

## Corporate Governance Report

### Corporate governance

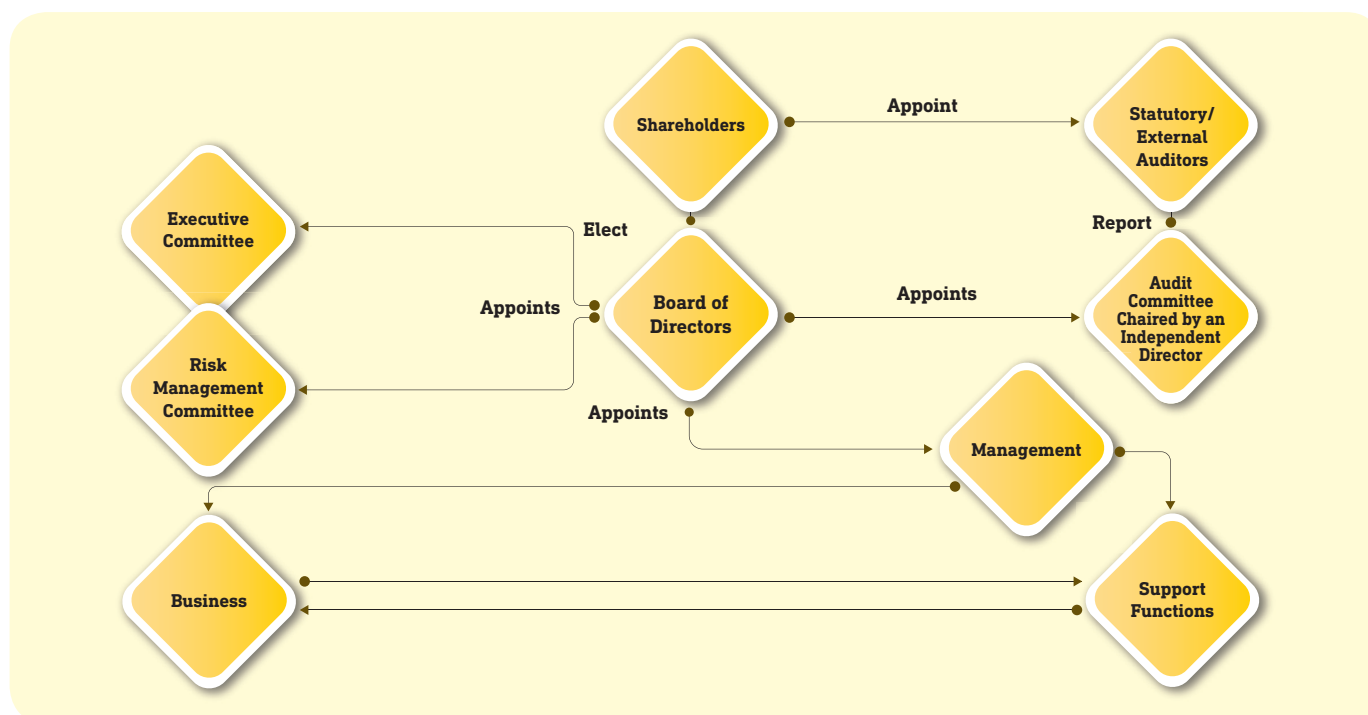
Corporate governance is crucial for proper functioning of the banking sector and overall economy of a country. Banks play an important role in the economy by intermediating funds from savers and depositors to activities that help drive economic growth. Banks' safety and soundness are key to financial stability, and the way they conduct their businesses, therefore, is of paramount importance. Good governance ensures sustainable growth by way of maintaining an equitable balance while meeting varied expectations from diverse stakeholders. The primary objective of corporate governance, therefore, is to safeguard stakeholders' interest on a sustainable basis. Good governance is manifested through adherence to ethical business norms, a firm commitment to values and compliance with applicable laws and regulations, while enhancing shareholders value.

### Governance structure of the Bank

Board of Directors occupies the center stage of overall governance practice of EBL and is responsible for establishing an appropriate

governance structure in the Bank while the shareholders' role is to appoint the suitable directors and the auditors.

The Board of Directors plays a pivotal role in shaping governance structure and practices through their choice of strategy and leadership to drive the Bank to growth path. Design and implementation of governance mechanism including selection and appointment of members of sub-committees of Board and senior management rests primarily on the Board. The onus of setting strategic pursuits and goals of the company is also on the Board. The management of EBL as an extended wing of the Board executes policies and procedures set by the Board for the greater interest of shareholders and other stakeholders. The risk management and overall support functions of the Bank has been designed and kept fully independent from Business to guard against any unforeseen events that undermine the brand value of the Bank.



### Guiding philosophy of governance practices

Principles of good governance are embedded in the core values of EBL, a Bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, two key regulators-Bangladesh Bank (Central Bank of Bangladesh) and Bangladesh Securities and Exchange Commission (BSEC) played a major role in shaping governance structure and practices of the Bank.

However, the Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal

rules, policies, procedures and best practices of local and global banks. As a responsible corporate citizen, the Bank is committed to sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders.

The corporate governance philosophy of the Bank is based on the following principles:

- Creating value for all stakeholders without compromising ethical principles.

- Ensuring fairness and equitable treatment of all stakeholders, including employees and shareholders.
- Compliance with all applicable laws, rules and regulations, not only in letter but also in their spirit.
- Ensuring transparency and accountability, and maintaining a high degree of disclosure levels with the motto 'when in doubt, disclose'.
- Embracing a trusteeship model in which management is the trustee of the shareholders' wealth and not the owner.
- Establishing a sound system of risk management and internal controls with adequate safeguards and early warning systems.

### Structure of the Board

According to Clauses 94 of the Articles of Association of EBL, the Board of Directors (BoD) currently comprises 11 directors among whom 10 (ten) are Non-executive directors including the Chairman and 1 (one) is the Managing Director (Ex-Officio). The existing BoD of the Bank includes two Independent Directors as prescribed in the BSEC Corporate Governance Guidelines (No. 1.2), and Section 15 of Bank Company Act 1991.

### Policy on appointment of Directors

Directors are appointed following relevant provision/clause of Companies Act 1994, Bank Company Act 1991, Corporate Governance Guidelines of BSEC and Bangladesh Bank, and Articles of Association of the Bank.

