objectives of the Survey:

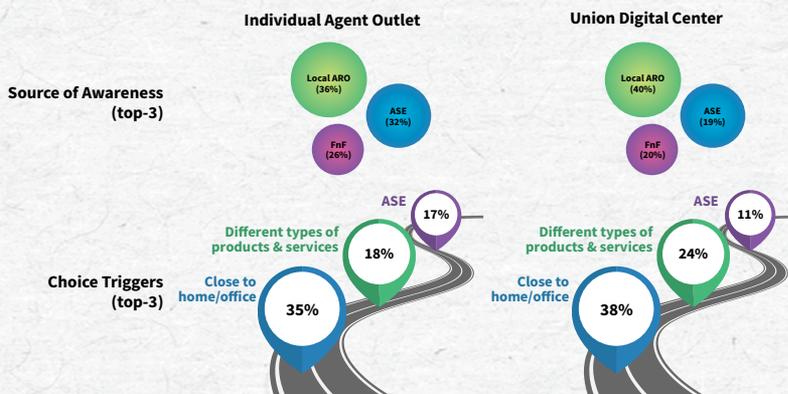
- 1 Identifying Brand Strength of Agent Banking
- 2 Measuring Customer Satisfaction with Agents' Service
- 3 Understanding what triggers consumers to use Agent Banking service

Overall Satisfaction with Agent's Service



Source of Awareness and Choice Triggers

Regardless of channel type, local ARO and agent owner's/CSO often act as major source of awareness for Bank Asia Agent Banking (BA-AB). 'Communicational convenience' as well as having 'wide range of product and services' are strongest choice drivers' for selecting IAO and UDCs' service

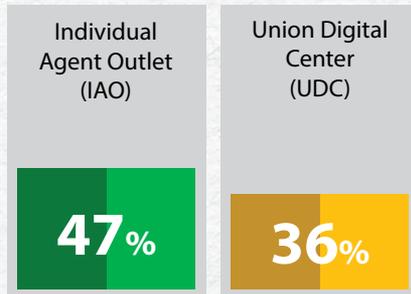


IAO customers are more found more satisfied (72%) than that of UDC customers (62%). Among basic SQ hygiene factors slow service, lack of reliability and uncomfortable temperature are some common areas of improvement for both the channels.

Customer Satisfaction Survey

Brand strength of Individual Agent Outlet

Multi-Banked



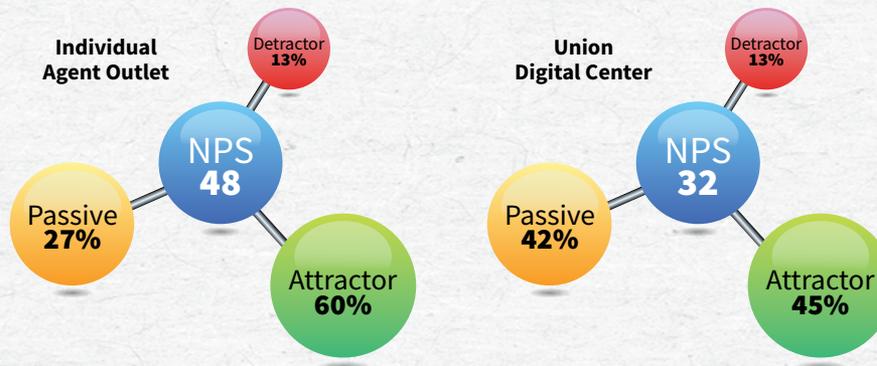
47% Individual Agent Outlets (IAO) and 36% Union Digital Center (UDC) customers are found to be multi-banked. Among the multi-banked customers, Sonali, DBBL and IBBL's user-ship are higher regardless of channel type

Brand Strength is measured using Net Promoter Score where NPS = Percentage of Promoters – Percentage of Detractors

Note: NPS rating method = NPS ≥ 50 = excellent, 25 ≥ NPS ≤ 49.99 = Very Good, 10 ≥ NPS ≤ 24.99 = Moderate, 0 ≥ NPS ≤ 9.99 = Poor, NPS < 0 = very poor

Higher satisfaction led to higher NPS. IAO NPS is 48 where as UDC's NPS is 32. Quantitatively the score shows difference but qualitatively it can be said that brand strength of both channels are 'very good'. Since BA is pioneer in AB and some major competition are strengthening their foothold in the industry, brand strength must be 'excellent' to maintain supremacy of BA-AB