The BoD consists of noted entrepreneurs and business professionals having experience and acumen in diverse range of businesses and operations. Collectively they have enriched the Board with the knowledge and expertise in banking and finance, IT, accounting, marketing, administration, and engineering. Their rich and diverse backgrounds have given the Board a vantage point in directing and monitoring the Bank to achieve its desired objectives.

### Retirement and election of Directors

According to clauses 105 and 106 of the Articles of Association of the Bank, following directors retired and being eligible were re-elected at the 27th Annual General Meeting (AGM) held on 23 May 2019.

SL. No.	Name of Director	Mode of change
1.	M. Ghaziul Haque	Re-elected
2.	Anis Ahmed (Representing MGH Healthcare Ltd.)	Re-elected
3.	Gazi Md. Shakhawat Hossain (Representing Purnima Construction (Pvt.) Ltd.)	Re-elected

As per Clauses 105 & 106 of the Articles of Association of the Bank, 3 (three) Directors shall retire by rotation from the office of the BoD at the 28th AGM. All the retiring Directors are eligible for re-election in the ensuing 28th AGM.

### Non-Executive Director

All the Directors of EBL including the Chairman are Non-Executive Directors except the Managing Director & CEO.

### Independent Directors

EBL encourages effective representation of independent directors in its Board to infuse diverse knowledge and core competencies relevant to banking business. In compliance with relevant Corporate

Governance Guidelines, the BoD has appointed 02 (two) independent directors, subsequently approved by shareholders. The independent directors being conversant in the field of financial, regulatory and corporate laws enjoy full freedom to carry out their assigned responsibilities. With them they have brought in more than 10 years of corporate management/professional experiences to the BoD.

### Board meeting and attendance

The Board of Directors holds meetings on a regular basis: usually twice in a month but emergency meetings are called as and when required. Management provides information, references and detailed working papers for each item of agenda to all the Directors well ahead of time fixed for the BoD meeting for consideration. In the meeting, the Chairman of the BoD allocates sufficient time for the Directors to consider each item of the agenda and allow them to discuss, inquire, and express opinions freely on the items of interest so that they can fulfill their duties to the best of their abilities. During the year 2019, a total of 24 Board Meetings were held; the attendance records areas follows:

SL. No.	Name	Position	No. of meetings attended
1.	Md. Showkat Ali Chowdhury	Chairman	24/24
2.	M. Ghaziul Haque	Director	23/24
3.	Mir Nasir Hossain	Director	19/24
4.	A. M. Shaukat Ali	Director	15/24
5.	Salina Ali	Director	16/24
6.	Anis Ahmed	Director	12/24
7.	Meah Mohammed Abdur Rahim	Independent Director	14/24
8.	Mufakkharul Islam Khasru	Director	22/24
9.	Ormaan Rafay Nizam	Independent Director	16/24
10.	Gazi Md. Shakhawat Hossain	Director	18/24
11.	Ali Reza Iftekhar	Managing Director & CEO	21/24

The Directors who could not attend the meeting(s) were granted leave of absence by the Board.

### Attendance of CFO, Head of ICC and CS in Board Meeting

Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICC) and the Company Secretary (CS) of the Bank attend the meetings of the Board of Directors, provided that the Chief Financial Officer, Head of Internal Audit & Compliance and/or the Company Secretary do not attend such part of a meeting which involves consideration of an agenda item relating to their personal matters.

### Ownership composition

As on 31 December 2019 the Directors of EBL held 31.56% of total shares whereas financial institutions and general public held 10.85% and 57.59% respectively:

SL. No.	Composition	31-12-2019		31-12-2018	
		No of shares held	% of total shares	No of shares held	% of total shares
1	Directors	256,202,162	31.56%	232,911,064	31.56%
2	General Public	467,477,192	57.59%	428,773,387	58.10%
3	Financial Institutions	88,120,193	10.85%	76,315,138	10.34%
		<b>811,799,547</b>	<b>100.00%</b>	<b>737,999,589</b>	<b>100.00%</b>

## Directors' shareholding status

In compliance with BSEC Notification dated 21 May 2019, all the eligible directors (other than Independent Directors) of EBL have been holding required percentage of shares individually (minimum 2%) as well as jointly (minimum 30%).

Shareholding structure of directors is as follows:

SL. No.	Name	Position	31-12-2019	
			No of shares held	% of total shares
1.	Namreen Enterprise Ltd. (Represented by Md. Showkat Ali Chowdhury)	Chairman	80,901,422	9.97%
2.	M. Ghaziul Haque	Director	26,067,699	3.21%
3.	Mir Holdings Ltd. (Represented by Mir Nasir Hossain)	Director	40,480,059	4.99%
4.	A. M. Shaikat Ali	Director	16,627,684	2.05%
5.	Borak Real Estate Ltd. (Represented by Salina Ali)	Director	38,938,875	4.79%
6.	MGH Healthcare Limited (Represented by Anis Ahmed)	Director	16,559,020	2.04%
7.	Meah Mohammed Abdur Rahim	Independent Director	-	-
8.	Namreen Enterprise Ltd. (Represented by Mufakkharul Islam Khasru)	Director	Mentioned in Sl. No. 1	-
9.	Ormaan Rafay Nizam	Independent Director	-	-
10.	Purnima Construction (Pvt.) Ltd. (Represented by Gazi Md. Shakhawat Hossain)	Director	36,627,403	4.51%
11.	Ali Reza Iftekhar	Managing Director & CEO	-	-
	<b>Total</b>		<b>256,202,162</b>	<b>31.56%</b>

## Shareholding of CEO, CS, CFO, Head of ICC and top 5 Salaried Executives

Please refer to Note 14.1 to the Financial Statements of 2019.

## Separation of Chairman and Chief Executive Officer Roles

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated 27 October 2013 and Clause 1(4) of BSEC Corporate Governance (CG) Code dated 03 June 2018, we report that the Chairman of the Board has been elected from among the non-executive Directors and there are clear and defined roles and responsibilities of the Chairman and the Chief Executive Officer.

The Chairman of the Board approves the agenda of the Board meetings, assisted by the Managing Director and the Company Secretary. Regular agenda items include approving credits beyond CEO's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and services strategies, procurement policy, etc.

On the other hand, CEO, being the Head of management team, is accountable to the Board and its Committees to run and manage

the Bank in accordance with the prescribed policies, principles and strategies established by the Board and rules, regulations and guidelines from the Central Bank, BSEC and other regulatory authorities. Management's primary responsibilities are to:

- Manage the operation of the Bank safeguarding interest of customers and other stakeholders in compliance with the highest standards of ethics and integrity;
- Implement the policies and strategic direction established by the Board;
- Establish and maintain a strong system of internal controls;
- Ensure Bank's compliance with applicable legal and regulatory requirements.

## Roles and responsibilities of the Board of Directors

The major roles and responsibilities of the Board, among others, are to set the vision, mission and policies of the Bank and to determine the goals, objectives and strategies to ensure efficient utilization of the Bank's resources. The roles and responsibilities of the Board of Directors are outlined below (but not limited to) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

Major roles and responsibilities	Brief particulars
Work planning and strategic management	• Determine the objectives and goals and chalk out strategies and work-plans.
	• Making strategies relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters.
	• Analyze/ monitor the development of implementation of the work-plans.
	• Set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.

Major roles and responsibilities	Brief particulars
<b>Credit and risk management</b>	<ul style="list-style-type: none"> <li>Formulate policies, strategies, procedures etc. in respect of appraisal of loan proposal, sanction, disbursement, recovery, reschedule and write-off under the purview of the existing laws, rules and regulations.</li> <li>Distribute the power of sanction of loan among the CEO and his subordinate executives as much as possible.</li> <li>Frame policies for risk management and monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.</li> </ul>
<b>Internal control management</b>	<ul style="list-style-type: none"> <li>To be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan portfolio.</li> <li>Establish such an internal control system so that the internal audit process can be conducted independently from the management.</li> <li>Review the reports submitted by its audit regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</li> </ul>
<b>Human resources management and development</b>	<ul style="list-style-type: none"> <li>Framing policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules.</li> <li>In no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules.</li> <li>Carrying out recruitment, promotion, transfer &amp; punishment of the officers' immediate two tiers below the CEO in complying with the service rules.</li> <li>Attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan proposals, and adoption of modern electronic and information technologies and introduction of effective Management Information System (MIS).</li> <li>Compose Code of Ethics for every tier and promote healthy code of conducts for developing a compliance culture.</li> </ul>
<b>Financial management</b>	<ul style="list-style-type: none"> <li>Finalize and approve annual budget and statutory financial statements.</li> <li>Review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</li> <li>Frame policies and procedures for bank's purchase and procurement activities and accordingly approve the distribution of power for making such expenditures. Decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business to be adopted with the approval of the board.</li> <li>Review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</li> </ul>
<b>Appointment of Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"> <li>Appoint an honest, efficient, experienced and suitable CEO or Managing Director with the approval of the Bangladesh Bank.</li> </ul>
<b>Formation of supporting committees</b>	<ul style="list-style-type: none"> <li>Form an executive committee, an audit committee and a risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the mentioned three committees.</li> </ul>

### Responsibilities of the Chairman of the Board

To set out the following responsibilities, BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 has been taken into consideration.

#### The overall responsibilities of the Chairman are to:

- Ensure that the Board sets and implements the Bank's direction and strategy effectively.
- Act as the Bank's lead representative, explaining aims and policies to the shareholders.
- Ensure no participation in or interference into the administrative or operational and routine affairs of the Bank.

#### The specific responsibilities of the Chairman, among others, are to:

- Provide overall leadership to the Board, setting vision and driving innovation, working closely with the CEO.
- Take a leading role in determining the composition and structure of the Board which will involve regular assessment of the:

- ✓ size of the Board,
- ✓ quality of interaction, harmony and involvement of the Directors.
- Set the Board's Agenda and plan Board Meetings.
- Chair all Board Meetings, directing debate towards consensus.
- Ensure that the Board receives appropriate, accurate, timely and clear information.
- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with shareholders.
- Ensure that the views of shareholders are communicated to the Board as a whole.
- Work with Chairman of Board Committees.
- Conduct (if required) on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board.

### Roles and Responsibilities of CEO, CFO, CS and Head of ICC

The Board of Directors of EBL clearly defines and approves the respective roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance (ICC).

To set out the following responsibilities of CEO, BRPD Circular Letter No. 18 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 has been taken into consideration.

- In terms of financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the Bank.
- At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO shall point out if there is any deviation from the Bank Company Act 1991 and other relevant laws and regulations.
- The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.
- The recruitment and promotion of all staffs of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved 'people management manual'.
- The authority relating to transfer and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him. Besides, under the purview of the 'people management manual' approved by the BoD, he shall nominate officers for training and other related issues.

### **Appointment of CFO, Head of ICC and CS**

The Bank appointed a Chief Financial Officer, a Head of Internal Control & Compliance and a Company Secretary as per the policy of the Bank and other regulatory laws and regulations. They are well conversant in the field of financial, regulatory and corporate laws to carry out their assigned responsibilities.

### **Independence of Non-Executive Directors**

All the Non-Executive Directors enjoy full freedom to carry out their coveted responsibilities. They attend Board meetings regularly and participate in the deliberation and discussions effectively. They get actively involved in setting strategic direction but do not participate in or interfere into the administrative or operational or routine affairs of the Bank. However, they ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

### **Annual appraisal of the Board's performance**

At AGM shareholders critically appraise the performance of the Board and evaluate financial position and performance of the Bank, its adequacy and effectiveness of internal control system and overall governance mechanism. The shareholders also ask questions and make queries to the BoD during AGM and the Chairman of BoD gives a patient hearing and responds to all their queries.

The performance of the Board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share etc. of the Bank. The attendance of

Directors and their active participation in the meeting on various agenda is ensured in every Board meeting. The Board approves annual budget each year and monitors the variance quarterly to ensure achievement of the target. The Board's performance is greatly dependent on the achievement (under or over) of budgeted target. Besides, the performance reports of supporting committees of the Board are also placed in the Board meeting through which the performance of the Board members are regularly assessed.

### **Annual evaluation of MD & CEO by the Board**

The Board of Directors of EBL clearly defines and approves the roles, responsibilities and duties of Chief Executive Officer (CEO). Based on these assigned responsibilities, BoD makes annual evaluation of MD & CEO. Furthermore, the performance evaluation of MD & CEO is done by the Board through various reports featuring financial position and performance and:

- Compliance status of various assignments given by the Board to CEO and his team from time to time.
- Variance analysis of Budget vs. Actual result and steps taken by CEO to achieve the Budgeted target.
- Among the financial parameters, NPL ratio, Growth of Loan & Deposit, Cost to Income Ratio, Loans write off and its recovery, Capital to Risk Weighted Asset Ratio, Credit to Deposit Ratio etc. are the common ones.