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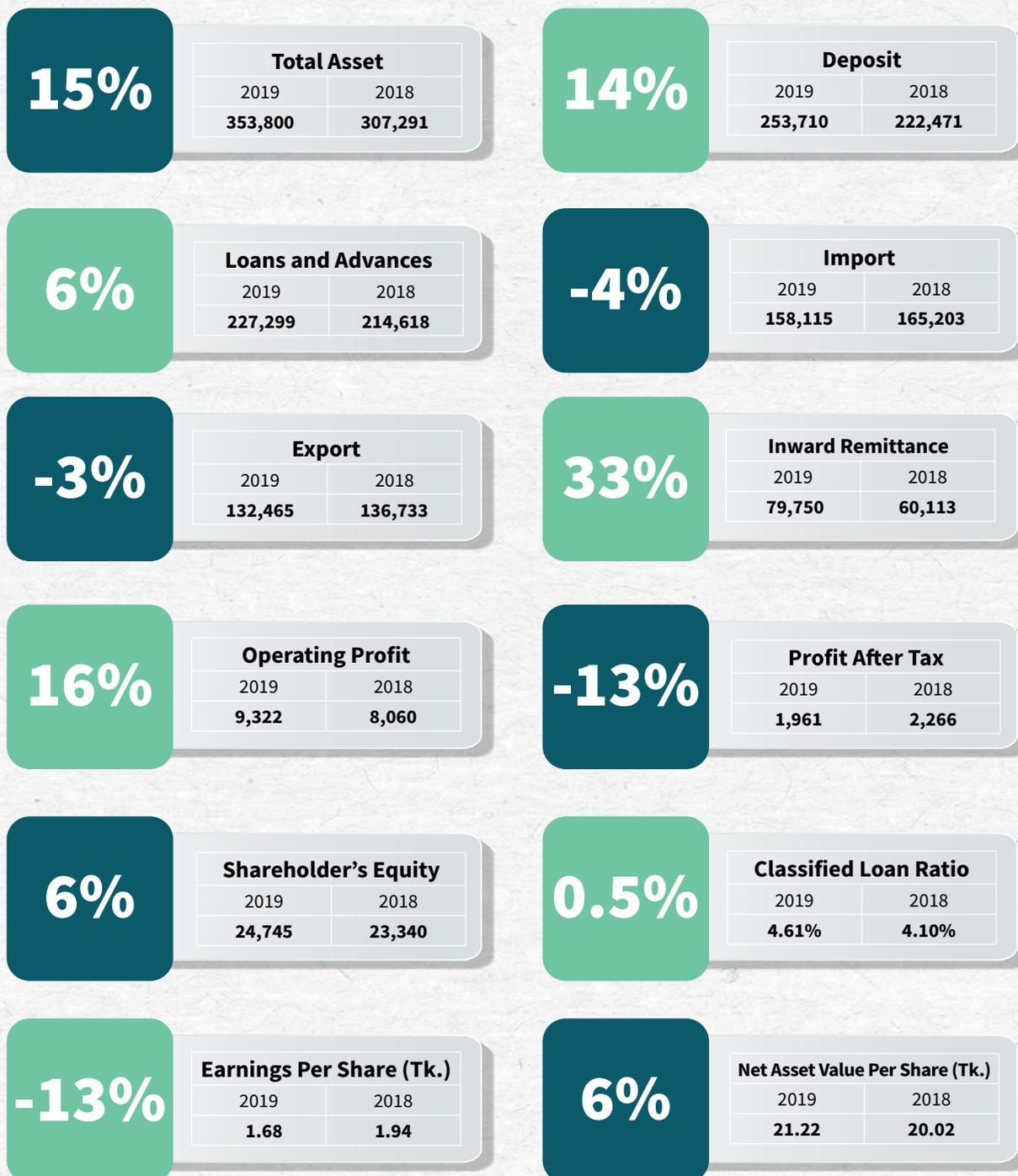
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RECOMMENDATION

- Dedicated Customer Service Improvement Department
- CSO Training
- Increasing Operational Efficiency of the Individual Agent
- Expedite Awareness of IB
- Innovative and Relevant Product Launch
- Improvement of Process and Service

Two years comparison

Million taka unless otherwise specified



BUILDING THE COMMUNITY

Bank Asia Foundation

As a socially responsible corporate entity, Bank Asia has spent Tk.116.15 million for the overall betterment of the nation in 2019. With a view to implement the guidelines of Bangladesh Bank for conducting larger Corporate Social Responsibility (CSR) Activity through Foundation, Bank Asia Foundation has started its operations from February 2017. At present, the Foundation has been carrying out its philanthropic activities in a more systematic, structured and sustainable manner.