### **Training of Directors**

Training of Directors includes providing training and information on the latest update related to banking business such as relevant laws, policy guidelines, circulars, rules and regulations issued by the regulatory authorities; so that they could effectively discharge the responsibilities. Sometimes special discussion sessions are arranged with the experts on highly technical and complex issues. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

### **Directors' knowledge and expertise in Finance and Accounting**

Two Directors in the Board obtained post-graduation major in Accounting from the University of Dhaka having requisite expertise in the field of accounting and finance. Other Directors, majority of whom are either successful entrepreneurs or seasoned professionals, are also well conversant in the field of business, economics and administration.

### **Compliance with corporate governance guidelines**

The status of compliance of Corporate Governance Code issued by BSEC have been presented in page no. 78-85. K.M. HASAN & CO. Chartered Accountants, duly certified the compliance status of corporate governance code and issued a report which is presented in page no. 86.

### **Vision, mission and strategy of the Bank**

- The vision and mission statement of the Bank approved by the Board of Directors is presented in page no. 9 of this report. The said statements are also disclosed in Bank's website and other related publications.



- Strategic priorities which are time to time directed by the Board have been presented in page no. 10 of this annual report.
- Our sector wise business objectives, strategies, priorities and future business outlooks have been elaborately described in “**Management Discussion and Analysis**” section of this report.

### Board Committees and their responsibilities

To ensure good governance in bank management, Bangladesh Bank issued a circular (BRPD Circular No. 11 dated 27 October 2013) allowing banks to form maximum three committees or sub-committees of the Board.

To ensure proper accountability and transparency, EBL has three Board committees namely Executive Committee, Audit Committee and Risk Management Committee to oversee and direct the operations, performance and strategic direction of the Bank. The composition of the said Board Committees is presented in the page no. 12.

### Executive Committee (EC)

- **Appointment and composition:** In Compliance with Section 15B (2) of Bank Company Act 1991 and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of EBL has re-constituted the Executive Committee (EC) of the Board in 2019 with four members (maximum limit is seven members). None of them are the members of Audit Committee of the Board. The Company Secretary acts as the secretary of the committee.

The EC is comprised of 3 (Three) Non-Executive Directors and Managing Director & CEO of the Bank. Details of EC members are stated in page no. 12.

- **Meeting and responsibilities of EC:** The EC of a larger sized BoD usually acts as a proxy for full BoD; attends a meeting with short notice and takes decisions to ensure smooth flow of banking businesses. However, any decision taken by the committee has to be subsequently ratified by the full Board.

Since the current size of the Board of EBL (11 members including MD & CEO) is slim enough to hold two meetings in a month on a regular basis, there was no such urgent issue required for EC to deal with during 2019. Hence, only one EC meeting was held in 2019.

### Audit Committee (AC)

The Audit Committee of the Board carries out its functions based on the Terms of Reference (ToR) approved by the Board and is accountable to the Board of Directors of the Bank. To make the quorum of the AC meeting at least 01 (one) Independent Director has to be present. The Company Secretary acts as the secretary of the committee.

- **Appointment and composition:** In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018, Audit Committee (AC) of EBL Board has been re-constituted by the BoD from time to time to review and oversee company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. independently. Details of AC members are stated in page no. 12.
- **Chairman of the AC:** Chairman of the AC is an Independent Director who performs his duties with full freedom.

- **Members are Non-Executive Directors:** All members of the AC are Non-executive Directors. No Executive of the Bank is eligible to become a member of the AC. Also, no member of EC has been nominated as the member of the AC.
- **Qualification of members of AC:** All members of the AC are financially literate and two members have post-graduation degree in Accounting and Business Administration respectively. Moreover, all members of the AC have reasonable knowledge on banking business, its operations, and risks involved in it.
- **Terms of Reference (ToR) of AC:** The ToR of the AC has been framed in line with the provisions of BRPD Circular No. 11 dated 27 October 2013, Corporate Governance Code issued by BSEC on 03 June 2018, and other best practice corporate governance guidelines and standards. Some important roles and responsibilities of AC as per ToR have been described in “**Report of the Audit Committee**” section of this report.
- **Internal Control & Compliance Division's Access to AC:** Heads of Internal Control & Compliance (ICC) and Internal Audit have direct access to the AC as and when required. In addition, the AC meets the Head of ICC and the Head of Internal Audit at least once in a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out.
- **Objectives and activities of the AC:** The AC regularly reviews the internal control systems of the Bank and also reviews along with the management, the quarterly, half yearly and annual financial statements of the Bank before submission to the Board for consideration. The objectives and activities of the AC have been described in “**Report of the Audit Committee**” section of this annual report.
- **Meeting of the Audit Committee:** The Audit Committee of EBL held 9 (nine) meetings in 2019 and had detailed discussions and review session with the Head of ICC, Head of Internal Audit, External Auditors regarding their findings, observations and suggestions with corrective measures on the related areas and on other issues of Bank affairs that need improvement. The AC instructed the management to follow those suggestions and monitored accordingly from time to time.

The Minutes of the Audit Committee Meetings containing various suggestions and recommendations to the Management and the Board are placed to the Board for ratification on a regular basis. The major areas focused by the AC during the year 2019 have been presented in “**Report of the Audit Committee**” section of this annual report.

### Risk Management Committee (RMC)

- **Appointment and composition:** In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of EBL has formed a three-member Risk Management Committee (RMC) of the BoD on 07 November 2013 and was last reconstituted with four-member in May 2019 (maximum limit is five members). The RMC has been formed to minimize probable risks arisen during implementation of Board approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money

laundering risk, information and communication technology risk, operational risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks.

All four members of this RMC are Non-Executive Directors of the Board and details of RMC members are stated in page no. 12.

- **Roles and responsibilities of RMC:** It is the responsibility of RMC to identify and assess risk of the Bank and guide management to formulate action plans for minimizing/controlling of risk. The committee shall review the risk management policy and modify the same as per requirement. Some important roles and responsibilities of RMC have been described in **“Report of the Risk Management Committee of the Board”** section of this report.
- **Activities of RMC:** Major activities of RMC in 2019 have been described in **“Report of the Risk Management Committee of the Board”** section of this report.
- **Meeting of the RMC:** The committee is required to conduct at least four meetings in a year although it can be more as per requirement. The committee may call the CEO, Chief Risk Officer (CRO) or any executive to attend the committee meeting. The RMC held 7 (Seven) meetings during 2019 and had detailed discussions and review session with the CRO regarding their findings, observations and recommendations on issues of Bank affairs that need improvement. The major areas focused by the RMC during 2019 have been presented in **“Report of the Risk Management Committee of the Board”** section of this report.

### Benefits provided to Directors and Managing Director

According to the Circulars and Guidelines issued by Bangladesh Bank from time to time, banks in Bangladesh can only provide the following facilities to the Directors:

- **Chairman:** The Chairman of the Board of Directors may be provided an office chamber, a private secretary, an office assistant, a telephone in office, a full time car and a mobile phone to be used within country. The Chairman of EBL did not accept any support staff and private secretary and any mobile phone from the Bank.
- **Directors:** Directors are entitled to fees and other benefits for attending the Board/support committee (EC/AC/RMC) meetings (The benefits provided to Directors of EBL have been mentioned in Note 33 to the Financial Statements).
- **Managing Director & CEO:** Managing Director is paid salary, allowances and other facilities according to his service contract approved by the Board and Bangladesh Bank. (The benefits provided to MD & CEO of EBL have been mentioned in Note 32 to the Financial Statements).

EBL has fully complied with Bangladesh Bank Circulars and Guidelines.

### Establishment and review of internal control system

EBL has a sound system of internal control to safeguard stakeholders' interest. The Board of Directors having ultimate responsibility of its operations has delegated to the Audit Committee for review of the adequacy and effectiveness of the system of internal control.

A review of internal control system has been presented in **“Directors' Report”** of this annual report.

### Risk management

The Risk Management Division (RMD) of EBL is responsible to oversee, monitor and report all risks in line with the risk appetite set by the Risk Management Committee (RMC) of the Board. The RMC of the Board reviews and monitors the overall risk management system of the Bank and updates to the Board from time to time. Risk management functions are subject to continuous scrutiny of the Internal Control & Compliance Division (ICCD) to ensure appropriateness and integrity of the risk management practices.

The risk management system of EBL has been described in **“Risk Management”** section of this report. Also the roles and responsibilities of RMC and major areas focused by RMC in 2019 have been presented in **“Report of the Risk Management Committee of the Board”** section of this report.

### Appointment of external auditors

The shareholders of EBL in the 27th AGM held on 23 May 2019 appointed A. Qasem & Co., Chartered Accountants, as the statutory auditors for the year 2019.

### Services not provided by external auditors

In compliance with the provision 7 of BSEC Corporate Governance Code, we declare that A. Qasem & Co., Chartered Accountants, was not engaged in any of the following services during 2019 while conducting statutory audit:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Book-keeping or other services related to accounting records or financial statements.
- Broker-dealer services.
- Actuarial services.
- Internal audit services or special audit services.
- Audit/certification services on compliance of corporate governance code issued by BSEC.
- Any service that the Audit Committee determines.
- Any other service that creates conflict of interest.

No partner or employee of A. Qasem & Co., Chartered Accountants, possesses any share of EBL during the tenure of their audit assignment at EBL. Also their family members do not hold any shares of EBL.

### Highlights on Central Bank inspections

Role of Central Bank Inspection is well recognized in the continuously changing global banking structure which involves monitoring and examining the condition of banks and their compliance with laws and regulations. Bangladesh Bank carried out a comprehensive inspection in 2019 that covers Head Office and some branches of EBL like every year. Bangladesh Bank had 18 inspection reports during 2019. Reply on major issues mentioned in those reports had been provided to Bangladesh Bank in timely manner.

### Related party transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the

definition of 'Related Party' as contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. As on the reporting date, the Bank had funded and non-funded exposures with its subsidiaries, non-funded exposures to some current and ex-directors and credit card limit to some of its Directors. Besides, the Bank had procured some goods and services from the entities of related party (ies) during 2019. Please refer to Annexure C1 of financial statements for details of related party transactions.

### Code of conduct and ethical guidelines

EBL has separate Code of Conduct and Ethical Guidelines for the Board and employees of the Bank. The basic premise of the code of conduct is that each employee, while on the payroll of EBL, shall place EBL ahead of his/her personal interest. Highlights of our Code of Conduct and Ethical Guidelines are as follows:

- **Compliance of laws:** All our employees are to follow and comply with the laws of the land and internal rules and regulations of the Bank.
- **Integrity of records:** All our employees are expected to maintain books and records with integrity and ensure accuracy and timeliness of all transactions. They should shore up the privacy of the customers' affairs. Then as well, employees must not divulge the Bank's plans, methods, and activities, considered by the employer to be proprietary and classified 'confidential'. Moreover, employees are not expected to disclose such information without proper authorization.
- **Misappropriation of assets:** No employee shall convert any funds and properties which are not legitimately theirs to their own use and benefit, nor deliberately assist another person in such exploitation.
- **Conflict of interest:** Employees must not use their position in the Bank for personal emolument or to obtain benefits for themselves or members of their families or friends. Employees who are members of different school boards, society, and recreational clubs should be aware of conflicts of interest and should declare any such conflict.
- **Speculation in stocks:** Employees and their dependents should not speculate/trade in stocks, shares, securities or commodities of any description nor are connected with the formation or management of a joint-stock company.
- **Honesty and integrity:** Our employees are expected to act honestly and with integrity at all times. They should act uprightly and equitably when dealing with the public and other employees of the Bank.
- **Acceptance of gift:** Our employees are highly discouraged to accept gifts, benefits (cash or kind) or facilities from customers or persons having business interest with the Bank. If an employee has to receive any such thing for the sake of mutually beneficial relationship, he or she must disclose it with his/her line manager.

### Compliance of code of conduct and ethical guidelines

The Board of Directors complies with all applicable laws and regulations of the land and with the Memorandum and Articles of Association of the Bank and the policies of the Bank adopted by the Board from time to time.

All the employees are committed to adhere to the Code of Conduct and are expected to demonstrate highest level of ethical standards. They are also expected to undertake at all times to comply with or adhere to all applicable laws and regulations of the country, policies and instructions of the Bank, wherever they operate.