Bank Asia Foundation undertook an initiative to set up a modern hospital with 250 beds at Sirajdikhan, Munshiganj called Bank Asia-Ma Amiran Medical College and Hospital. A. Rouf Chowdhury, Chairman of Bank Asia and Bank Asia Foundation, and his family members have donated to Bank Asia Foundation a three-storied building along with 700 decimal of land to establish the hospital that will house an OPD, a Diagnostic Centre, a Pharmacy and an Emergency Section.

The total cost for setting up the OPD, Diagnostic Centre, Emergency and Pharmacy has been Tk. 28.08 million and the hospital has extended its service from September 2019 to 7,321 patients.

Besides this, the Foundation has been disbursing the scholarship money among 335 students under the 'Bank Asia Higher Studies Scholarship Program' for the year 2017, 2018 and till now the Bank has distributed almost Tk. 17.1 million to the enlisted students. Some of the other altruistic activities of the Foundation are:

1. Providing treatment facilities through hospitals, clinics, medical & eye camps
2. Providing scholarships to poor and meritorious students
3. Distributions of blankets and winter cloths among the poor & distressed people
4. Rendering monetary and/or other assistance for the relief of people affected by calamities such as food, fire, famine, cyclone, earth-quack, storm, accident, pestilence, drought, epidemic etc.
5. Promoting educational, scientific, religious and social activities/organizations
6. Other similar charitable activities.



BA Higher Studies Scholarship organized by BA Foundation



Provided services to the patients in Bank Asia-Ma Amiran Hospital and Medical College

Bank Asia-Ma Amiran Hospital and Medical College



Corporate Social Responsibility (CSR)

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

From the embarkment of journey in 27th November, 1999, Bank Asia has consistently strived to help the underprivileged section of the country by engaging in humanitarian relief and disaster response; widening opportunities for disadvantaged population segments in areas of healthcare, education and training; ‘greening’ initiatives arresting environmental degradation, and so forth. In 2019, Bank Asia has spent an amount of Tk. 116.15 million for the overall betterment of the nation.



Handing over a cheque to Prime Minister Relief Fund

Education

Bank Asia Higher Studies Scholarship

Future generation play a vital role in shaping and building the digital Bangladesh we all believe in. Bank Asia believes proper education will help children ingrain the sense of patriotism and morality in them. In the year 2019, Bank Asia spent around Tk. 29.51 million for direct scholarship and educational infrastructural development purpose.

Donation for Societal Improvement by CSR in matrix:

Million Taka

Initiatives	Donation	%
Education	33.18	28.57%
Health	29.12	25.07%
Disaster Management	40.71	35.05%
Sports	0.02	0.02%
Art & Culture	0.62	0.53%
Others	12.50	10.76%
Total	116.15	100.00%



BA Higher Studies Scholarship 2019 at Malkhanagar

Amar Bangabandhu Writing Competition

Bank Asia has arranged a writing competition to encourage creativity and innovation among young mind. As such, Bank Asia contributed Tk.0.10 million for polishing the writing skills of this generation.

Nilokhiya Swid Intellectually Disabled School, Bakshiganj, Jamalpur

Bank Asia has provided financial contribution to Nilokhiya Swid Intellectually Disabled School continuously for school building construction. In this project Bank Asia contribute Tk. 0.30 million for its construction purpose.

Financial assistance on child education expense

Bank Asia believes that all children has the right for education. With such aim, Bank Asia contributes a lump sum amount of money for bearing the educational expense of the children. Bank Asia in this year has provided Tk.0.57 million for bearing the educational expense of these children.

Sharing Knowledge as a CSR initiative

With an aim to knowledge development and to make a tangible change in the society The Daily Star, the highest circulated and prestigious English national daily, plans to provide newspaper copies to meritorious students in different reputed public institutions. As a part of this, Bank Asia providing 1,000 copies of newspaper everyday under a joint venture initiative titled “Spreading Knowledge” as a CSR initiative and in 2019 Bank Asia provided Tk.2.69 million for the purpose.

Health

Curative treatment of 12 individual patients

12 patients has been given financial assistance for treatment purpose by Bank Asia. As such bank Asia has provided a total of Tk.1.19 million for treatment of these 12 patients which also includes Bank Asia employees.

Holy Family medical college and hospital

Bank Asia donated Tk. 2.36 million for construction of lift, interior and civil works of holy family medical college and hospital with a view to establish better health care facilities accessible to general public.

COMMUNITY INVESTMENT

Education

Initiatives	Taka
BA Higher Studies Scholarship	29,505,709
Infrastructural Development of Begum Badrunnessa Govt. Women College	100,000
Holy Family Red Crescent Medical College & Hospital	300,000
Jagoroni Chakra Foundation	575,000
Providing The Daily Star among meritorious students all over Bangladesh	2,698,800
Total	33,179,509

Health

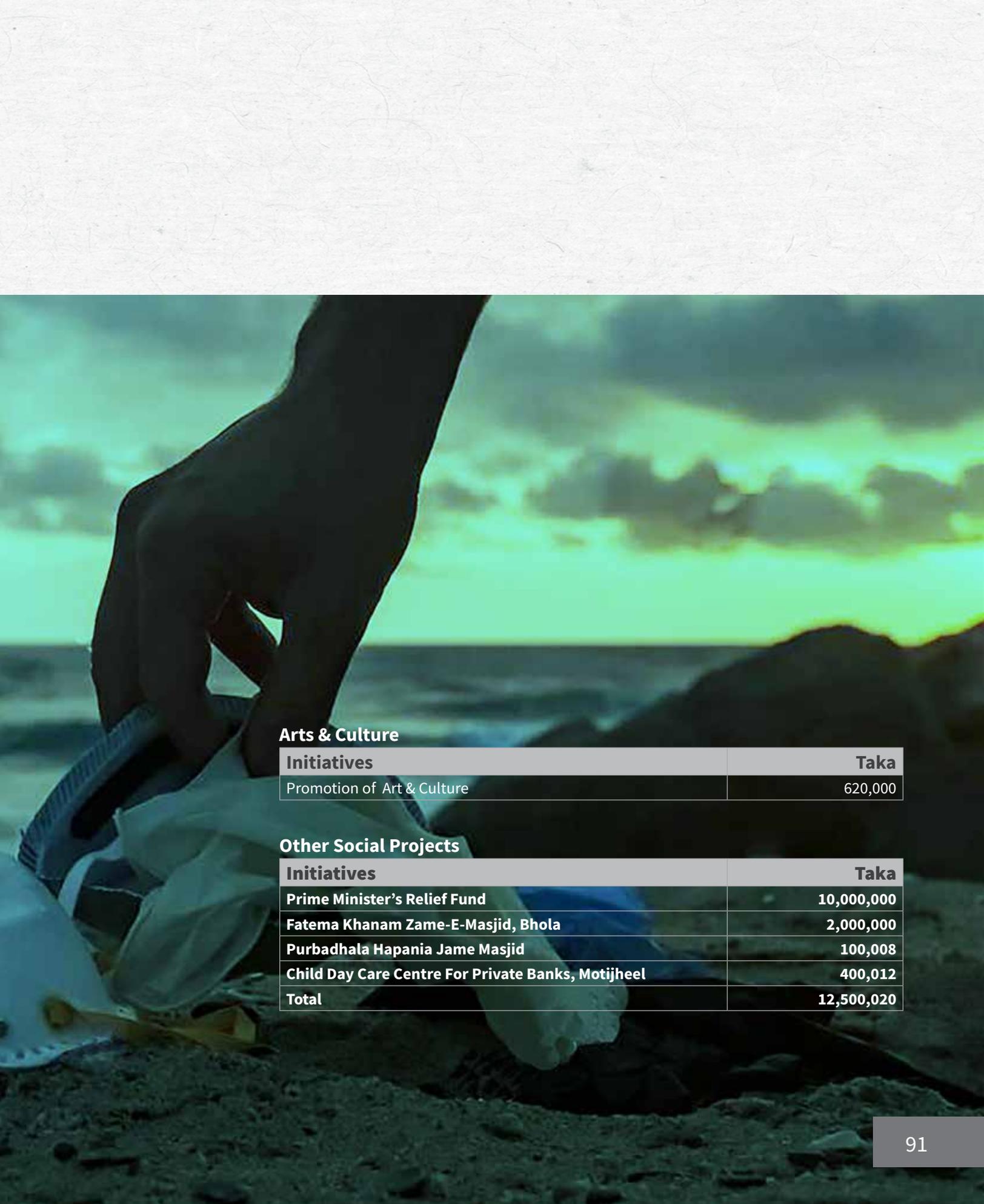
Initiatives	Taka
Curative treatment of 12 individual patients	1,196,351
Holy Family medical college and hospital construction	2,361,880
Sirajdikhan Ma-Amiran Hospital	25,560,249
Total	29,118,480