### Effective anti-money laundering and anti-terrorism program

For effective anti-money laundering and anti-terrorism program, EBL has formed Central Compliance Committee (Triple C) comprised of CAMLCO, Deputy CAMLCO, Heads of Corporate Banking, Retail & SME Banking, Operations, CRO, HR, Cards Operations, IT and Monitoring according to 1.3 KA of BFIU Circular 19 dated 17 September 2017. The roles of Central Compliance Committee (Triple C) are defining and developing AML /CFT compliance policies, strategies & programs aligned with international and national standards and regulations and evaluate the same from time to time, supervising the effective implementation of AML/CFT annual program of AMLD jointly with CAMLCO, meeting at least quarterly to review policies, assessing overall compliance status of the Bank and issue directives in this regard, submitting half yearly Reports to MD & CEO on progress of implementation of AML/CFT related measures with recommendations, directing AMLD to issue instructions for adherence by branches and departments relating to policy and procedures on KYC/CDD/EDD, Transaction Monitoring/Screening, etc. and nominating BAMLCOs/DAMLCOs having requisite skill sets, experience and rank. Triple C meetings have been executed quarterly and decisions taken in these meetings have been implemented timely. Specialized trainings have been arranged for BAMLCOs/DAMLCOs for AML/CFT measures.

EBL has formed Anti-Money Laundering Department in compliance with 1.3 KHA of BFIU Circular No. 19 dated 17 September 2017 to describe the legal controls that are required to prevent, detect, and report money laundering activities. AMLD has been developing AML System for ensuring name screening and transaction monitoring for effective implementation of anti-money laundering and anti-terrorism strategies in which phase 1 (a) is live from 18th July 2019. Head of AMLD shall directly report to the CAMLCO and implement actions directed by Triple C in order to ensure AML & CFT compliance throughout the Bank. AMLD arranged Training for 1467 employees to raise their AML/ CFT awareness in 2019. EBL's Money Laundering and Terrorist Financing Risk Management Guidelines 2016 has been replaced by new Money Laundering and Terrorist Financing Risk Management Policy which is aligned with BFIU Circular No. 19 dated 17 September 2017 and subsequent regulatory directives.

### Whistleblowing and anti-fraud program

Whistleblowing and Anti-fraud program is a necessity in a financial institution to fight against fraud-forgery and corruption. EBL has Speak up Policy which ensures raising concerns on good faith through reporting to authorities concerned of any suspected misdeed or offence within EBL. The whistle blower may speak in person, in writing, via email or over telephone.

EBL has Fraud and Theft Risk Prevention and Management Policy. The primary objective of this policy is to develop an environment that assist in preventing fraud, including misappropriation, abuse & corruption and theft risks across the Bank.



Internal Control & Compliance Division (ICCD) under supervision of Head of ICC establishes and maintains an effective internal control system throughout the Bank with respect to fraud/theft risk. ICCD also conducts surprise audit or investigations along with regular audit as instructed by the Board or Audit Committee of the Bank and submits reports with observations and recommendations to the Audit Committee at a regular interval.

### Compliance with secretarial standards

The Institute of Chartered Secretaries of Bangladesh (ICSB) has framed and issued Secretarial standards to streamline and standardize the diverse secretarial standards currently in uprising. ICSB recognizing the need for integration, harmonization and standardization of diverse secretarial practices, has constituted the Secretarial Standard on Board (SSB) for implementation of Secretarial Standards of Board of Directors (BSS-1), Secretarial Standards on General Meeting (BSS-2), Secretarial Standard on Minutes (BSS-3) and Secretarial Standard on Dividend (BSS-4) with the objective of formulating Bangladesh Secretarial Standards.

The Board of Directors of EBL in the Board Meeting held on 27 December 2017 discussed and accorded approval to the Management's proposal for adopting the Bangladesh Secretarial Standards (BSS) of ICSB.

### Governance of Board of Directors of subsidiary company

EBL has fully complied with the following provisions BSEC Corporate Governance Code regarding governance of Board of Directors of Subsidiary Company:

- At least one Independent Director of EBL is a Director on the Board of the subsidiary Company.
- The minutes of the Board meeting of the subsidiary Company are being placed for review at the following Board meeting of EBL.
- The Board of Directors of EBL reviews the affairs of the subsidiary company and it has been duly stated in minutes of the respective Board meeting.
- The Audit Committee of EBL reviews the Financial Statements, in particular the investments made by the subsidiary Company.

### Human capital

Employee first is the bracing motto of EBL. Our core brand has always been our employees, appreciated for their passion to perform. For us employees are the best brand. Our Human Resources Department is also the first in Bangladesh to achieve ISO certification for its commitment to quality HR Practice in People Management.

The details discussion on the Bank's Human Capital has been presented in **"EBL: Home of Happiness"** section under **"Management Discussion & Analysis"** of this report.

### Communication with stakeholders

- **Communication with shareholders:** The assigned desk under Company Secretariat plays an important role to make effective communication with its shareholders and other stakeholders. Shareholders and other stakeholders of the Bank may contact

to this Department during office hour for any sort of information and queries. Common services include but not limited to allow or rejection of transfer or transmission of shares, issue of duplicate certificates, allotment of shares issued from time to time, opening and operation of bank accounts for payment of dividend, redemption of paper shares and the listing of securities on stock exchanges etc. Furthermore, EBL provides updated information in its website from time to time for the shareholders and other stakeholders of the Bank.

- **Policy on ensuring participation of shareholders at AGM:** To ensure effective participation of shareholders in AGM, EBL publishes notice of AGM in daily newspapers with necessary details within reasonable time-frame. The AGM normally takes place in a well-known place and at convenient time. Annual Reports are circulated as per the provision of Companies Act 1994 and related Notification issued by BSEC, so that shareholders would get sufficient time to go through the report and freely provide their valuable comments and suggestions in the AGM. The Glimpses of the 27<sup>th</sup> AGM have been presented in **"Stakeholders Information"** section of this annual report.
- **Redressal of shareholders complaints:** Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, and dividends timely and other share related matters is resolved lawfully in time.

The Company Secretary of EBL plays the role as a Chief Compliance Officer in handling any such issue related to our shareholders, investors etc.

### Environmental and social obligations

We believe that every small "GREEN" step taken today would go a long way in building a greener future. As an environment responsive Bank we initiated Go Green campaign. EBL is the first Bank to claim refinance from the Central Bank for carbon credits. A detailed description regarding environmental and social obligation has been presented in **"Sustainability Report"** and **"Corporate Social Responsibility"** sections of this Annual Report.