Disaster Management

Initiatives	Taka
Donation and supply of 110,000 blankets to cold hit people	40,707,151

Sports

Initiatives	Taka
Sponsorship to Uttar Baghopara Jubo Somaj Football and to organize different in house tournament	20,000



Arts & Culture

Initiatives	Taka
Promotion of Art & Culture	620,000

Other Social Projects

Initiatives	Taka
Prime Minister's Relief Fund	10,000,000
Fatema Khanam Zame-E-Masjid, Bhola	2,000,000
Purbadhala Hapania Jame Masjid	100,008
Child Day Care Centre For Private Banks, Motijheel	400,012
Total	12,500,020

Sirajdikhan Ma-Amiran Hospital at Makhanagar, Sirajdikhan, Munshigonj

With a view to implement the guidelines of Bangladesh Bank for conducting larger Corporate Social (CSR) activity through Foundation, Bank Asia Foundation has started its journey after its registration with Registrar of Joint Stock Companies & Firms in 2014. Mr. A.Rouf Chowdhury, honorable Chairman, Bank Asia and Chairman, Governing Body, Bank Asia Foundation, has recently donated a huge quantum of land along with a three storied building at Malkhanagar, Sirajdikhan, Munshigonj for establishing a hospital, renovation and interior work of which is underway.

Disaster Management & Infrastructure Improvement

Bank Asia is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2019, the Bank distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities. For this purpose the Bank donated Tk. 40.71 million in 2019.

Sports

During 2019 Bank Asia contributed Tk.0.02 million to the Uttar Baghopara Jubo Somaj Football club as sponsorship and also organized different in house tournament for encouraging the employees of the Bank.

Arts & Culture

Bank Asia always supports promotion of art and culture where the Bank distributed Tk. 0.62 million in 2019.

Other Social Projects

In 2019, Bank Asia donated/ sponsored/ spent Tk.12.50 million on the occasion of social project including Fatema Khanam Zame-E-Masjid, Bhola, Prime Minister's Relief Fund for victims of Chalkbazar Tragedy and also Child day care center to help government to carry out its humanitarian activities smoothly.



Handed over blankets to Prime Minister's Relief and Welfare Fund for underprivileged people



Bank Asia Inhouse Cricket fest-2019

Prevention is better than Panic

 **Bank Asia**

Amidst the worldwide adversity of this pandemic, we have to carry on with our everyday business. However, following the individual safety measures we can collectively ease the danger. It is recommended that we follow health & safety measures properly until the situation gets completely normal.



Put on your face mask while going outside (also put on hand gloves if possible)



Wash your hand frequently with soap water or hand wash



Maintain social distance while performing everyday tasks



Cover your face with your elbow while sneezing or coughing



Finish your necessary chores within time and focus on staying indoor



Avoid crowd & public gathering at all time



Take ginger tea, warm water & warm soup regularly



Immediately consult with doctor while encountering fever, cough, sore throat or any other Covid like symptoms

**By abiding the safety measures
We can safeguard ourselves & people around us**

GRI Content Index

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

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



Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 101 Foundation 2016			
Organizational Profile			
GRI-102: General Disclosures 2016			
GRI 102-1	Name of the organisation	18	
GRI 102-2	Activities, brands, products, and services	36	
GRI 102-3	Location of headquarters	6	
GRI 102-4	Location of operations	18-19	
GRI 102-5	Ownership and legal form	18	
GRI 102-6	Markets served	18-19, 45-47, 84-85	
GRI 102-7	Scale of the organisation	18	
GRI 102-8	Information on employees and other workers	72-77	
GRI 102-9	Supply chain	82	
GRI 102-10	Significant changes to the organisation and its supply chain	6,82	
GRI 102-11	Precautionary principle or approach	28-29, 55	
GRI 102-12	External initiatives		Policy set by Bangladesh Bank regarding environmental risk management, green banking are adopted by Bank Asia
GRI 102-13	Membership of associations	19	
STRATEGY			
GRI 102-14	Statement from senior decision-maker	10-14	
GRI 102-15	Key impacts, risks, and opportunities	65-67 "Annual Report 2019 (Page-62)"	
ETHIC AND INTEGRITY			
GRI 102-16	Values, principles, standards, and norms of behavior	4-5	
GRI 102-17	Mechanisms for advice and concerns about ethics	31	
GOVERNANCE			
GRI 102-18	Governance structure	27-31	
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	56	
GRI 102-22	Composition of the highest governance body and its committee	27-31, "Annual Report 2019 (Page-213)"	

GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 102-23	Chair of the highest governance body	31, “Annual Report 2019 (Page-214)”	
GRI 102-24	Nominating and selecting the highest governance body	“Annual Report 2019 (Page- 214, 215-216)”	
GRI 102-25	Conflicts of interest	31	
GRI 102-35	Remuneration policies	“Annual	
GRI 102-36	Process for determining remuneration	Integrated	
GRI 102-37	Stakeholders’ involvement in remuneration	Report 2019 (Page- 223-224)”	
STAKEHOLDER ENGAGEMENT			
GRI 102-40	List of stakeholder groups	20-22,24-25	Disclosures 102-40 to 102-49 are properly addressed. There is no omission for these disclosures.
GRI 102-41	Collective bargaining agreements		No employees are covered by collective bargaining agreements. In Bangladesh, this is not allowed for Private Commercial Banks.
GRI 102-42	Identifying and selecting stakeholders	20	
GRI 102-43	Approach to stakeholder engagement	20-22,24-25	
GRI 102-44	Key topics and concerns raised	20-22,24-25	
REPORTING PRACTICES			
GRI 102-45	Entities included in the consolidated financial statements	6,15	
GRI 102-46	Defining report content and topic Boundaries	20,23	
GRI 102-47	List of material topics	26	
GRI 102-48	Restatements of information	6	
GRI 102-49	Changes in reporting	6	
GRI 102-50	Reporting period	6	
GRI 102-51	Date of most recent report	6	
GRI 102-52	Reporting cycle	6	
GRI 102-53	Contact point for questions regarding the report	6	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	6,94	“This report has been prepared in accordance with the GRI Standards: Core option”
GRI 102-55	GRI content index	94	
GRI 102-56	External assurance		In Bangladesh, this service is yet to be started.
Specific Disclosures			
Material Topics			
GRI 200 Economic Topics			

GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 103: Management Approach 2016			
GRI 103-1	Explanation of the material topic and its Boundary	23, 70	
GRI 103-2	The management approach and its components	68-69	
GRI 103-3	Evaluation of the management approach	24-25, 32, 59-60 65-69, 70-71, 86	
GRI 201: ECONOMIC PERFORMANCE 2016			
GRI 201-1	Direct economic value generated and distributed	59-60, 87-92	
GRI 201-3	Defined benefit plan obligations and other retirement plans	72	
GRI 201-4	Financial assistance received from government	64	
GRI 202: MARKET PRESENCE 2016			
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Bank Asia practices competitive salary package in all level in line with industry best practices
GRI 202-2	Proportion of senior management hired from the local community		All the employees of Senior Management are hired from Bangladesh
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
GRI 203-1	Infrastructure investments and services supported	59-64	
GRI 203-2	Significant indirect economic impacts	64	
GRI 204: PROCUREMENT PRACTICES 2016			
GRI 204-1	Proportion of spending on local suppliers		All of our suppliers are local
GRI 205: ANTI-CORRUPTION 2016			
GRI 205-1	Operations assessed for risks related to corruption	“28,52, Annual Report 2019 (Page-85, 207)”	
GRI 205-2	Communication and training about anti-corruption and procedures/policies	82	
GRI 205-3	Confirmed incidents of corruption and actions taken		After proper investigation, corrective actions were taken against corruption in 2018
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	64	Bank Asia didn't face any legal action regarding anti-competitive behavior, anti-trust, and monopoly practices during the reporting period
GRI 300 Environmental Topics			
			“As a financial institution, banking activities have no direct material impact over the environment. For this reason, we did not treat it as material topic. But Bank Asia is very much concerned and complied on financing to the entities that will not affect the environment adversely”.
GRI 302: ENERGY 2016			
GRI 302-1	Energy consumption within the organization	56	