### Internal controls: the watchdog of transparency and accountability

Internal Control & Compliance Division (ICCD) of EBL is committed to consistently meeting organizational goals for operational effectiveness and efficiency, accurate reporting, and compliance with laws, regulations and policies. Internal control system is comprised of all of the financial, operational and other control systems which are used across all areas within the Bank. Generally, employees at the department-level are primarily responsible for internal control in their departments and hence, participation of every individual is vital. Prime responsibilities of ICCD is to ensure monitoring, follow-up, independent evaluation and timely reporting to management levels systematically in order to ensure that all the bank activities are performed in accordance with applicable policies, methods, instructions and limits.

ICCD monitor, examine and review the control activities of the various departments of the Bank on an on-going basis to assess

the effectiveness of the controls and recommend corrective actions where required. Internal control facilitates effectiveness and efficiency of operations, reduces the risk of asset loss, and helps to ensure compliance with laws and regulations.

Preventive control measures are prioritized to keep the Bank on the rails. These controls are designed to deter the occurrence of an undesirable event. Detective controls are designed to identify operational weaknesses and help effect corrective actions. Control activities normally cover all key areas of the Bank and address items such as organizational structures, committee compositions and authority levels, officer approval levels, access controls (physical and electronic), audit programs, monitoring procedures, remedial actions, and reporting mechanisms. These control measures help Bank to identify potential risk issues before exposing wide open to it.

Despite of tireless effort, ICCD can provide only reasonable assurance - not absolute assurance regarding the achievement of objectives. Collective effort of the Bank can corroborate compliance culture, drive toward its objectives and the achievement of its mission, and minimizes surprises along the way.

As per the 'Guidelines on Internal Control & Compliance in Banks' issued by Bangladesh Bank vide BRPD Circular No. 06 dated 04 September 2016, the Head of ICCD is reporting to the Managing Director & CEO. However, the Head of Audit, although being a part of ICCD administratively, is reporting directly to the Audit Committee of the Board and will be responsible to the Audit Committee of the Board.

Depending on the size and complexity of operations of the Bank, ICCD of EBL comprises of four departments namely: Audit, Monitoring, Compliance, and Legal.



**Audit department:** Audit Department of EBL is applying risk based internal audit methodology for doing their audit functions. Under risk-based internal audit, the focus shifts from the full-scale transaction testing to risk identification, prioritization of audit areas and allocation of audit resources in accordance with the risk assessment. The key role of internal audit is to independently and objectively evaluate and report on the effectiveness of an entity's risk management, control, and governance processes. Internal audit of EBL is conducted based on Annual Audit Plan structured on a risk based approach and approved by the Audit Committee of the Board to provide vital information about risks and controls to assist the management in the following ways:

- Identification of gap in policy and procedures with the business and its operation.

- Identification of breach in policy and procedures against internal and regulatory policies & procedures.
- Assessment of qualitative and quantitative risk of the business.
- Recommending remedial course of actions, where necessary.

The audit department of EBL is independent from the internal control process in order to avoid any conflict of interest and it is given appropriate standing within the Bank to carry out its assignments. The management of EBL ensures that the internal audit staff performs their duties with objectivity and impartiality.

**Results and status of internal audit in 2019:** In 2019, 85 branches, 54 divisions/departments/units and 2 subsidiaries were audited by the audit department of the Bank as per audit plan. After finalization of audit report, audit rating is calculated based on audit findings and as per EBL Audit Policy and Guidelines. Those Audit ratings are informed to the related management with audit report.

Major audit findings include but not limited to different types of operational lapses due to human error, non-compliance of internal policies or circulars, lack of thorough knowledge about relevant laws and regulations etc. The deficiencies identified during the audits are notified to the appropriate level (business/support heads) and significant audit findings are reported to the Managing Director & CEO and to the Audit Committee of the Board.

In 2019, most of the branches, division/departments/units got satisfactory audit rating. Following are the highlights of 2019 and projection for 2020:

Year	No. of Branches	No. of divisions/ departments/units	No. of subsidiaries
2019 (Planned)	85	54	4
2019 (Actual)	85	54	2
2020 (Planned)	85	53	4

**Monitoring department:** The monitoring department ensures overall efficacy of EBL's internal control on a perpetual basis. Monitoring of key risks is a part of the daily activities of the Bank as well as periodic evaluations of the business lines and supporting units. The frequency of monitoring diverse activities of our Bank is determined by considering the associated risks and the frequency and nature of deviations occurring in the operating environment.

Monitoring consists of the following interrelated elements:

- Establishment of the control and compliance culture;
- Risk recognition and assessment;
- Control activities and segregation of duties;
- Information and communication; and
- Operational activities and correcting deficiencies.

Some of the major tools and functions used by monitoring department are:

- Off-site Supervision through system generated reports and archives.
- Departmental Control Function Checklists (DCFCL) for department/branch.
- Quarterly Operations Report (QOR) monitoring.

- Prime Risk Indicator (PRI).
- Branch/department spot check/ surprise check etc.
- Counterparty limit (Banks and NBFIs) and Dealers' Limits.
- Value at risk (VaR), exchange position limit, forward swap gap limit, CRR & SLR.
- Self-assessment of anti-fraud internal controls on half yearly basis as per DOS circular letter no. 10 dated 09 May 2017 and reporting to DOS after getting compliance certification from respective areas of the Bank.

All monitoring functions are adequately documented and reported on a timely basis to the appropriate level of management.

**Compliance department:** This unit is entrusted to ensure that Bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all levels and notify the other units/departments regarding the regulatory changes. Some major tasks of this unit are as follows:

Compliance department ensures that EBL upholds compliance culture by following applicable rules, regulations, guidelines and policies that make up from regulatory environment and the Bank itself. This department is entrusted with the responsibility of addressing the practice of obligatory laws, rules, and guidelines in every units of the Bank. They maintain liaison with the regulators at all levels and notify the other units/departments regarding the regulatory changes.

Some major functions of this department are as follows:

- Work as contact point of Bangladesh Bank and other regulators.
- Ensure proper implementation of all regulatory policies of Bangladesh Bank.
- Respond to queries of Bangladesh Bank and ensure meticulous compliance of their recommendations.
- Ensure compliance of internal and external audit observations and follow-up if necessary.
- Ensure compliance of various queries of regulatory body's like- Tax Authority, Anti-Corruption Commission, Ministry of Finance, Law enforcing agencies and other regulators.
- Advice and guide departments and branches in resolving various compliance issues.
- Checking whether the appropriate policies include (a) top level review, (b) appropriate activity controls for different departments and divisions, (c) system of approval and authorizations, (d) appropriate segregation of duties and personnel are not assigned with conflicting responsibilities.

**Legal department:** Legal department of ICCD safeguards the Bank by ensuring legal support to all of its branches and departments. It performs drafting, vetting and streamlining of various agreements and contracts for all business and support functions of the Bank. It supervises and monitors the legal issues/cases by and against the Bank and ensures appropriate legal assistance on a diverse range of substantive and procedural questions of law.



Team EBL at ICMAB Best Corporate Award 2018 program

### BSEC Code for Corporate Governance: Our Compliance Status

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's (BSEC) through Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows (as per Annexure-C):

#### Report under Condition No. 9.00:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
<b>1.</b>	<b>Board of Directors</b>			
<b>1(1)</b>	<b>Size of the Board of Directors</b> The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2) (a)	At least one-fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	✓		
1(2) (b)	Independent Director means a Director-			
1(2)(b)(i)	Who does not hold any Share in the Company or holds less than One Percent (1%) Shares of the total Paid-Up Shares of the Company;	✓		
1(2)(b)(ii)	Who is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company:  Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies.	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) Holder, Director or Officer of any Stock Exchange;	✓		
1(2)(b)(vi)	Who is not a Shareholder, Director excepting Independent Director or officer of any member or TREC Holder of Stock Exchange or an Intermediary of the Capital Market;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit firm or Audit Firm engaged in Internal Audit Services or audit firm conducting special Audit or Professional certifying compliance of this Code.	✓		
1(2)(b)(viii)	Who is not Independent Director in more than 5 (five) listed Companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI).	✓		
1(2) (b) (x)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		
1(2) (c)	The Independent Director (s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1(3)(b)	Independent Director shall have following qualifications:			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	-		As the Independent Directors were continuing, the requirement of this code could not be complied for them.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk.100.00 million or of a listed Company; or			N/A
1(3)(b)(iii)	Former official of the Government or Statutory or Autonomous or Regulatory Body in the position not below 5th Grade of the National Pay Scale, who has at least educational background of Bachelor Degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive Directors of the Company;	✓		
1(4)(d)	The Board shall clearly define respective Roles and Responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes of the Board Meeting.	✓		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		Please refer to MD&A Section
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Discussion on interest income, expense, operating and net profit provided.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Please refer to Annexure C & C1
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the Directors including Independent Directors;	✓		Please refer to Note 33 of FS.
1(5)(xi)	A statement that the financial statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Departure has been adequately explained in Note 2.1 to the Financial Statements.
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority Shareholders have been protected from abusive actions by, or in the interest of, controlling Shareholders acting either directly or indirectly and have effective means of redress;	✓		Please refer to Directors' Responsibility Statement
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		No doubts upon EBL's ability to continue as a going concern.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1(5)(xxiii)	A Report on the pattern of Shareholding disclosing the aggregate number of Shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiii)(c)	Executives; and	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiv)(a)	A brief Resume of the Director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the Directorship and the membership of committees of the Board;	✓		Please refer to Annexure C of the FS.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		Please refer to Managing Director & CEO's Review and MD&A Section
1(5)(xxv)(a)	Accounting Policies and estimation for preparation of Financial Statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		
1(5)(xxv)(g)	Future Plan or Projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the Shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or Certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b> ;	✓		
1(5)(xxvii)	The Report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b> .	✓		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
1(6)	The Company shall conduct the Board Meetings and record the Minutes of the Meetings as well as keep required Books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7) (a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company;	-		Please refer to the Condition No. 6
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company.	-		
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		EBL Finance (HK) Limited [Reg: Hong Kong] complied with the same as per their respective Rules & Regulations.
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the subsidiary Company;	✓		
2(c)	The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;	✓		
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company;	✓		
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary Company.	✓		
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
3(1)(d)	The Board shall clearly define respective Roles, Responsibilities and Duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange (s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:			Please refer to the Statement on Integrity of FS by MD & CEO and CFO
3(3)(a)(i)	Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee			
4(i)	Audit Committee; and	✓		Please refer to the Condition No. 6
4(ii)	Nomination and Remuneration Committee.	-		
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive Directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director ;	✓		
5(2)(c)	All members of the Audit Committee should be 'Financially Literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		No such instance as yet
5(2)(e)	The Company Secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The Quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director ;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	✓		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		
5(4)(b)	The Quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	✓		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	✓		
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall Report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately Report to the Board on the following findings, if any:	✓		
5(6)(a)(ii)(a)	Report on Conflicts of Interests;	-		No such instance as yet
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements;	✓		
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory compliances including Securities related Laws, Rules and Regulations; and	-		No such instance as yet
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		Do
<b>5(6)(b)</b>	<b>Reporting to the Authorities</b>	-		No such instance as yet
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall Report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	✓		
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC)</b>	Unresolved Issue (Could not be complied due to Bangladesh Bank's Guidelines)		
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors, top level executive;	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5) (b).	-		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All members of the Committee shall be non-executive Directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	-		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders;	-		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the Shareholders	-		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;	-		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	-		
6(5)(b)(i)(c)	Remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	-		
6(5)(b)(ii)	Devising a Policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5)(b)(iii)	Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board;	-		
6(5)(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	-		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
<b>7.</b>	<b>External or Statutory Auditors</b>			
7 (1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial Information Systems design and implementation;	✓		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-Dealer Services;	✓		
7(1)(v)	Actuarial Services;	✓		
7(1)(vi)	Internal Audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	✓		
<b>8.</b>	<b>Maintaining website by the Company</b>			
8(1)	The Company shall have an Official Website linked with the website of the Stock Exchanges.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.	✓		
9 (3)	The Directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors' report whether the Company has complied with these conditions or not.	✓		



কে. এম. হাসান এন্ড কোং  
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Chartered Accountants

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## **Report to the Shareholders of Eastern Bank Limited on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Eastern Bank Limited (EBL) for the year ended on 31<sup>st</sup> December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

- a) The bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The bank 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;
- c) Proper books and records have been kept by the bank as required under the Companies Act, 1994, the Securities Laws and other relevant laws;
- d) The governance of the bank is satisfactory.



Place: Dhaka  
Dated: 15 April 2020

For **K. M. HASAN & CO.**  
Chartered Accountants

Partner  
Md. Shahidul Islam ACA