GRI Content Index

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 302-4	Reduction of energy consumption	54-56	
GRI 302-5	Reductions in energy requirements of products and services	54-56	
GRI 305: EMISSIONS 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	56	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
GRI 307-1	Non-compliance with environmental laws and regulations	57	
Material Topics			
GRI 400 Social Topics			
GRI 103: Management Approach 2016			
GRI 103-1	Explanation of the material topic and its Boundary	23, 70-71	
GRI 103-2	The management approach and its components	68-69, 70-71	
GRI 103-3	Evaluation of the management approach	24-25, 40-41, 58, 65-67, 70-71, 84-85	
GRI 401: EMPLOYMENT 2016			
GRI 401-1	New employee hires and employee turnover	72-73	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		“Benefits are applicable to full-time, contract and part-time employees, with the exception of temporary staff. Variable incentives and flexible benefits may differ depending on individual contracts and performance.”
GRI 401-3	Parental leave	75	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016			
GRI 402-1	Minimum notice periods regarding operational changes	72	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016			
GRI 403-1	“Workers representation in formal joint management-worker health and safety committees”	78	
GRI 403-4	“Health and safety topics covered in formal agreements with trade unions”		No private commercial Banks in Bangladesh has trade union.
GRI 404: TRAINING AND EDUCATION 2016			
GRI 404-1	Average hours of training per year per employee	74	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	74-75, 78-79	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	73-74	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
GRI 405-1	Diversity of governance bodies and employees	72-73, 76-77	
GRI 405-2	Ratio of basic salary and remuneration of women to men	72	
GRI 406: NON-DISCRIMINATION 2016			
GRI 406-1	Incidents of discrimination and corrective actions taken	79	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			

Disclosure No.	Disclosure Title	Page no.	Remarks
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No private commercial Banks in Bangladesh has trade union.
GRI 408: CHILD LABOR 2016			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	79	
GRI 409: FORCED OR COMPULSORY LABOR 2016			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	79	
GRI 410: SECURITY PRACTICES 2016			
GRI 410-1	Security personnel trained in human rights policies or procedures	82	
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016			
GRI 411-1	Incidents of violations involving rights of indigenous peoples	79, 83	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	79	
GRI 413: LOCAL COMMUNITIES 2016			
GRI 413-1	Requirements for product and service information and labeling	38-41,65, 87-93	
GRI 417: MARKETING AND LABELING 2016			
GRI 417-1	Incidents of non-compliance concerning product and service information and labeling	48-50	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	83	
GRI 417-3	Incidents of non-compliance concerning marketing communications	83	
GRI 418: CUSTOMER PRIVACY 2016			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	82-85	

news & views

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2020 - EN

A Publication named **News & Views** by WSBI & ESBG where an article was published on **Bank Asia's Agent Banking services in Bangladesh**



Building financial resilience locally

Bank Asia's agent banking services in Bangladesh

Agent banking is a win-win-win for all parties involved. It plays an important role for financial inclusion too. Acting as "proxy banks", agents provide a cost-effective way to serve individuals and small businesses needed to stimulate local development and economic growth, especially in remote areas.

Proven successful in Latin America, Africa, India and the Far East, agent banking has taken hold in Bangladesh. There, WSBI member Bank Asia launched in 2014 its agent banking network when the central bank allowed agent banking in the rural areas where banks have no branches.

News & Views explores BankAsia's success in agent banking.

Bangladesh, a South Asian nation well-known as the birthplace of microcredit has appeared gradually as the role model for innovative agent banking services. During last six years, this supplementary channel has helped "reach the unreachable" and take banking services to the marginalised and excluded rural masses.

Agent banking means providing banking services to the "last mile" customers through engaging entrepreneurs under a valid agency agreement. Bank Asia introduced Agent Banking in 2014 with the objective of ensuring greater financial inclusion and increasing the outreach of the services to unbanked population. This technology-driven banking concept also aimed at ensuring appropriate security and providing real-time services to the customers. In span of only six years this specialised banking service witnessed a substantial headway in terms of the number of agents, accounts and deposits. The single initiative impacting seven sustainable development goals (SDG) to build a better Bangladesh.

AGENT BANKING: SERVICES RANGE FROM DEPOSITS, WITHDRAWAL, BUSINESS SERVICES AND BEYOND

Bank Asia Agent Banking provides a wide range of banking services to the doorstep of customers which include deposit and withdrawal of cash, open different types of accounts for savings and business transactions, transfer of funds, payment of remittance and utility bills, support small loans for cottage micro and small enterprises and agricultural farmers at an affordable cost. People in any corner of the country are able to receive this structured banking facility with safety, comfort and ease. Owing to the convenience this banking service is expanding rapidly across the country. Bank Asia has taken agent banking services to the doorsteps of grassroot people through Individual outlet Union Digital Center (UDC), institutional outlet Digital Post Office and Micro-Merchant points.

Incorporation of various technological innovations contributed to make this digital service popular to the general public and turned digital financial inclusion efforts tuned into what the people want.

The innovations are:

- Usage of a bio-metric devise in banking transaction instead of physical signature
- NFC-enabled A-card (Agriculture card) for farmers' credit transaction management
- Online Credit Approval System (OCAS)
- Agent Banking SMART App for online transactions
- Micro Merchant model for smallholder entrepreneurs to serve end mile customers
- Partnership model in banking system
- Digital banking booth



MD. ARFAN ALI, PRESIDENT AND MANAGING DIRECTOR BANK ASIA

These innovations expedited registrations of around 2 million unbanked and under-banked people with Bank Asia Agent Banking network where 82% of them are rural masses and 60% female. The "droplets" of money deposits from customers amassed reached BDT. 14.72 billion (US\$.174 million) in the bank's agent banking channel.

During the last six years, mainly from 2016, more than 9,500 agent outlets have been established across the country, registering around 3.9 million customers who deposited BDT.52 billion (US\$.612 million) in this channel in 2018-2019 fiscal, according to the Bangladesh central bank. The journey of agent banking in Bangladesh contributes towards women empowerment. More than 250 agent outlets are operated by female entrepreneurs and contributing to adding female customers, thus minimising a gender gap at grassroots level. It also created job opportunities for 25,000 unemployed youths in the country where Bank Asia itself generated more than 15,000 jobs in the entire operation process from grassroots outlets to back office.

Highlights of agent banking in Bangladesh

	Industry status	Bank Asia status
Geographical coverage	All 64 districts	64 districts
Agent points	9500+	3525
Registered customers	4.0 million	1.9 million
Rural customer %	83%	82%
Female customer %	37%	60%
Deposit	BDT 52.00 billion / US\$ 612 million	BDT 14.72 billion / US\$ 174 million
Loan disbursed	BDT 3,000 million / US\$ 35.30 million	BDT 2,590 million / US\$ 30.00 million
Employment generation	25,000+ youths	15,000+ youths
Number of banks in AB	23 received and 19 in operation	

*Data up to December 31, 2019
BDT.85 = USD.1

To make this effort work, Bank Asia has built strategic relationship with 65 government and non-government organizations and development partners that include the government's Access to information (a2i) project, UNDP, UNICEF, SwissContact, USAID, UKAID, WorldFish Bangladesh, ACDI/VOCA, Nathan Association London, VSO, German Red Cross, CARE Bangladesh, Dhaka Ahsania Mission, BRAC, Grameenphone, Robi Axiata Ltd and Metlife Alico and thus scaled up this service in a faster manner and reach to unreached.



AN ELDERLY WOMAN IS BEING DEIVERED SOCIAL SAFETY-NET PAYMENT BY A BANK ASIA STAFF AT THE YARD OF HER REMOTE VILLAGE HOME

Apart from regular banking support, Bank Asia disburses the government's Social Safety-net Payment, insolvent and autistic people's allowances, widow or divorced women allowance, freedom fighters' allowance, wages of road maintenance workers, student stipends, food security allowances, salary both government primary and non-government high school teachers through agent network, especially with help of Union Digital Centers(UDCs). For salary payment and to cater the financial needs of Ready-Made Garment (RMG) workers, Bank Asia has set up of digital banking booth inside RMG factories. Introduced for the first time in Bangladesh, this initiative has facilitated banking services to workers, employees and owners inside the factory compound along enhanced training of usage of financial products and services which in the long run reduce time, cost, and thus increase their household income.

Agent banking operations at Bank Asia also established strategical and collaborative partnership with technology companies for e-commerce, which offers access to online marketplace for micro/small entrepreneurs and buyers. This collaboration opens a scope of sustainability for SME clients.

Development entities like non-government organizations and micro-finance institutions (MFIs) are working to link clients with agent banking to provide better financial services.

ELIMINATING TIME AND SPACE, BUILDING 'DIGITAL BANGLADESH'

Already this banking system started eliminating difference of time and space to reach banking service to the customers. Bank Asia is committed to support the Bangladesh government's goal for building 'Digital Bangladesh' as charted out in the vision 2021 by bringing rural people under its agent banking platform. The bank is working with the vision to expand its networks to each and every village of the country within the next couple of years.

It is expected that the sustainable business model that comprises agent banking is heading towards a journey that takes along entrepreneurs, aggregators, remittance providers, development partners and government to speed up the drive of broader financial inclusion and thus a thriving economy in Bangladesh.

 **Bank Asia**



YOUR FEEDBACK

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



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